

Media Release

9 May 2024

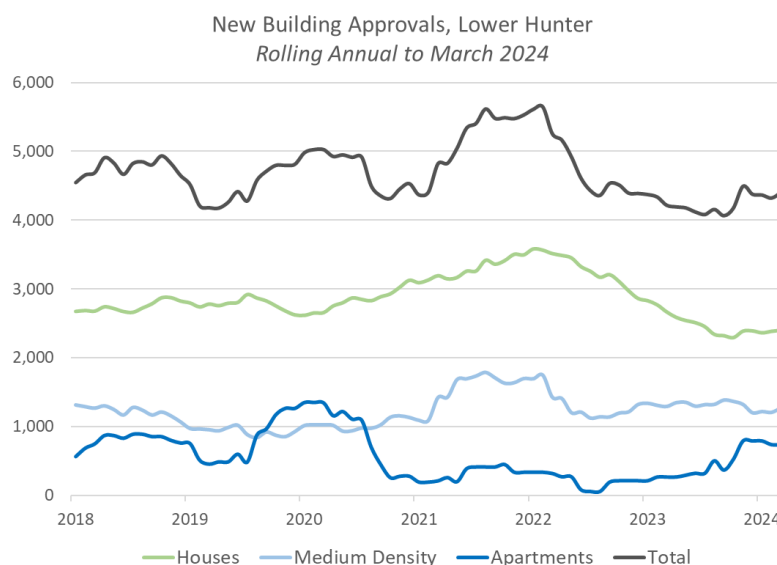
Approvals data shows Lower Hunter continues to fall short in delivering on its housing needs

Today, ABS released the latest Update of Building Approvals data and this shows the Lower Hunter is still at the low bar, currently underpinning councils and state government planning assumptions. The data also reflects a worrying trend that building approvals are not improving and shows that all typologies are still well below their peak.

The residential rental vacancy rate is 1.1% as of March 2024 for Lower Hunter, well below the healthy 3% target. This indicates insufficient supply of housing to meet the current needs of the Lower Hunter communities, which means the numbers the Department of Planning, Housing and Infrastructure (DPHI) and councils are using to measure performance, are too low.

DPHI has also acknowledged that housing targets need to increase to meet the NSW Government's commitments under the National Housing Accord. DPHI will adjust the housing targets later this year, and we expect the housing targets for Newcastle, Cessnock, Lake Macquarie, Maitland and Port Stephens to go up.

But today's ABS figures in the graph below show we are no longer at peak housing performance in the Lower Hunter.



Source: ABS, UDIA NSW

“UDIA analysis of ABS data shows that the Lower Hunter is capable of delivering more housing. In 2020 and 2022, the Lower Hunter saw higher building approvals across apartments and detached houses respectively, demonstrating the region is capable of performing well above current levels,” said Jeffrey Bretag, UDIA Hunter Chapter Chair.

UDIA is working to increase the attractiveness of the Lower Hunter for development investment. As part of our advocacy with state and local government to tackle the big issues to reduce the risk of investment, we have identified actions that will work to deliver better housing options when and where they are needed, including:

- improving DA timeframes,
- ensuring the enabling infrastructure like roads, water, sewer and power are delivered, and
- assisting the NSW Government to target important lands for biodiversity conservation and provide more certainty to develop where possible.

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Key Points from the data:

- 4,400 total approvals in the 12 months to March 2024 (+4% rise annually) (-22% compared to February 2022 peak)
- 2,400 detached house approvals in the 12 months to March 2024 (-10% annually) (-33% compared to January 2022 peak)
- 1,300 medium density approvals in the 12 months to March 2024 (-1% annually) (-29% compared to August 2021 peak)
- 700 apartment approvals in the 12 months to March 2024 (+180% rise annually) (-46% compared to January 2020 peak)

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