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RDA Illawarra

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Media release

How the Illawarra is losing the battle for housing

By the time a baby born in Wollongong today turns eight, the Illawarra's population is estimated to grow by 45,000 people. By the time the child reaches the legal age of 18, that population growth will number 90,000.

The question for the region today is how are we going to meet the challenge of providing enough homes to avert the inevitable housing crisis looming on our doorstep?

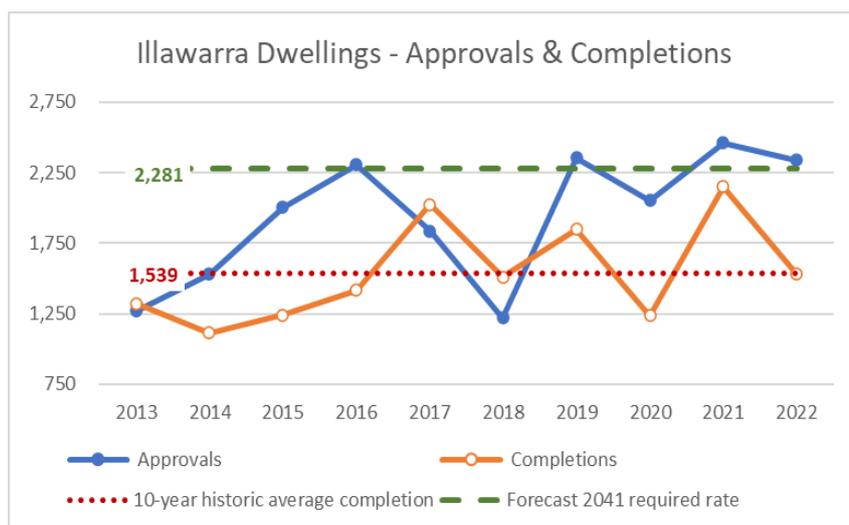
According to RDA Illawarra, the statistical evidence of the Illawarra's past performance in housing completions indicates the current housing shortage will not only continue, but will worsen by 2041.

To meet the housing needs of our growing population, the Illawarra must deliver 42,200 new dwellings - detached homes, duplexes, townhouses, units and apartments - by 2041. That's 2,220 per year, or 43 dwellings a week...every week...for more than 950 weeks.

While the region's annual average of 2,302 Development Applications (DAs) during the past four years (2019-2022) is nearly four percent above the target required to meet projected housing needs, the lack of completion rates indicates we will not have the homes actually built to meet the population growth.

RDA Illawarra CEO Debra Murphy estimates the Illawarra will face a shortfall of up to 13,000 dwellings by 2041, not including the pre-existing undersupply of homes as reported by Gyde Consulting, of nearly 2,700 in 2022.

"The Illawarra's ability to turn approved DA's into completed dwellings is not good," she said. "During the decade to 2021, only 79 per cent of approvals in the Illawarra became liveable dwellings – an average of just 1,539 a year.



"While the COVID years negatively impacted the construction of homes, even post-COVID our best annual result for completed dwellings was just over 2,150 in 2021. That's still below the target of 2,220 each year.

"Only sustained completions at the historically high rate achieved in 2021 would see the Illawarra reach its 2041 target."

Ms Murphy said there is

often a lag between the approval and completion of homes, which can be several years; and there are many factors involved in that delay. That means reliance on DA data alone as a prediction of future housing supply gives a false sense of security. RDA Illawarra believes that reporting of dwelling completions is vital.

Since an on-going housing shortage presents the Illawarra with social and economic issues such as an increase in homelessness and an increase in the number of working homeless – especially among lower-paid but essential workers - new solutions need to be found urgently.

RDA Illawarra is advocating for options such as build-to-rent; affordable housing development concessions; higher density zoning around transport hubs; improved public transport services and changes to inflexible local planning and development guidelines to improve completion rates.

This could include facilitating the conversion of large properties into smaller individual units within the existing building envelope (dual/multi-occupancy). RDA Illawarra is also advocating for short-term solutions including temporary worker accommodation using modular housing on unused land.

According to RDA Illawarra, regional economic growth relies predominantly on the increased population and skills from internal and overseas migration. Without somewhere to live, this growth will slow or cease – as will the \$30 billion investment pipeline forecast over the next 20 years.

"Addressing the critical housing shortage is vital if the region is to have the workforce and skills required for the future," Ms Murphy said.

"Statistics indicate the Illawarra's housing target can be achieved during the next two decades but an urgent response is needed."

Media contact

Denise Everton

0417852442

denise@waples.com.au