

**Tuesday 15<sup>th</sup> December, 2020**

## **REIA WELCOMES STATE OF THE NATION'S HOUSING REPORT**

The Real Estate Institute of Australia (REIA) has welcomed the National Housing Finance and Investment Corporation's (NHFIC) first State of the Nation's Housing Report.

REIA President, Mr Adrian Kelly said this is the first assessment of housing demand and supply across Australia since the National Housing Supply Council (NHSC) was abolished at the end of 2013. That report provided valuable information to Government policy makers and to industry.

"Since the abolition of NHSC, REIA has lobbied Government for the establishment of a mechanism to provide reliable data on housing demand and supply in order to formulate appropriate policies and to monitor their effectiveness. With housing affordability recognised as a policy priority, it is very pleasing that NHFIC has filled that void with this much needed comprehensive analysis of factors influencing demand and supply and thus affordability.

"The NHSC, in its third and last report in early 2014 reported that the gap between the supply and demand for housing was projected to increase in the future, putting further pressure on housing prices. It expected a cumulative demand-supply gap of 557,000 dwellings in 2025 and 640,000 dwellings in 2013.

"NHFIC's forecasts, which reflect the unforeseen circumstances of 2020 and their impacts together with a revised methodology, expect new supply to outpace new demand by 127,000 dwellings in 2021 and 68,000 dwellings in 2022, with cumulative new supply to outpace new demand by around 93,000 by the end of the five-year projection period after demand rebounds in 2023," he said.

Mr Kelly said that as a consequence affordability, particularly rental affordability, is expected to improve over the next two years. Beyond that affordability for renters and prospective first home buyers could deteriorate if supply is not responsive to the rebound in demand."

"These projections come off the back of REIA's latest Housing Affordability Report which showed a ten-year high for first home ownership and an overall improvement in housing affordability across Australia and point to a bright spot for those considering entering the market," concluded Mr Kelly.

**ENDS**

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