

## NEWS

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### Housing supply one million homes short of demand by 2013

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Almost one million new homes will need to be built over the next five years to meet Australia's growing population, according to new research from the Housing Industry Association (HIA).

The research considered Australia's permanent and short-term immigration intake, household formation trends and demolition activity.

Chris Lamont, HIA's chief executive of policy, said the challenge of building almost one million new homes in just five years is essential if demand for owner-occupied, rental, community and social housing is to be met.

"Demand for housing is really biting, as evidenced by record low vacancy rates in the private rental market," Lamont said.

"HIA research confirms that in 2008/09, 190,000 new dwellings are required, which is 40,000 more dwellings than expected production."

Lamont said that demand for housing is being driven primarily by two factors: very strong immigration, and a decline in the number of persons living in each residential dwelling.

Australia's population is growing at historically high levels, with the resident population growing by 332,000, or 1.6%, in 2007. Much of this increase (184,000) was due to growth in net overseas migration, and the growth in net permanent migration is expected to increase by a further 37,500 in 2008/09.

Record migration and demand for housing is being seen in a number of areas, Lamont added, but is most significant in the private rental market, where vacancy rates are hovering at or below 1%.

"Supply must increase rapidly to meet expected demand, particularly in Australia's capital cities," he said.

"Without a substantial increase in production there will almost certainly be a growth in the number of homeless and further affordability woes."

#### Overall estimates of underlying demand:

Year	Underlying demand
2008/09	190,500
2009/10	193,700
2010/11	197,000
2011/12	200,300
2012/13	203,700
5 year total new homes	985,200

#### State housing demand for 2008/09

	Starts 08/09	Underlying demand
<b>NSW</b>	<b>29,140</b>	<b>47,800</b>

<b>VIC</b>	<b>42,380</b>	<b>47,040</b>
<b>QLD</b>	<b>43,700</b>	<b>48,600</b>
<b>SA</b>	<b>11,270</b>	<b>11,000</b>
<b>WA</b>	<b>21,200</b>	<b>28,175</b>

Source: [www.hia.com.au](http://www.hia.com.au)