

MEDIA RELEASE



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ACT Home Building Plummets Despite Increasing Demand for Housing

Total new dwelling commencements in the ACT dropped by 40.9% per cent during the December 2022 quarter, according to the ABS building activity data for the December 2022 quarter.

Master Builders ACT CEO Michael Hopkins said, 'Despite 7,685 new homes being under construction in the ACT at the end of December, there are simply not enough new projects entering the pipeline to keep up with the ACT's population growth.'

'During the December quarter both detached houses and higher density homes suffered large declines, with detached housing falling 41.5% and higher density home commencements plunging by 40.6%', Mr Hopkins explained.

Mr Hopkins said, 'With the ACT already in the midst of a housing supply shortage and an affordability crisis, this level of home building is simply not sufficient.'

'Providing appropriate and affordable housing to meet the needs of the ACT's current and future population should be a level one priority for the ACT Government in the upcoming 2023/24 ACT budget and the new Territory Plan expected to be finalised later this year,' Mr Hopkins explained.

Mr Hopkins said, 'With ACT Government policy dictating 70% of new development to be within the existing urban footprint, planning and zoning rules must be reformed to provide 'missing middle' housing to help meet our housing shortage.'

'The impact of an insufficient pipeline of residential construction projects will be felt on multiple levels of the ACT budget. The ACT Government already takes 54.5% of its total taxation revenue from property-related taxes, so less building means less tax revenue for the ACT Government,' Mr Hopkins explained.

Mr Hopkins said, 'The impact on the broader ACT economy from less building and construction activity will have a much further reaching impact. A strong building industry is the foundation of a strong economy. The inextricable ties between construction activity and the broader health of the economy are on display in the current environment.'

'Despite the strong intention of both governments and industry to reach a target of one million homes under the Housing Accord, the data highlights that more needs to be done to tackle labour shortages and other supply constraints to speed up the delivery of new homes and meet demand,' Mr Hopkins concluded.

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