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MEDIA RELEASE

Affordable Supply the Key for SEQ Housing

A report released this week by the Local Government Association of Queensland provides some important information regarding the housing market in South East Queensland, but a key conclusion the LGAQ draws from the report is not supported by the weight of evidence, claims the Housing Industry Association, the voice of Australia's residential building sector.

"Contrary to what has been claimed, the findings of the report 'Analysis of the Determinants of SEQ Housing Prices' do not refute an under-supply of dwellings in South East Queensland," says HIA Chief Economist, Harley Dale.

"The time series used in the study is too short to confidently estimate relationships on the supply side of the housing market, a point readily admitted by the authors of the report," Harley Dale said.

"Furthermore, the study largely ignores the downward trend in the number of persons per household, a factor which will dramatically increase the true figures for underlying demand for housing in South East Queensland and better highlight the shortage of dwellings."

"The HIA Housing to 2020 project released earlier this year, which provides an analysis of underlying demand and supply conditions for local government areas around Australia, clearly demonstrates that South East Queensland has some of the most acute housing shortages in the nation."

"Six of the twenty local areas with the largest housing shortages in Australia can be found in the south east corner of Queensland, including Brisbane ranked at number one, Beaudesert ranked at number four, and Ipswich ranked at number eight. The Federal Government's National Housing Supply Council has also identified housing shortages in South East Queensland."

"The Local Government Association of Queensland's claim that federal and state governments need to rethink their strategies for the South East Queensland housing market is warranted."

"Supply side obstacles related to land supply, planning delays, inequitable taxes and charges, and a lack of available finance for residential development are large contributors to the weak home building conditions evident in the South East Queensland housing market."

"The longer it takes to address these obstacles within a wider strategy for the region, the more acute the shortage of housing will become," Harley Dale added.

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