

Nation needs one million homes



WA homes: More needed, says HIA.

DAWN GIBSON

Almost a million new dwellings will be needed to house Australia's growing population in the next five years, but it is highly unlikely that many will be built, the Housing Industry Association has warned.

New HIA research based on population estimates predicts an increasing gap between housing demand and supply, leading to further increases in house prices, rents and homelessness.

The HIA estimated about 150,000 dwellings would be built in 2008-09, 40,000 fewer than required. About 985,000 new homes would be needed by 2012-13 to keep up with the underlying demand created by people arriving in Australia combined with the domestic population increase.

The shortfall would be particularly apparent in WA, considering the

WEST 01-07-08 #17

influx of people into the State and the skills shortage, HIA chief executive of policy Chris Lamont said.

The HIA previously forecast a shortfall of about 25,000 houses in WA by 2010.

"Demand for housing is being dri-

'Record migration and demand for housing is being seen in a number of areas.'

HIA'S CHRIS LAMONT

ven primarily by two key factors — very strong immigration and the decline in the number of persons per residential dwelling," Mr Lamont said.

"Record migration and demand for

housing is being seen in a number of areas, but is perhaps most significant in respect to the private rental market, where vacancy rates are hovering around one per cent.

"Without a substantial increase in production, there will almost certainly be a growth in the number of homeless and further affordability woes."

While the housing shortage will mean better returns for property owners, a new market report by RP Data and Rismark International shows Perth continues to lag behind the rest of the country in key real estate comparisons.

Perth was the only capital to record a decline in dwelling values during the 12 months to May, a fall of 1.2 per cent, while home owners in Adelaide, Brisbane and Melbourne had increases of more than 10 per cent.

Also, the gap in property values be-

tween Perth and Sydney has widened. RP Data estimates the typical Perth house is now worth slightly less than \$500,000, down 3 per cent since the start of 2008, while the average Sydney home costs just over \$570,000.

The downturn was reflected in a typical selling time of 53 days, one of the worst rates in the country.

Rismark International head of research Matthew Hardman said the fluctuation in returns in many parts of Perth, Sydney and Melbourne indicated big falls in house prices were unlikely, as long as interest rates remained relatively flat.

"A low probability of large falls in Perth . . . relies on continued strong economic growth in China and India," he said. "(But) both countries have large enough internal economies and trade with Europe to withstand a US economic slowdown."