



*the voice of the industry*

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## Housing Australians @ 25 million

"The population clock has ticked over to 25 million sooner than predicted and it is more important than ever that housing supply is kept strong to ensure affordable housing for future generations," HIA Deputy Managing Director, Graham Wolfe said today.

"In 2002, the first Intergenerational Report estimated that Australia would reach a population of 25.3 million in 2042. The 2007 report suggested this target would be reached in 2027. By 2010, our population was 22 million and the IGR estimated the population would exceed 25 million by 2020.

"Australia's population is set to break the 25 million milestone just after 11pm tonight.

"Clearly growth has occurred faster than the experts predicted. The latest Intergenerational Report (2015) now predicts that Australia's population will reach 39.7 million by 2055.

"If these predictions are to be realized we must find a way to keep new, affordable homes coming into the market to ensure supply is maintained across the country. To do otherwise would see Australia continue a pattern of undersupply, ongoing affordability challenges and further reductions in home ownership rates.

"In 2016 Australia built a record number of 230,000 new homes. We will need to maintain this rate of annual supply across all states for the next thirty years if we are to keep pace with population growth.

"We know that the excessive cost of supplying new housing lies at the core of the affordability challenge, with almost 40 per cent of a new house and land package being made up of taxes and charges, but equally a stable supply chain underpins greater certainty in affordability.

"Governments must recognise that growth in the housing sector and improvements in housing affordability will not be realised by making adhoc changes to negative gearing, capital gains tax or charges on foreign investors.

"Further, both state and Federal governments must come to a unified agreement on developing mechanisms for land supply to be measured and managed across the nation so that a consistent supply pipeline can be sustained to meet housing demand.

"Cooperation from all three tiers of government is an essential component in keeping the housing market buoyant.

"A strong housing sector at a time of population growth not only means more affordable houses, it means more jobs, and a more prosperous economy overall," concluded Mr Wolfe.

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