

Media Release



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REIA CEO ANNA NEELAGAMA SPEAKS AT NATIONAL PRESS CONFERENCE ON HOUSING CRISIS FACING REGIONAL AUSTRALIA

AIRBNB CREATING HOUSING CRISIS FOR REGIONAL AUSTRALIA

Real Estate Institute of Australia's (REIA) CEO, Anna Neelagama has presented at the National Press Club forum on the state of the regional housing market.

The National Press Club forum on Regional Australia's Housing Crisis featured high profile guest speakers including Anglicare Executive Director, Kasy Chambers, Independent Member for Indi, Helen Haines MP.

Ms Neelagama said the National Housing Investment Finance Corporation forecasts we will fall short of the number of homes we need by around 106,000 by 2024 - 2025.

"It is telling that a regional supply shortfall is not provided as a breakout to this forecast by NHFC.

"At the same time, last week's Budget papers forecast overseas migration to grow to 400,000 in 2022-23 and 315,000 in 2023-24.

"Fixing housing - and regional housing - in Australia is quite simple and we know, for the most the answers. We need to do two things:

1. Better use of the homes we already have built
2. Build more homes

Ms Neelagama said the regions were once seen as the darling of housing affordability.

"COVID-19 saw the biggest regional property boom since the Great Financial Crisis; and the largest regional property boom on record.

"There is good news in this, as many faithful regional property owners were able to capitalise on extraordinary market conditions; and we saw many, many new entries and first-time buyers into the Australia's regional property markets.

"A record amount or volume of home sales were transacted. To put this in perspective, over 2021 and 2022 there were over 20,000 regional property transactions in regional NSW, and less than 11,000 property transactions over the same period in Sydney.

"We've now seen property transactions reverse back to pre-pandemic norms. However, this is not the end of housing challenges in the regions. Both supply and affordability remain a huge challenge.

"The direct and indirect consequence of the COVID-19 investment and Australia's migration forecasts remains to be seen and this story is very much yet to play out across Australia's regions.

"Finally, we've seen in the past years the rise and rise of short stay accommodation which has had a particular impact on the regions, some of it positive and some of it not.

"The reality is that in some states there is more short stay accommodation in regional areas than capital cities. Tasmania records around 3359 regional Airbnb's versus 2218 in Hobart. Similarly, WA has 5463 Airbnbs in their regions: versus around 5022 in Perth.

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“We need government to support the building and fund the shortfall of housing in Australia, and be clear what that means for regional Australia. We need state planning ministers and LGAs to clear any planning backlogs.

“We need the Industry and Skills ministries to support Australia’s weakened construction sector to help fix the current building skills crisis.

“REIA will have more to say on this with the impacts of short stay accommodation on the permanent rental pool outlined in new report coming out soon.”

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit www.reia.com.au