

# Media Release



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

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## **Restrictive Planning And Zoning Are Pushing Home Ownership Out of Reach Confirms Reserve Bank**

A Reserve Bank of Australia (RBA) report confirms that restrictive planning policies are pushing home ownership out of reach.

The RBA analysis shows that house prices are being driven up by regulation which significantly increases the cost of land. As the RBA report clearly states, “The average Sydney house, valued at \$1.16 million in 2016, represents a \$395,000 structure on a \$756,000 block of land,”

Denita Wawn, CEO of Master Builders Australia said, “Australians should be shocked to know they are paying more for the hidden costs of planning and zoning than they are for their actual home. But in fact the cost of building has remained relatively stable over the past 30 years while house prices have risen exponentially.”

“The majority of this land cost is a result of government-determined scarcity resulting from zoning restrictions. These restrictions arguably have a more widespread impact on the lives of ordinary Australians than any other regulation,” she said.

“Master Builders Australia supports the findings of the report and has been saying for some time that housing affordability issues are fundamentally caused by worsening land affordability,” Denita Wawn said.

“Research commissioned by Master Builders Australia has shown that reforms to these restrictive and inefficient zoning laws could improve housing supply by more than 20,000 new homes over the next five years,” she said.

“Improving supply is the first critical step in improving housing affordability and keeping the dream of homeownership within reach of all Australians,” Denita Wawn said.

“Master Builders Australia calls on governments at all levels to reform planning and zoning regulation to help housing and land affordability and reverse the trend of deteriorating home ownership rates in Australia,” Denita Wawn said.

Master Builders Australia report: [Unlocking Supply, Consideration of Measures Aimed at Improving Housing Supply](#), provides more detail around the benefits of zoning reforms.

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