

02 September, 2024

ABS housing approval data – Apartment approvals up, many more needed

Stephen Fenn, Acting CEO of the Urban Taskforce, today said that, while apartment approvals show a positive uptick the overall approvals are half of what is needed to address the National Housing Approval targets.

The first month's data of the National Housing Accord shows multi-dwelling approvals at their highest in a year, but this comes off a low base.

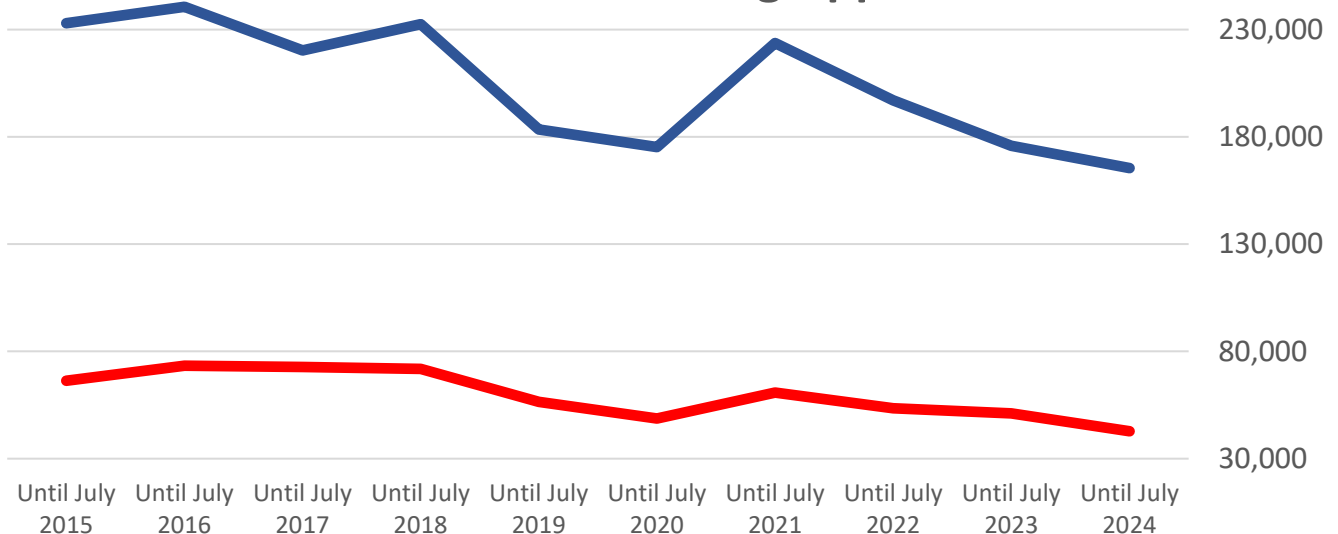
The latest figures from the Australian Bureau of Statistics show a monthly uptick in multi-unit dwelling approvals for NSW for the month of July. While this represents the highest amount in over a year, it is part of a continuing annualised decline, both nationally and in New South Wales.

The annualised data still paints a grim picture, with decade-low approval rates continuing to slide deeper as we start to measure the first month of the housing accord. While this is an encouraging sign, more needs to be done to allow the private sector to deliver the housing expected by the State Government.

In order to right the systemic failure within the planning process to generate viable Development Applications that are necessary for new construction, Government must streamline cumbersome planning reforms and onerous building regulations, while reducing fees, taxes, charges and imposts on housing delivery.

The fact is, well-intentioned planning reforms have been slow to materialise and are overly complex. They are further burdened by new taxes on affordable housing that, ultimately, drive up costs for potential homeowners. This has hindered the reforms' effectiveness, particularly in a construction sector already grappling with rising costs.

Annualised Dwelling Approvals



Source: ABS, 8731.0 Building Approvals, Australia, Table 01. Number of Dwelling units approved, by sector, all series - New South Wales, and Table 06. Number of Dwellings units approved, by sector, all series - Australia, released 02/09/2024

— NSW

In July 2024, NSW witnessed 2,051 multi-unit dwelling approvals, 31% higher than last month, but more telling, 25% higher than July 2023. Overall dwelling approvals (single and multi-dwelling) increased by 764 units from the previous month, and 385 from July 2023. These numbers will need to more than double if we are to reach the monthly National Housing Accord targets for NSW. With a goal of 377,000 housing completions by mid-2029, NSW will need to reach around 7,800 monthly approvals in order to see around 6,300 monthly completions and reach the quote of 75,400 a year.

NSW dwelling approvals - previous 13 months - ABS Release: 02/09/2024

	Multi-unit Dwellings	Houses	Total
July 2024	2,051	1,740	3,791
June 2024	1,408	1,619	3,027
May 2024	1,777	2,016	3,793
April 2024	1,701	1,851	3,552
March 2024	1,689	1,918	3,607
February 2024	1,813	1,947	3,760
January 2024	1,337	1,704	3,041
December 2023	1,655	2,100	3,755
November 2023	1,576	1,937	3,513
October 2023	1,860	1,910	3,770
September 2023	1,448	2,023	3,471
August 2023	1,799	1,897	3,696
July 2023	1,536	1,870	3,406

ABS, 8731.0 Building Approvals, Australia, Table 01. Number of Dwelling units approved, by sector, all series - New South Wales, released 02/09/2024.

Looking at the broader trend over the past decade, the situation appears even more dire. The annualized total of approvals for the twelve months ending in 2024 has slumped to just 42,776—a stark contrast to the system's capacity, which in years past (2016-2018) exceeded 70,000 approvals annually. To meet the National Housing Accord's targets, NSW would need to see approval numbers soar to around 90,000 annually.

NSW annualised dwelling approvals - ABS Release: 02/09/2024

	Multi-unit Dwellings	Houses	Total
12 months till end July 2024	20,114	22,662	42,776
12 months till end July 2023	26,612	24,475	51,087
12 months till end July 2022	25,149	28,329	53,478
12 months till end July 2021	30,192	30,640	60,832
12 months till end July 2020	24,542	24,192	48,734
12 months till end July 2019	28,153	28,340	56,493
12 months till end July 2018	41,377	30,513	71,890
12 months till end July 2017	43,059	29,676	72,735
12 months till end July 2016	44,052	29,276	73,328
12 months till end July 2015	39,646	26,617	66,263

ABS, 8731.0 Building Approvals, Australia, Table 01. Number of Dwelling units approved, by sector, all series - New South Wales, released 02/09/2024.

What is needed is a radical overhaul in government strategy, urging local councils and the State Government to remove barriers to development by reforming regulations around building heights, density, and land use. Mere adjustments to existing policies would be insufficient to address the deepening crisis. Instead, a comprehensive government-wide shift in approach is essential, one that prioritises housing delivery and embraces innovative solutions to meet the urgent demand for new homes.

Students, new families, immigrants, and vulnerable populations are all relying on swift and decisive action to alleviate the housing shortage. It's clear that without significant changes, the state's ability to meet its housing commitments will remain in jeopardy.

End

*The comments and analysis above can be attributed to **Stephen Fenn**, 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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