



Housing to 2020

The state of Australian
housing to the year 2020

JELD WEN[®]
AUSTRALIA



Produced by HIA Economics Group

Harley Dale
Chief Economist

Andrew Harvey
Senior Economist

Geordan Murray
Economist

Matthew King
Economist

Kirsten Lewis
Economics Group Coordinator

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<http://economics.hia.com.au>

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Introduction

The HIA – JELD-WEN Housing to 2020 Report provides projections, based on recent trends, of where Australia may house its growing population over the period to 2020. The main results presented in the report include the only publicly available information on housing shortages and surpluses by local government area (LGA). The headline results of the analysis highlight the magnitude of the housing supply challenge Australia now faces.

- The HIA Economics Group estimates that between now and 2020 Australia will require more than 1.6 million new dwellings to be built, an average of 178,900 dwellings per annum.
- On the supply side of the housing market Australia has cemented a long-standing record of underbuilding, averaging only 148,800 completed dwellings per year over the past twenty years.
- If Australia were to continue to complete this level of dwellings per year then by 2020 we would have added a further 271,500 dwellings to the nation’s already large dwelling shortage, taking the overall shortage to 500,900 dwellings. Clearly this situation cannot be allowed to eventuate and a higher average dwelling completion rate is required.
- New South Wales continues to hold the unenviable mantle as the state with the largest housing shortage. In the absence of policy action, the estimates suggest that by 2020, NSW’s cumulative housing shortage could reach 155,700 dwellings, or 31 per cent of the projected national shortage.
- Western Australia, Queensland and Victoria are also projected to have sizeable dwelling shortages by 2020, if these states build at their average annual rate of the past 20 years.
- To reverse the existing housing shortage as well as meet annual demand from now until 2020 would require an annual build rate in excess of 204,000 dwellings. We cannot hope to achieve even close to annual home building levels of this magnitude, but we do need to do much better than the 148,800 new dwelling average of the past twenty years, and indeed the sub-140,000 dwellings HIA estimates were completed in 2010-11.

Improving Australia’s housing supply requires serious reform to reduce the substantial tax burden on new housing, speed up land release, and improve zoning, planning and approvals processes. Without this reform the challenge of overcoming our housing shortage, and the subsequent avoidable pressure on prices and rents, will only intensify.

