



Locked out

Fixing Tasmania's land supply crisis

Serviced, zoned land is the single biggest roadblock to housing delivery in Tasmania.

October 2026



Foreword

Tasmania does not have a shortage of housing plans. It has a shortage of shovel-ready land that someone can actually start building on.

Over the past year HIA has argued this point in submissions, in the media and in front of parliamentary committees. The argument has been consistent, and so has the evidence. Tasmania has the weakest performance of any state against the National Housing Accord. Housing affordability in Hobart and regional Tasmania is at or close to the worst level in the history of our records. Regional Tasmania is now the only part of the country that is less affordable than its own capital city.

These outcomes are not the result of a lack of demand, a lack of capital, or a lack of willingness among Tasmanian builders. They are the result of a supply chain that cannot deliver serviced, appropriately zoned land at the rate the state needs.

Land is rezoned without the infrastructure to service it. Infrastructure is funded through charges that land on the price of a new home. Land passes through a chain of approvals split across councils, the state and TasWater, with no state-level view of how much land is in the pipeline or where there are regulatory bottlenecks.

The second constraint is people. Tasmania's residential building industry already accounts for the overwhelming majority of the state's construction workforce, and the pipeline of major projects now competing for those same trades is the largest it has been in a generation. Land and labour are the two constraints that decide whether a home gets built. Both need a plan.

This report is not a call for more strategy documents. Tasmania has those. It is a call for a small number of specific, deliverable reforms that would put serviced land into the market faster, make the cost of that land visible and fairly funded, and give the industry the workforce to build on it.

“

Tasmania cannot keep mistaking housing strategies for housing supply.

A home starts with land that is zoned, serviced and ready to build on, and right now, too much of that land exists only on paper.

Executive Summary

Tasmania is building homes at roughly half the rate it needs to. In 2024/25 the state completed 2,456 new homes against an annual requirement of 5,022 under the National Housing Accord, a shortfall of 2,566 homes in a single year. That is the weakest performance of any state in the country. Over the most recent twelve months, Tasmania commenced construction on around 2,400 homes.

The state's underperformance is confirmed across every independent benchmark HIA maintains. Tasmania sits last on the HIA Housing Scorecard for Autumn 2026 with a score of 34 out of a possible 104, and has been almost consistently in the bottom three for nearly three years. It scores 2 out of 5 on the HIA Planning Blueprint Scorecard for 2026, ahead of only Queensland and the Northern Territory. Housing affordability in regional Tasmania reached a record low in the June 2026 quarter, and Hobart is not far behind.

This report finds that the primary cause is the supply of land. Not land in the abstract, and not a shortage of territory, but the supply of land that is appropriately zoned, physically serviced with water, sewer, power and roads, and able to be approved and titled inside a timeframe a business can plan around.

“

Land is the number one constraint on home building in Australia.

In Tasmania, it is also the least measured.

What this report finds

This report does not find a housing market short of demand. It finds a delivery system short of serviced land, infrastructure coordination, planning capacity and workforce depth.

- 1. Land, not construction, is driving housing costs up:** Nationally, residential land prices have risen more than 500 per cent since 2000, while construction costs and the price of skilled labour rose by around 150 per cent.

In Tasmania the divergence is sharper still. Lot prices have increased nine-fold over 25 years, against six-fold nationally, while Tasmanian construction costs have also risen sharply.

- 2. High lot prices are occurring alongside record low lot sales:** Lot prices in Tasmania have doubled over the last decade in both Hobart and the regions, around 7 per cent a year, at the same time as the volume of lots being sold sits at record lows. Rising prices with falling volumes is the signature of a supply shortage, not a demand surge.

- 3. Tasmania has no state-level view of its own land supply.** Unlike the leading states, Tasmania has no statewide dataset of approved lots, serviced lots or forward dwelling capacity. The state cannot currently answer, with confidence, how many shovel-ready lots exist within its borders.

- 4. Zoned land is not the same as serviced land.** Land can be correctly zoned for housing and remain undevelopable because there is no sewer, no water pressure or no network capacity to connect it to. The cost of resolving that is increasingly recovered through charges applied to new lots and new homes, which is paid by the buyer.

