

MEDIA RELEASE

4th April 2024

ABS housing approvals data for February shows a dry housing supply pipeline

Urban Taskforce CEO, Tom Forrest, said today that everyone now agrees there is a supply crisis, and everyone says they are on board with the need for more housing supply to fix the crisis, but the numbers show that the pipeline of housing supply is dry.

With less than 100 days until the start of the National Housing Accord, which kicks in on July 1 this year, ABS housing approvals data for NSW for February 2024 showed no sign of improvement and should act as a wake-up call to the Albanese Government to allocate billions in next month's budget to housing enabling water and roads infrastructure.

Key annualised data for the 12 months to February revealed, for the third month in a row, the **worst performance in the last decade**, with both detached housing and apartment approvals hitting decade lows. You can't build new homes without building approvals, so the delivery pipeline is running dry.

Little over 45,000 new dwelling approvals were issued in NSW in the 12 months to February 2024.

NSW new dwelling Approvals data - Released by ABS 04/04/2024	Apartments (multi unit dwellings)	Approvals Stand alone homes	Total Seasonally Adjusted
12 months till end Feb 2024	23,111	21,981	45,092
12 months till end Feb 2023	24,346	26,621	50,967
12 months till end Feb 2022	31,296	30,199	61,495
12 months till end Feb 2021	24,407	27,865	52,272
12 months till end Feb 2020	25,828	24,266	50,094
12 months till end Feb 2019	33,100	30,406	63,506
12 months till end Feb 2018	42,330	30,331	72,661
12 months till end Feb 2017	46,557	29,723	76,280
12 months till end Feb 2016	42,633	28,292	70,925
12 months till end Feb 2015	32,398	25,150	57,548

Source: ABS, Building Approvals, 4 April 2024, Series 8731001

To get anywhere near the National Housing Accord targets, NSW needs to be approving around 90,000 dwellings each year (7,500 approvals a month)*. We are currently running at 50% off the pace required.

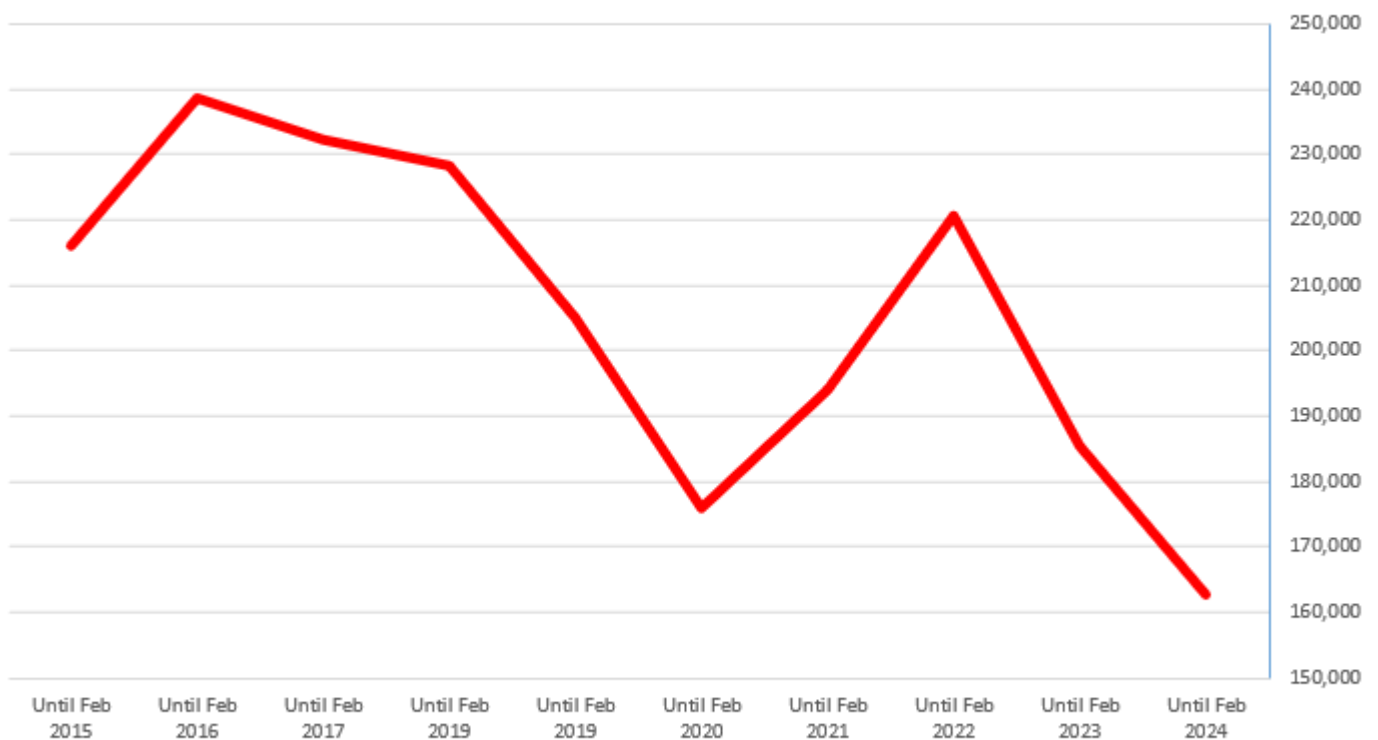
The national data is no better. To achieve the National Housing Accord target of 1.2 million new homes completed over 5 years, we need to see 240,000 new homes delivered across Australia each year. Today's figures show that there were only 162,750 new dwellings completed in the last 12 months.

The national data mirrored NSW's poor performance and is a huge wake-up call to the Albanese Government to back the States in next month's budget with a significant investment in housing enabling infrastructure.

The Commonwealth has set the National Housing Accord, it has set immigration levels and seen record numbers arrive. They have benefitted from the taxation revenue generated by the

employment of these skilled migrants. However, the Commonwealth is yet to make a significant commitment towards delivering the housing the nation needs.

National new dwelling approvals data - decade until 2024



Source: Australian Bureau of Statistics, Building Approvals, Australia, Table 06. Number of dwelling units approved, by sector, all series - Australia

A greater commitment from the Commonwealth will improve confidence in the private sector which will need to build more than 95% of the new homes required under the Accord. Lifting confidence, along with the finalisation of key planning reforms, will hopefully see more development applications for new housing flow in.

Then it is up to the States and local councils to ensure they expedite these applications.

It will take greater effort from all levels of Government to solve the housing supply crisis and deliver the homes that are so desperately needed.

* (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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