



## NSW moves further away from Housing Accord target

9 September 2024

New industry forecasts released by Master Builders Australia show New South Wales has unfortunately moved further away from achieving its Housing Accord target of 377,000 new homes.

Five months after the first forecasts covering the full five-year Accord period, NSW is projected to increase its housing shortfall from 28,950 to over 73,700 homes.

From 1 July 2024 until 30 June 2029, Master Builders forecasts 303,280 new home starts, 19.6 per cent lower than the Accord target.

Master Builders Association of NSW Executive Director Brian Seidler said the April forecast downgrade reflects the ongoing struggle to control inflation, persistently high interest rates, and ongoing supply constraints in the residential building sector.

“While we expect a gradual market recovery in the coming years as broader economic conditions improve, more needs to be done to address the housing shortfall.

“All levels of government have acknowledged the challenges around planning, workforce, and productivity. We must ensure that momentum is maintained in these critical areas.

“Industry productivity has declined by 18 per cent over the last decade. State governments must expedite planning reforms to cut the excessive costs and long timelines associated with construction.

“Workforce shortages remain the most significant challenge across all sectors of the industry.

“At the Federal level, the Government's focus should be on expanding the building and construction workforce, with a combination of domestic and skilled migration solutions.

“Domestically, we can't fill this gap alone. We need innovative approaches, including better apprenticeship incentives, reskilling migrants already in Australia, and launching an international campaign to attract skilled tradespeople.

“Higher-density construction will play a critical role in meeting housing targets and addressing the housing and rental crisis.

“Since the pandemic, build times for these projects have increased by around 20 per cent from approval to completion, while costs have surged by approximately 40 per cent.

“Inflation is undermining our capacity. Governments need to accelerate efforts to alleviate these supply chain bottlenecks,” said Mr Seidler.

On a positive note, the non-residential and civil construction sectors are continuing to expand, contributing to economic growth.

# MEDIA RELEASE



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Non-residential building activity is expected to perform well over the next five years, with a projected increase of 2.2 per cent by June 2024.

The civil construction sector is forecast to grow by a substantial 26 per cent, driven primarily by transport and utilities projects.

Mr Seidler added: “Ongoing investment and support across the entire built environment are crucial.

“We can’t meet our housing needs without the necessary commercial and civil infrastructure, including critical utilities.

“Builders are ready to meet the challenge, but the obstacles in the way must be removed to ensure we get the job done.”

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[A copy of the forecasts can be found here](#)

## Master Builders Australia forecasts of total new dwelling starts for New South Wales to 2028-29

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
54,412	49,838	41,499	48,920	56,308	62,976	68,128	66,948
-8.2%	-8.4%	-16.7%	+17.9%	+15.1%	+11.8%	+8.2%	-1.7%

Source: Master Builders Australia-produced forecasts and analysis of ABS Building Activity (8752.0)

