

MEDIA RELEASE

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Lots of announcements – but housing approvals are still going backwards in NSW

Urban Taskforce CEO, Tom Forrest, said today that ABS housing approvals data released for November shows that on an annualised basis, the NSW housing approvals figures continue to be the **worst in a decade** – by a long way, and getting worse.

A mere 46,491 new dwelling approvals were issued in NSW in the 12 months to November 2023.

NSW new dwelling Approvals data - Released by ABS 9/01/2024	Apartments (multi unit dwellings)	Approvals Stand alone homes	Total Seasonally Adjusted
12 months till end Nov 2023	23,880	22,611	46,491
12 months till end Nov 2022	25,588	27,615	53,203
12 months till end Nov 2021	31,204	31,220	62,424
12 months till end Nov 2020	24,049	25,688	49,737
12 months till end Nov 2019	26,868	25,692	52,560
12 months till end Nov 2018	37,161	31,118	68,279
12 months till end Nov 2017	42,669	29,636	72,305
12 months till end Nov 2016	46,600	29,800	76,400
12 months till end Nov 2015	43,286	27,607	70,893
12 months till end Nov 2014	29,838	24,812	54,650

Source: ABS, *Building Approvals*, 9 January 2024, Series 8731001

The month-by-month figures show there has only been one solid month of approvals from the NSW planning system since the NSW election, and even the performance in May 2023 is no-where near enough to deliver against the National Housing Accord.

Last 13 months in NSW - month by month approvals data			
	Multi Unit Dwellings	Houses	Total
Nov-2023	1,596	1,848	3,460
Oct-2023	1,852	1,846	3,717
Sep-2023	1,499	1,950	3,449
Aug-2023	1,833	1,871	3,704
Jul-2023	1,608	1,832	3,440
Jun-2023	1,614	1,848	3,462
May-2023	4,657	1,842	6,499
Apr-2023	2,196	1,878	4,074
Mar-2023	1,578	1,873	3,451
Feb-2023	1,309	1,943	3,252
Jan-2023	815	1,778	2,593
Dec-2022	3,288	2,102	4,484
Nov-2022	1,359	2,227	3,586

Source: ABS, *Building Approvals*, 9 January 2023, Series 8731001

Over the last six months, the NSW Planning System has delivered less than half the number of approvals needed to meet the National Housing Accord commitments.

The National Housing Accord target of 377,000 new home completions over 5 years from July 2024 will require around 90,000 approvals in NSW each year*. This is equal to 7,500 each and every month.

We saw some strong policy moves on Planning Reform to drive housing supply in December last year:

- Low and Medium Density reform within 400m of any Transport Node
- Transport Oriented Development precinct reform for 8 major Tier 1 precincts
- Transport Oriented Development reform for another 31 Tier 2 nominated heavy rail and metro stations
- The release of the details of the Affordable Housing bonus changes to the Housing SEPP.

This is all good, but there remains resistance from some Councils and getting these changes to the regulations is taking too long. There is a distinct lack of urgency from many in the NSW Government.

Despite strong leadership from the Premier on housing supply, the Minns Government's quest to deliver on housing supply has not been helped by conservative thinking in government agencies and the lack of infrastructure funding from the Commonwealth.

This is surprising because the National Housing Accord is the child of the Albanese Government. The Albanese Government will face an election sometime before the end of September 2025. It is the Albanese Government that has pumped up immigration numbers to revive the economy, while cutting infrastructure funding for the states.

2024 must be the year for implementation of these planning reforms. Even if it is – there is much more to do to reach these significant targets.

The rising cost of construction (35% increases over 2 years) is now starting to settle – but costs are not going down. Fees taxes and charges continue to add to the cost of new homes, and the NSW planning system remains the slowest in the land, notwithstanding the recent policy announcements.

* (Note: not all approvals result in completions as some approvals are not considered feasible by the banks and financiers once they consider the time to secure all approvals, rises in the construction costs, increasing fees, taxes and charges and risk associated with interest rates).

The comments and analysis above can be attributed to Tom Forrest, CEO, Urban Taskforce.

The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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