

Media Release



16 December 2008

New Dwelling Commencements – Disastrous Result for NSW Economy

The Urban Development Institute of Australia (UDIA NSW) has today called for immediate and dramatic intervention in the NSW housing market by the NSW Government in response to the release of dire dwelling commencement data by the ABS. UDIA NSW Chief Executive Nick Duncan said that, “NSW has just recorded its worst quarter for new dwelling commencements on record. Only 6112 new homes were started in NSW in the September quarter compared with 11,326 in Victoria. In the last fifteen months alone we’re more than 18,000 dwellings behind Victoria and 20,000 behind Queensland. The impact of the highest levies and charges in the country has all but destroyed new housing activity in NSW.”

Mr Duncan said that, “levies and taxes now compromise more than 27% of the cost of a new house and land package in Western Sydney. New homebuyers in Western Sydney are paying seven times more in levies and charges than they would in Melbourne. It’s no surprise we’re producing less homes now than we were fifty years ago.”

Mr Duncan said that, “these dwelling commencements figures are the latest in a series of pretty dismal results for new homebuyers. This trend existed well before the current credit crisis. We are already coming off a base of record-low starts due to major structural problems with the Government’s levy framework – this isn’t just a cyclical downturn. The evidence is in and it is clear that the levy pendulum has swung way too far in NSW. With record levels of population growth, we just can’t afford to be producing fewer houses than we were fifty years ago.”

Mr Duncan said that “the industry is optimistic that the message is finally getting through to the Government and that it’s Review of Development Levies will bring some good news for new homebuyers. Without swift and decisive reform to the cost of levies and charges, the NSW Government will be denying new homebuyers in this state opportunities to enter the housing market and importantly, access to the First Home Owners Grant.”

UDIA NSW is a proud advocate of the urban development industry and its customers, the people of NSW. We represent over 500 organisations and our members include developers, regulators, and affiliated professionals. Our advocacy efforts are directed towards three major issues:

- housing affordability;
- investment certainty; and
- sustainability.

For Media Comment, please contact:

Mr Nick Duncan
UDIA NSW A/Chief Executive Officer
(02) 9868 3677

Ms Judy McKittrick
UDIA NSW President
0401 897 759

For Media Enquiries, please contact:

Nichola Amargianitakis
Administration Coordinator
(02) 9868 3677