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NSW land and house supply shortages hit the Hunter region

Land and housing supply shortages are looming over the New South Wales (NSW) housing market with experts predicting they are yet to peak, and the Hunter region is no exception.

The Government's [2021-22 NSW Intergenerational Report](#) found that the state would require an estimated 42,000 new homes each year – including 14,000 greenfield homes - to support growth and meet the resoundingly strong demand¹.

That, coupled with the fact that the New South Wales population (of which the Hunter comprises of 9 per cent of the population alone²) is predicted to rise to 19.7 million by 2061, an 11.5 million increase on the current population³, has property developers in a race to keep up with demand.

AVID Property Group (AVID) Chief Executive Officer Cameron Holt said the issue will require a strong and united approach from key governing bodies to work towards meeting the predicted levels of demand over the next few years.

“The pressure will be mounting on governments and councils to take action to unblock the land supply pipeline, including in regional New South Wales which is experiencing strong levels of growth,” Mr Holt said.

“The infrastructure support and rezoning of land announcements from the NSW Government earlier this year was very welcome, but there is still a lot of rigorous and proper planning and infrastructure that needs to be considered to solve what is a very complex issue.

“The last year has thrown the property market into a frenzy of house and land buying that has driven the economic activity intended by government. At our Waterford community in Maitland alone we have experienced a 255 per cent increase in enquiries from the previous year.

“The issue of land supply shortages is affecting all land developers, not just AVID. We’ve all been fast tracking land releases in record time over the last 12 months.

“There are a lot of legitimate reasons as to why there are shortages and delays, including the labour and material supply shortfalls that builders are also facing.

The Housing Industry Association (HIA) recently revealed Maitland to be the second top hotspot for building population growth in NSW, with a population growth rate of 4.9 per cent and with \$59.1 million in building approvals⁴.

AVID's Waterford community in Maitland has seen an 81 per cent increase in sales compared to the previous 12 months.

“Our Waterford community has certainly reflected the strong growth in Maitland that’s been revealed by the Housing Industry Association – regularly selling out of land as soon as its released,” Mr Holt said.

¹ NSW Government, 2021, [2021-22 NSW Intergenerational Report](#)

² Regional Development Australia, [Hunter](#)

³ NSW Government, 2021, [2021-22 NSW Intergenerational Report](#)

⁴ The Cessnock Advertiser, 2021, [Hunter communities ranked as top population and growth hotspots](#)

“There has been such a demand for land that traditional marketing simply cannot keep up but, we are working hard to continually get more blocks of land out to market.

“We encourage interested buyers to get in touch with our sales team about their individual needs and register their interest as soon as possible because we are selling land so quickly.

“What we’re really looking to see is governments and councils working together to implement appropriate rezoning and unlock large parcels of land for greenfield developments,” Mr Holt said.

Additionally, the housing market is seeing investors moving swiftly and strongly which is also driving up competitive prices.

Urban Development Institute of Australia (UDIA) NSW released its June 2021 Greenfield Land Supply Pipeline Report, highlighting just how critical land supply shortages are, noting its impact beyond housing and on 7,100 potential jobs and \$4billion of potential economic output in NSW per annum⁵.

“I don’t believe the issue has peaked yet and developers, councils and governments will remain in the thick of it for a while longer, but there’s hope that continuing discussions and actions will help the market maintain affordable housing goals,” Mr Holt said.

“There are challenges that require more work, but it is an exciting time to see incredibly strong housing markets and there is still a lot of positivity.”

– ENDS –

About AVID Property Group

AVID Property Group (AVID) is an award-winning Australian developer responsible for a diversified portfolio of residential communities in key growth precincts across Australia.

Having delivered \$2.6 billion worth of projects over the past 13 years, AVID’s current portfolio includes more than 14,300 residential blocks and a gross revenue pipeline of \$4.9 billion.

With 38 projects across the eastern seaboard, AVID has a diverse mix of developments, including masterplanned communities, completed homes and apartments.

Led by highly experienced senior management, AVID deliver exceptional communities, valuable shareholder returns and wonderful environments for its customers.

For more information, visit www.avid.com.au.

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⁵ UDIA NSW, 2021, Greenfield Land Supply Pipeline Report