

## Poor Housing Affordability in Cities boosts Regional Growth

Despite Australia's international competitiveness being compromised by slower economic growth, an appreciating Australian dollar, and record low housing affordability, overseas migration and regional population growth has provided a welcome boost to the fortunes of Australia's housing industry.

Commenting today on the release of HIA's annual *Population and Residential Building Hotspots* publication, Australia's peak building industry body HIA said that another strong year of overseas migration and a solid spike in Australia's fertility rate saw Australia's total population growth rate jump from 1.2 per cent to 1.3 per cent in the 2005/06 year.

HIA's Executive Director of Housing and Economics, Mr Simon Tennent, noted that, according to the ABS, population growth in regional areas was equal or faster than capital city growth in the three largest States over 2005/06.

"Record low housing affordability in many State capitals has forced an increasing number of first home buyers to relocate into non-metropolitan areas, which in many cases has caused these people to give up their current jobs in the hope of finding a home to start a family," Mr Tennent said.

"In addition, the balance of residential building work is also moving out of capital cities and into non-metropolitan areas, with many building and population 'hotspots' being located in regional centres where housing is considerably more affordable."

### Capital City & Regional Growth - 2005/06

Capital City	Growth Rate 2005/06 (%)	Population Growth 2005/06	Total Population as at June 2006
Sydney	0.9	37,151	4,293,105
Regional NSW	0.9	21,602	2,534,589
Melbourne	1.3	48,953	3,684,461
Regional VIC	1.4	19,549	1,407,205
Brisbane	1.6	29,454	1,820,375
Regional QLD	2.1	46,938	2,233,069
Adelaide	0.9	9,688	1,138,833
Regional SA	0.7	2,872	415,823
Perth	2.0	29,910	1,507,949
Regional WA	1.9	10,010	542,935
Hobart	1.0	1,983	205,510
Regional TAS	0.5	1,289	283,438
Darwin	2.5	2,776	113,955
Regional NT	0.6	508	92,733
Canberra	0.9	3,036	328,441
Regional ACT	-	-	376

Source: ABS



The population of all States and Territories grew over the 2005/06 financial year, with the largest increases occurring in Queensland, Victoria and New South Wales. The fastest growing States and Territories were Western Australia (2 per cent growth rate over 2005/06), Queensland (1.9 per cent growth rate) and the Northern Territory (1.6 per cent growth rate).

In terms of capital cities, the fastest growing over 2005/06 were Darwin (2.5 per cent) and Perth (2.0 per cent). Population grew in all inner city areas except for the city centre of Canberra, where population fell by 1.3 per cent. In regional areas, population growth was strongest in regional Queensland and regional Western Australia.

**CONTACT:**

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