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Recognising the private sector's critical role in building cities

- Qld isn't performing well. Where places like Vic, low interest rates, fiscal stimuli QLD is not. QLD population growth is strong but it's losing market share. That interstate migrants 100,000 move here and 75,000 are leaving. People that move here are young, they need affordable housing. They cannot afford to live in high rise or near the beach. Unless you provide affordable housing they will not stay here. New dwelling sales. Costs – costs 6,000 per block for infrastructure for GC its 48,000 (with PIP). 40 something weeks in GC to be approved.
- No affordable product. 7% of vacant land product is under \$200k in Victoria its 85%. Big development companies are pulling out of the QLD market.
- Markets are quite unaffordable. GC is 20-30% from what they can afford to pay and what the price is.
- GC is declining in population. Projected on 16,000 per annum. So need to build 8,000 dwellings per year. Most of population growth is from migration – large proportion are young, have children, blue collar etc. Planning scheme doesn't understand that and believes they can all fit into an apartment. Can't push what a market used to have but the market won't accept that.
- As a result of less housing starts, and less affordable housing starts, then less population growth, 550 per month. Undersupply this year by about 40%. No accident unemployment is rising (particularly in construction). Gold Coast Development employment – 13% of employment on coast is directly with development (construction), when factor in consultants lawyers valuers then it comes to 22% but overall its 35% or 1/3 of people that work here need development to be sustainably employed.
- Government doesn't understand importance of development.
- Direct employment has fallen 10% in last 12 months (4,100 jobs).
- \$12 billion turnover (every time \$1 million spent – 4.1 full-time jobs).
- Any market recovery is uncertain. Unless you see full time employment at a decent rate you don't see the new housing starts. The bottom end of the market is strong because of the first home buyers boost. The middle and top end aren't great.
- Investors nor the people who upgrade 2 or 3 or 4 times aren't rushing back into the market. Affordability is still a big issue despite the fall in interest rates.
- Why not enough housing starts. Cyclical – price of new property and price of second hand property (at the moment 30%). Main reason is structural – you can't get anything approve – everything is over taxed – no supply – need to build 8,000 dwellings per year – that is 70 hours per working week.
- Re-establishing affordability is crucial. To have continued growth affordability must be attained. Without affordability jobs cannot be created. Planning should be taken away from politics and given to a committee with clear goals. Also clear indication of where the land is.
- Need approved planning system to get volume. Get rid of user pay. Everybody needs to pay infrastructure not just the new buyer. GST should be removed of new housing for a few years to get things started.