

Media Release



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NSW Needs More New Houses to Avert an Affordability Crisis

The Urban Development Institute of Australia NSW (UDIA NSW) believes New South Wales needs to build 40,000 new homes each year if it is going to avert a prolonged housing affordability crisis. NSW is presently producing only 25,000 new apartments and houses per year. As a result, Sydney faces one of the world's least affordable housing and rental markets.

Stephen Albin, UDIA NSW CEO said, "Based on population growth rates, NSW needs 40,000 homes per year to meet demand. Demand has been outstripping supply since 2004 in NSW and as every year passes houses have become less affordable. "

Recent commentary on apartments versus new houses does not take this looming crisis into consideration.

"The debate on apartments versus new homes is academic. What we need is choice and more apartments and houses to be built. You can't pick arbitrary numbers and try to influence market behaviour. This has been tried and unequivocally failed since 2004. The new homebuyer always loses out in this equation." Mr Albin said

Recently, NSW Premier Mr O Farrell announced the release of an additional 13,000 new lots in Sydney's north and south west. There has also been an announcement that the Government will undertake a comprehensive review of the Environmental Planning & Assessment Act 1979 (EP&A Act).

"The Government has recognised that there are not enough houses being built in the State and is systematically implementing measures to avert an affordability crisis. They have started off on the right track and need to be congratulated for trying to address a problem that has been around since 2004". Mr Albin said

In anticipation of the Government's Planning Review Forum, UDIA NSW believes there is a need to address the State's housing crisis, advocating that the issue needs to be first and foremost on the Minister's agenda in reforming the planning system.

Mr Albin said "This is a once in a decade opportunity to fix up a planning system that has stifled investment, generated the highest compliance costs in Australia and lost legitimacy amongst the community."

These announcements come at a crucial time as the development industry struggles to meet underlying demand for housing. UDIA NSW believes these announcements are a positive step forward and will be a platform for the industry to increase housing supply and affordability in the Sydney Region and the State more generally.

For Media Enquiries, please contact:

UDIA NSW
02 9262 1214

For Media Comment, please contact:

Stephen Albin
0431084651