- 5. Land stalls between agencies.**

Councils, the Tasmanian Planning Commission, TasWater, TasNetworks and the Land Titles Office each control part of the process, and no one is responsible for the whole.

- 6. Workforce is the second binding constraint, and it is close behind.**

Residential construction already accounts for 70 to 80 per cent of Tasmania's entire construction workforce of approximately 24,300.

If Tasmania were to deliver its share of the national 1.2 million homes target, residential workforce demand alone would reach up to 27,900 workers, exceeding the state's entire existing construction workforce.

Five priorities for the next 12 months

This report makes fifteen recommendations, set out in full in Part 4.

Five of them are priorities for the next twelve months.

Establish a Tasmanian land supply dashboard

- Publish the next five years of approved lot supply and fifteen years of zoned dwelling capacity.
- Model the dashboard on the South Australian Model.



A Tasmanian Enabling Infrastructure Fund

to bring forward the works that unlock already-zoned land, modeled on the Queensland Residential Activation Fund model.



Legislate Development Assessment Panels

and a streamlined, code-based subdivision pathway, with **deemed approval** where statutory timeframes are missed.



Discontinue in-house development of PlanBuild Tasmania

and license an established statewide portal on the South Australian (PlanSA) model.



Adopt the Improving Residential Standards recommendations

to the State Planning Provisions, lifting building heights and reducing car parking rates for townhouses and apartments.

Part 1: The evidence

Tasmania and the National Housing Accord

Tasmania's share of the national 1.2 million homes target is 26,117 homes in the five years to June 2029, an **average of 5,022 each year**.

In 2024/25 the state completed 2,456.

Every year the state builds at half the required rate, the accumulated shortfall grows by roughly 2,500 homes.

Those are not homes deferred to a later date.

They were needed by households that already existed, and that demand moves into the established market and bids up the price of what is already there.

On the HIA Planning Blueprint Scorecard for 2026, Tasmania scored 2 out of 5. Only Queensland and the Northern Territory scored lower, while Western Australia and South Australia lead on 3. The Scorecard describes Tasmania's planning system as mediocre, lacking adequate focus on residential land, strategic development opportunities and well-located higher density housing.

Tasmania finished last on the HIA Housing Scorecard for Autumn 2026 with a score of 34, having fallen five points and one place in the quarter, and is recorded as having declining momentum. It has been almost consistently in the bottom three for nearly three years and sat in the bottom half of the country on twelve of the thirteen indicators.

The most significant finding is in multi-unit housing, where Tasmania is the weakest market in the nation on every indicator. Approvals were 41.7 per cent below the decade average, commencements 67.6 per cent lower, and the pipeline under construction 67.1 per cent smaller. Detached approvals were 12.9 per cent below the decade average.

Tasmania also recorded the weakest net overseas migration figures nationwide.

Tasmania is the weakest multi-unit housing market in the nation on every indicator.



Jurisdiction	Annual homes required	Completions 2024/25	Share delivered
Australian Capital Territory	4,217	4,109	97%
Victoria	61,483	55,663	91%
Western Australia	26,415	22,519	85%
South Australia	16,550	12,625	76%
Queensland	49,230	33,448	68%
New South Wales	74,787	42,005	56%
Tasmania	5,022	2,456	49%
Northern Territory	2,296	407	18%
Australia	240,000	173,232	72%

Source: HIA Planning Blueprint Scorecard 2026 Update, Table 1. Share delivered calculated by HIA .

Affordability

Housing affordability across Australia fell to a record low in the June 2026 quarter, deteriorating in every market in the country including those where prices are now falling, because the cost of servicing a loan rose faster than incomes. In Tasmania the deterioration was among the sharpest in the country.

Regional Tasmania is the only region in Australia less affordable than its own capital city, and in the June quarter it became more unaffordable than at any time on record. Everywhere else in the country, moving out of the capital buys a household some relief. In Tasmania it does not. A first home buyer in Hobart now requires 6.2 years to save a 15 per cent deposit, up from 5.8 a year earlier.

