

MEDIA RELEASE

Tide goes out on home building in the ACT

FOR IMMEDIATE RELEASE

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Master Builders has significantly downgraded its forecast for homebuilding in the ACT with 15 per cent less home building now expected over the next five years.

According to its updated set of forecasts released today, Master Builders anticipates that just 18,310 new homes will get started in the ACT over the five years to 2030-31, equivalent to 3,660 new homes per year.

‘The ACT has already suffered a 1,530-home underbuild since the start of the National Housing Accord in July 2024. The latest forecast downgrade makes it likely that we’ll fall about 2,550 homes short of our target over the Accord’s full five-year term,’ said Anna Neelagama, CEO of Master Builders ACT.

‘This represents a 15 per cent decline in new home starts compared with the previous five years and is a significant downgrade on previous forecasts. It shows just how rapidly the tide is receding on home building in the ACT.’

The outlook for the ACT market has deteriorated because of the unfavourable tax policy changes in the May 2026 federal budget, the threat from rising interest rates and continued geopolitical instability, which have combined to weaken the industry’s prospects. Continually escalating building costs are also a major factor. The cost of building a new house in the ACT is now 52.9 per cent higher than it was just before the pandemic.

‘All of these factors are depriving new home building projects of the financial viability and confidence needed to proceed,’ Ms Neelagama said.

Even the brighter spots in the forecasts carry warnings for local industry. While an average of \$1.35 billion worth of non-residential building work per year over the five years to 2030-31 is expected, a 1.6 per cent increase on the previous five years, Master Builders ACT argues that the benefits are not being seen by local industry.

'Most commercial and civil activity is pinned to big projects that local firms don't get to do. The benefits of these projects are flowing out of the ACT, and true local, small and middle-sized family businesses aren't getting a fair share of the work,' said Ms Neelagama.

Master Builders ACT is calling on both the ACT and Federal Governments to act now.

'Builders and tradies are increasingly frustrated by decisions that are making delivery harder. If governments continue to ignore reform, Canberrans will pay the price,' said Ms Neelagama.

'In the ACT, our local government is in the best position to streamline the housing process as they control all land and planning levers. We now need to deliver solutions to tackle supply to turn around, not just keep talking about the problems and the need to improve productivity and reduce red tape.'

'Builders are calling for a genuine pro-construction agenda that removes unnecessary regulation, improves market confidence and fixes the systems they must build to including the National Construction Code, skilled migration settings and domestic training pathways.'

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