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FOR IMMEDIATE RELEASE

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MEDIA RELEASE

Rents drop in NSW for the first time in 12 years

“New data suggests renters in NSW have seen rents drop for the first time in twelve years, but this won’t continue unless around 50,000 houses come onto the Sydney market each year,” said Executive Director NSW, David Bare.

“HIA’s Outlook report for NSW that was released today shows real rental prices have been falling in over half the country’s capitals for almost five years, in 2018 Sydney joining the ranks for the first time in almost 12 years, said Mr Bare.

“Rental prices rise when there is insufficient supply of rental accommodation to meet demand. HIA has long argued that the solution to this problem is to increase the supply of new homes.

“An unprecedented volume of new homes (especially apartments) has been coming online since 2014 – five years’ worth of supply in four years. Unmet demand is now being dealt with and affordability has improved.

“This is a significant reversal of the trend, from December 2006 to June 2015 the pace of rental price increases exceeded inflation for every year leading to real rents doubling in this decade.

“In order to see continuous improvement HIA estimates NSW will need around 50,000 houses a year to meet the demands of ongoing population growth.

“To achieve this, there needs to be a more consistent supply of new dwellings and a determined effort by the NSW state government to reduce the cost of punitive taxes and levies on housing.

“Politicians have long been arguing the necessity for housing affordability for both owners and renters to be addressed.

“In the lead up to the NSW state election HIA is urging all politicians to develop policies that will enable NSW to reach its housing supply targets to better the lot of renters and home owners in the future, concluded Mr Bare.

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