Measure	Hobart	Regional Tasmania
HIA Affordability Index, June qtr 2026	72	58.5
Change over the year	-9.70%	-12.90%
Median dwelling price, change over the year	10.90%	15.10%
Typical monthly mortgage repayment	\$4,048	\$3,430
Repayment, change over the year	14.00%	18.30%
Average incomes needed to service a mortgage	1.4	1.7

Source: HIA Affordability Report, June quarter 2026. An index reading of 100 represents an affordable market.

The price of land

Lot prices in Tasmania have doubled over the past decade, in Hobart and the regions alike. That is growth of around 7 per cent a year, against a national increase of about two-thirds, or 5 per cent a year. Over 25 years the gap is even starker: Tasmanian lot prices have risen nine-fold, compared with six-fold nationally. In Greater Hobart, the median residential lot has gone from around \$35,000 in 2001 to almost \$300,000.

Construction costs have also climbed, but nowhere near as fast. Over the same 25 years they rose by a factor of three to four, and that includes the surge in labour and materials costs since 2019. Consumer prices and average earnings each grew by little more than 3 per cent a year.



Land, not building, is what
has pushed home ownership
out of reach for Tasmanians.



Land is the constraint

The way governments release, service and tax land builds the cost of infrastructure, delays and planning decisions into land prices. Those costs are paid upfront and capitalised into land values. In the end, they are borne by the person buying the new home.

1. Building costs are real, but they are not the main story

Labour and materials have attracted most of the attention in recent years, and the pressure has been real. Since 2019, house building materials prices have risen more than 40 per cent. Copper pipe and fittings, and electrical cable and conduit, have more than doubled.

Shortages of skilled trades have pushed the price of those trades up by almost 50 per cent. Over the longer term, however, land remains the number one constraint on home building.

2. High prices, low volumes

Lot prices have escalated while the volume of lots sold sits at record lows across Tasmania. High prices with low volumes point to a shortage of shovel-ready land, not a shortage of buyers.

3. Demand has outrun supply

Tasmania's population grew by more than 60,000 people over the last decade. That is more than double the growth of the previous decade.

Hobart's rental vacancy rate has been under 1 per cent for most of that period, against 3 to 5 per cent in a healthy market. Over the same period, Hobart rents have almost doubled.

4. What it will take

Tasmania needs to boost its dwelling stock by around 12 per cent, or approximately 30,000 homes, to restore affordability.

This is the size of the existing shortfall. The Accord target of 26,117 homes over five years is what must be built on top of it.

"High prices with low volumes point to a shortage of shovel-ready land, not a shortage of buyers."

Part 2: Where the system breaks

The anatomy of a blocked lot

Before a builder can start, greenfield land has to be identified for growth in the regional land use strategy, rezoned, in some areas structure-planned, subdivided, connected to water, sewer and power, and titled.

Each step sits with a different body. Councils, the Tasmanian Planning Commission, TasWater, TasNetworks and the Land Titles Office each hold part of the process, and no one is responsible for the whole. Land can clear one step and stall at the next. A delay anywhere holds up everything behind it.

Tasmania leaves land supply planning and release largely to local councils. The Government's Property Land Use Dashboard maps existing land use and vacant parcels. It does not track lots through the approval pipeline, record whether land is serviced, or forecast supply.

Without that, government cannot sequence infrastructure, councils cannot plan their resourcing, and industry cannot invest in its workforce.

Land can clear every approval and still never become a home, and right now nobody in Tasmania can say how much is stuck.



Zoned but not serviced

Zoning and servicing are decided by different bodies, on different timelines, with nothing requiring them to align. TasWater's own owner representative has told Parliament there is land zoned for houses with no sewer to connect it to. The Public Accounts Committee is now inquiring into TasWater, with housing supply in its terms of reference.

The cost falls on buyers. From 1 October 2026, TasWater ended the two-year remission on fixed charges for new lots, charging around \$900 per lot a year before a house is built.

TasWater's 29 owner councils take around \$24 million a year in dividends while TasWater defers \$500 million of works. When the owners' budgets compete with the network's needs, buyers pay the difference.

