

# Housing costs growth threat

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SOUTH Australia will not have any chance of achieving its population objectives if housing affordability continues to worsen, an international public policy consultant has warned industry leaders.

At a presentation organised by the Housing Industry Association in conjunction with the Australian Population Institute (APop), U.S. demographer Wendell Cox said there was “no way at all” we could stimulate population growth with house prices at their current level.

The State Government’s strategic objective is to increase SA’s population to two million people by 2050.

Figures released by the Australian Bureau of Statistics showed Adelaide had an average 2.3 per cent increase in home values in the June quarter. Mr Cox said, like the “brain drain”, house prices soon would be driving people from SA.

“We are talking about the future of your state here. You are looking at an ominous situation if you don’t get this under control,” Mr Cox said.

“There is no question that housing affordability can have a lot to do with interstate migration.

“You have got to become more affordable, relative to other states, if you plan to keep people here.”

APop SA chairman Michael Hickinbotham said housing affordability once had been the key advantage in attracting and retaining people in Adelaide.

“It’s slipping,” he said. “While housing affordability was one area in which SA had a significant advantage over other states, that gap is closing fast. There are strong links between land supply, housing affordability and population.

“Therefore, SA needs to act immediately to free-up constraints on land supply and lead the way in driving affordability in housing.”