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MEDIA RELEASE

Brisbane apartment supply lags behind housing targets

Brisbane's apartment pipeline has struggled to keep up with demand since 2019 and looks set to continue falling short for the foreseeable future according to research released by the Property Council of Australia.

The independent research, prepared by Urbis, shows the challenges of delivering higher density apartments, which require large institutional investment and are critical to housing the 30 per cent of Queenslanders who rent.

Urbis Director, Paul Riga, said that Brisbane would fall short of its medium and high-rise targets required by the South East Queensland Regional Plan by between 800-1000 dwellings annually over the period to 2027.

"It is clear from the data that Brisbane has lagged behind where it needs to be in terms of apartment supply and unless something drastic changes, will continue to fall short in terms of delivering high density attached product," Mr Riga said.

"Worryingly our analysis is potentially optimistic given the widely publicised headwinds being experienced in the multi-residential sector with a third of Brisbane's supply at a moderate to high risk of not being developed by 2027.

"We are seeing nationally that apartment projects are taking longer than ever with the time taken to develop an apartment building (approval to completion) increasing from 45 months in 2019 to 75 months in 2024.

"This protracted development time adds risk to projects in an already volatile environment," Mr Riga said.

Property Council of Australia Queensland Executive Director Jess Caire said government needed to rethink how it leveraged the institutional capital required to make large scale apartment projects feasible.

"As we can see from this data something significant needs to change if we are going to get close to our housing targets," Ms Caire said.

"Feedback from investors is that a lot of high-density residential development in Brisbane simply isn't feasible due to a combination of declining productivity, constrained infrastructure delivery and the impost of government taxes.

"Taxes targeted towards international capital are particularly destructive in the current environment.

"These taxes have choked the influx of institutional capital into our state – the very capital which is needed to do the heavy lifting to respond to the housing crisis.

"In fact, our *Time for a fair go* report, which we released yesterday, shows these taxes have cost Queensland nearly 33,000 homes, and between 23,129 and 37,920 jobs.

"In July we welcomed the Treasurer's announcement of a post-election tax review; however, since then there has been little detail or clarity around what the review would entail, despite the Property Council's best efforts.

“As our data shows, we simply cannot respond to the housing crisis and the level of supply we need without significant reform and any post-election tax review undertaken by any of the major parties should be the springboard for that reform,” Ms Caire said.

This election the Property Council is calling upon both the Government and Opposition to commit to a tax review that will:

- Be conducted independently of Treasury and chaired by an independent tax expert;
- Include appropriate peak bodies in setting the Terms of Reference and;
- Include a commitment to no new or increased taxes or charges across the entire property sector.

ENDS

Attached: *Brisbane apartment snapshot*

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