Case study: Queensland Residential Activation Fund

Queensland's \$2 billion Residential Activation Fund pays for the trunk infrastructure that stands between an approved development and a buildable lot: water, sewer, stormwater, roads and power. Applicants need a development approval in place, projects must be finished within three years, and at least half the money goes outside South East Queensland.

The first round committed \$994 million across 97 projects. The largest single grant, \$136 million for a wastewater treatment plant upgrade in Logan, is expected to unlock around 20,000 lots on its own. Demand was strong enough that the 2026–27 Budget doubled Round Two from \$500 million to \$1 billion.

The Queensland Government says the fund has unlocked capacity for more than 159,000 homes in under 18 months.

Tasmania's binding constraint is sewer and water capacity. This model funds exactly that, and ties the money to projects that will produce homes, not to speculative rezoning.





Approvals and PlanBuild Tasmania

Planning and approvals

House approvals routinely take more than six months, and apartments twelve months or more. Tasmania has announced the right reforms: Development Assessment Panels, deemed approvals, and limits on requests for further information.

But many of these reforms have not been delivered. Development Assessment Panels were defeated in Parliament, Kingborough has still not moved to the Tasmanian Planning Scheme, and the Improving Residential Standards recommendations have not yet been adopted.

HIA's *Housing the Regions* report found house approvals are taking longer than ever to get through local councils. That is worsening housing and rental shortages, and the effect is sharper in regional Australia, including Tasmania.

A single digital portal

PlanBuild Tasmania was announced nearly ten years ago. It operates in just one council of twenty-nine, with no date for statewide rollout.

Budgeted at \$9.7 million, its funding has grown to \$12.8 million. It forfeited \$3.4 million in Commonwealth funding through delay and now needs ongoing appropriation, despite widespread criticism from industry and local government.

Case study: PlanSA

PlanSA has operated statewide in South Australia since 2021.

About 90 per cent of decisions meet target timeframes. South Australia also publishes a Land Supply Dashboard tracking land through the pipeline. Both could be licensed and adapted here.

The rules are the roadblock

Tasmania's strategies say they want more homes in established suburbs. Its planning rules make those homes harder to build.

Infill is planned for, not enabled

Every growth strategy expects infill to carry a large share of Tasmania's new housing, but often the planning rules don't let it.

Car parking rates can make a small townhouse project unviable, because a required basement adds cost without adding a single home. Minimum lot sizes block the subdivision of large, serviced blocks in established suburbs, which means declining to use infrastructure the state has already paid for.

The Improving Residential Standards recommendations would fix much of this, but they are not yet adopted.

The results show in the numbers. Multi-unit approvals are 41.7 per cent below the decade average and commencements are 67.6 per cent lower. Tasmania is the weakest multi-unit market in the nation on every indicator.

The test for the new strategies

Southern Tasmania has a new regional land use strategy, and the northern and Cradle Coast strategies are under review. The test for all three is simple: are they measured against how much serviced land actually reaches the market?

In future, the Tasmanian Government should learn from its past mistakes, and take on the role of drafting and leading the regional land use strategies drafting process, rather than relying on local government to lead the process. This would avoid years of prolonged delays.

Too many councils, too little capacity

**Every one of Tasmania's 29 councils is a planning authority.
Many no longer have the scale or capability to act like one.**

Tasmania has 29 councils for a population smaller than many Australian cities. Every one of them is a planning authority, and every one needs its own planners, surveyors and engineers to process development, building and plumbing applications.

Many councils struggle to recruit and keep those people. A council with two planners cannot keep specialist subdivision expertise or absorb a spike in applications without the queue growing for everyone. For builders, that means delays and different rules from one council to the next. For buyers, it means waiting longer and paying more.

Fewer, larger councils would have the scale to employ the specialists housing needs, apply the planning scheme consistently, and plan infrastructure across a whole region rather than within boundaries that no longer represent modern Tasmania. Local representation can and should be kept.

The Future of Local Government Review has already made the case, but what has been missing is the political will to act on it.

**During a housing crisis, protecting outdated council structures
should not come ahead of getting roofs over Tasmanians' heads.**

* Kingborough is yet to transition to the TPS

Part 3: The second constraint

**Land decides whether a home can start.
Tasmania's workforce decides whether it can be finished.**

Around two-thirds of Tasmanian residential builders struggle to secure the trades they need.

