

Tuesday 29 March 2022

## MEDIA RELEASE

### PROPERTY COUNCIL BUDGET RESPONSE

The Property Council of Australia today welcomed the continued strong economic recovery outlined in the federal budget, but warned that population growth and a looming housing supply crisis remained big challenges.

Property Council Chief Executive Ken Morrison said the economic recovery which underpins the budget had been a truly remarkable national achievement.

“Australia’s economic recovery has been remarkable and the budget confirms strong conditions are likely in the year ahead,” Mr Morrison said.

“However, it is clear that the budget results are contingent on a strong bounce back in population growth and there are risks that falling housing supply also becomes a looming drag on the economy.

“Net overseas migration is predicted to grow strongly next year, but this does not return to pre-pandemic levels for more than two years.

“If these migration targets are not achieved this will be a drag on the economy and the budget, and we urge the government to pull all stops to achieve a fast return to normal population levels as soon as possible,” Mr Morrison said.

The budget also highlighted the extent of the housing supply crisis in Australia, predicting dwelling investment levels would drop significantly, from 5 per cent growth this year, into negative territory (-0.5 per cent) by 2023/24.

“While the *HomeBuilder scheme* saved jobs and delivered great benefits to households, the record pipeline of work it created will come to an end just as our population begins to recover, which will intensify the supply crunch we know is coming,” Mr Morrison said.

“Both *HomeBuilder*, and the expanded *Home Guarantee Scheme* are welcome demand-side measures, and cannot address the supply-side issues which increase the cost of new homes.

“The Government’s own forecasts from the National Housing Finance and Investment Corporation (NHFIC) predict that housing supply is set to drop by 35 per cent right at the time population growth would resume, leading to a national deficit of 163,400 homes by 2032.

“New Property Council research released last week also showed 70 per cent of Australians now believe the great Australian dream of home ownership is out of reach for most people, and that 90 per cent of aspiring homeowners say it’ll be one of the most important issues in deciding their vote at the federal election.

“Additionally, it was very pleasing to see in this budget that NHFIC will secure an additional \$2 billion to help boost investment in affordable housing,” he said.

ENDS

Media contact: Ellie Laing | 0416 007 830 | [elaing@propertycouncil.com.au](mailto:elaing@propertycouncil.com.au)  
Rhys Prka | 0425 113 273 | [rprka@propertycouncil.com.au](mailto:rprka@propertycouncil.com.au)