

# Media Release



**MASTER BUILDERS**  
A U S T R A L I A

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## Population Growth Underpins Strong Housing Demand

The two-speed splits in the nation's housing markets were again highlighted in the ABS February 2017 building approvals data that shows activity is still firmly centred in Melbourne and Sydney, which combined were responsible for two in every three residential building approvals, according to Master Builders Australia.

Matthew Pollock, Master Builders National Manager Housing said, "Overall, total residential approvals jumped by 8.3 per cent, with Melbourne taking the podium for the most new housing approvals for the third month in a row, and with new housing approvals in Sydney beginning to show early signs that activity is beginning to moderate."

"The announcement last week that Sydney's population hit 5 million highlights the need to keep residential building activity at a high level in order to support high population growth and ensure supply constraints do not put unwanted pressure on future house prices," he said.

"30,000 new dwellings were completed in Sydney over the period, more than any time since the Sydney Olympics. But this was only just enough to keep up with population growth of around 90,000 people, and not enough to improve housing affordability," Matthew Pollock said.

"High population growth expected in the long term means the housing supply challenge has become structural. 36,000 new homes will need to be built in Sydney each year for the next ten years just to keep pace with population growth. That would mean maintaining residential building activity at a level well above the historical average for an extended period of time," he said.

"It is important that the Federal Budget supports the Government's housing affordability agenda by targeting the structural impediments to the supply of new housing across Australia, which will help put downward pressure on housing prices and help housing affordability," Matthew Pollock said.

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