Major projects are now competing for the same workers. Macquarie Point Stadium alone needs more than 600 over a 42-month build. Tasmania can deliver both the stadium and the homes it needs, but not from a workforce that is already fully used.

The pressure is only going to grow.

HIA's outlook has detached commencements rising through to 2028–29 and multi-unit construction more than doubling. Nationally, the industry is already short around 83,000 skilled workers. In a tight market, a small rise in demand for trades drives a much larger rise in their price, and builders locked into fixed-price contracts often wear that cost themselves.



Apprenticeship pathways remain under pressure

HIA's latest national report, *Australia's Future is Built by Tradies*, puts the residential industry's shortfall at around 83,000 skilled workers.

It sets out five priorities: lift the status of trade careers, improve apprenticeship attraction and completion, back the builders who train, strengthen school-to-trade pathways, and invest in workforce capacity. The answer is not moving workers from one sector to another. It is growing the pool, and in Tasmania that starts with the small builders who take on apprentices.

Tasmanian workforce position	Workers
Total construction workforce, all sectors	approx. 24,300
Residential workforce required, current HIA forecasts	16,300 to 19,000
Residential workforce required, Tasmania's share of the 1.2m target	21,900 to 27,900
Residential demand as a share of total construction workforce	70 to 80 per cent

Tasmania does not have the workforce to meet its housing target. Delivering the state's share of the national 1.2 million homes would need up to 27,900 residential workers, against a total construction workforce of around 24,300.

Even if every construction worker in Tasmania built homes, the state would still be up to 3,600 workers short.

A Tasmanian workforce strategy should be built around these five priorities, with the state's major project pipeline sequenced so projects don't all compete for the same trades at once.

Part 4:

The reform program

This report makes fifteen recommendations, grouped under six themes. Five of them, set out at the front of this report, are priorities for the next twelve months. Together they would bring serviced land to market faster, make the cost of that land fair and visible, and give the industry the workforce to build on it.

A. Shovel ready land

1. Publish a Land Supply Dashboard based on the South Australian model, covering approved lots, zoned capacity and servicing status.
2. Measure the regional land use strategies against a published fifteen-year serviced land target for each region, reported annually.
3. Complete the northern and Cradle Coast land use strategies, led by the State Government, with supply targets tested against market evidence.

B. Enabling infrastructure

4. Create an Enabling Infrastructure Fund, based on the Queensland model.
5. Require TasWater, TasNetworks and Building Tasmania to publish a coordinated servicing pipeline.
6. Reverse fixed water and sewerage charges on vacant lots and end dividend payments to councils so TasWater profits are reinvested in housing-enabling infrastructure.
7. Test every new charge or standard for its effect on housing supply before it is adopted.

C. Cut red tape

8. Replace PlanBuild Tasmania with a licensed statewide portal, based on PlanSA.
9. Complete the transition to the Statewide Planning Scheme.
10. Abolish the *Local Government (Building and Miscellaneous Provisions) Act 1993* and create a single, code-based subdivision pathway with contemporary requirements, to streamline subdivision approvals.

D. Faster decisions

11. Legislate for Development Assessment Panels.
12. Introduce genuine deemed approvals when councils fail to meet statutory approval time frames, and cap requests for information.
13. Progress local government amalgamations and consolidate planning and building approval functions at a scale that can deliver for their communities.

E. Higher density

14. Adopt the improving residential standards reforms, lifting building heights, and cutting car park requirements that frustrate inner-urban infill development.

F. Workforce

15. Publish a Tasmanian construction workforce strategy built on five priorities outlined in HIA's *Australia's Future is Built by Tradies* report, and sequence major projects so they don't compete for the same trades at once.

Tasmania is not short of demand, builders or buyers. It has a land supply crisis.

Too little serviced land is reaching the market, too slowly, at too high a cost, and nobody is counting what is left. Until that changes, every other housing target is out of reach.

Land is the constraint. Workforce is close behind. Both can be fixed.

You're in
good hands

For further information contact:

tas_executive@hia.com.au

hia.com.au

