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**UDIA National welcomes data showing need to bolster housing supply**

**to avoid a massive imbalance and surge in house prices**

The National Housing Finance & Investment Corporation (NHFIC) report “State of the Nation”, released this morning, supports the Urban Development Institute of Australia National’s key policy priorities, and the recommendations in its recent Pre-Budget Submission to the Federal Government.

UDIA National welcomes the findings in the report which highlights to Government the critical importance of moving now to bolster housing supply to avoid a massive imbalance and a further surge in house prices.

“This critical report will be poured over by industry and Government over the coming weeks but what is absolutely clear is the data tells Government that it must act now to avoid the worst impacts as the economy recovers and immigration returns to normal levels,” said Maxwell Shifman, President of UDIA National.

“What is clear from UDIA’s research is that during COVID, even with the drop in demand for new dwellings through reduced migration, the total demand for new and existing housing still outstripped total supply in the market and the increase in housing prices continued unabated. The NHFIC report data confirms that this is likely to only get worse.” Mr Shifman added

For Australia to get back on track with economic growth, both markets and immigration will need to open. Population growth will mean stronger housing demand yet at the same time, housing supply is declining across the country. Housing affordability issues are not a problem of increased population, but simply the symptom of failing to plan for growth. The lag time in developing new housing supply means that, unless the housing market is primed now with strategies to stimulate supply to match demand, we will see increasingly chronic affordability issues across the Australian housing spectrum.

NHFIC estimates that household formation is expected to outpace new supply by a cumulative 163,400 dwellings to between 2025 and 2032. Even the most conservative forecaster can see trouble looming on the horizon unless Governments act now to bring supply on line.

One of the key constraints in greenfield housing markets is a lack of infrastructure serviced and development-ready greenfield land. Governments can move quickly to correct this problem. Work also needs to be done to reduce time to market on new infill projects, particularly apartments, where new approvals are at decade lows.

With the current difficulties and timeframes the development sector faces in bringing new supply to the market, there is no time to waste.

Unless Governments move to act now with measures to boost housing supply across the continuum, we are going to see increasing prices, greater financial pressure on families and more people being pushed towards Government housing services. This will only make the problem harder to solve down the road.

UDIA National encourages all Governments to take on board the findings of the report and move quickly to bring on-line supply boosting measures that can ensure a home for all Australians.

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