



## Call For Smaller Lots

Australia will not meet its housing targets for as long as it continues to use outdated, 1950s planning rules, according to the Housing Industry Association (HIA).

HIA Executive Director of Planning and Development, Sam Heckel, says outdated minimum lot size rules are making it nearly impossible to meet the Federal Government's housing targets.

Heckel says up to 80% of residential land in many cities is locked into low-density zoning or similar with minimum lot sizes that effectively prohibit subdivision.

"These rules are a political choice, not a technical necessity," Heckel says. "They were designed for a completely different time, yet governments continue to protect them even as affordability collapses."

"Minimum lot sizes are one of the easiest supply constraints for governments to remove yet remain largely untouched because of political reluctance to reform suburban planning controls."

"Smaller, sensible lot sizes in well-located suburbs would deliver more homes quickly, without high-rise development and without major infrastructure spending."

## Australia's Leading Economies

Western Australia continues to have Australia's strongest economy, according to the Institute of Public Affairs' latest State Economic Scorecard.

The scorecard, which assesses each state on ten key economic indicators, says Western Australia has higher wage growth and retail turnover compared to other states, as well as the lowest tax and debt burdens.

Tasmania came in second place, leading the nation for productivity and per capita economic growth. Its capital Hobart also had the lowest median rent.

Queensland came in third place, due to low wage growth in 2025 and an average comparative performance on other criteria.

South Australia was fourth, recognised for its "dynamic business environment", although it was marked down for its relatively high energy costs and productivity decline.

Victoria remains in fifth place due to its tax and debt burdens, as well as declining per capita economic output.

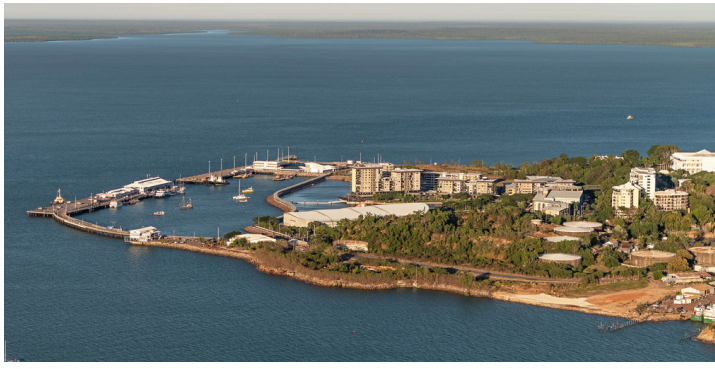
New South Wales was at the bottom of the ladder, with lower business investment, lower retail turnover, higher tax burden, and higher median rent in its capital compared to other states.



## Quote Of The Week

*"Smaller, sensible lot sizes in well-located suburbs would deliver more homes quickly, without high-rise development and without major infrastructure spending."*

HIA Executive Director, Planning and Development, Sam Heckel



## Vacancies Driving Rental Growth

Low vacancy rates are continuing to drive rents higher across most markets.

The latest My Housing Market rent report says that during the month of March, Darwin rents are up by 5.5%.

Darwin now has the second-highest median asking rent for houses of \$793, after Sydney which is up 2.5% over the month to \$820 per week.

Unit rents rose the most in Hobart during March – up 6.6% to \$525 per week, while Sydney is up 1.9% to \$800 per week.

Chief Economist for My Housing Market, Dr Andrew Wilson, says Perth, Hobart and Brisbane continue to report solid annual increases in house rents while the unit rents over the past 12 months generally increased solidly across all capital cities.

Melbourne is the only capital city to record a decrease in rents with both its house and unit asking rents down by 0.4% and 1.7% in the past 12 months.

“Ongoing low and falling vacancy rates are set to generate consistently higher rents with signs continuing to emerge over March,” Wilson says.



## Construction On the Rise

The number of new homes under construction is on the rise. Australian Bureau of Statistics data shows construction started on 52,283 new dwellings in the December 2025 quarter – an 18.5% increase on the same period in 2024.

New South Wales is the busiest with work starting on 16,272 dwellings, followed by Victoria, Queensland, Western Australia and South Australia.

While work is underway on more properties, the data also shows the number of projects completed during the quarter was lower than at the same time in 2024.

There were 43, 598 dwellings completed in the December quarter - 1.8% lower than December 2024. The level of completions means Australia is about 77,500 homes short of the National Housing Accord’s target.

Property Council of Australia executive director Matthew Kandelaars says while many look at approvals data as a positive sign, it is the commencement and completions data that paint a true picture of what is happening with housing delivery.

“With no state currently on track to meet its housing target, stronger commencements alone will not close the supply gap if fewer homes are being completed,” he says.



## Cheapies With Prospects

While finding genuine “cheapies” in Australia’s capital cities is becoming harder, it’s not impossible. Hotspotting’s latest Cheapies With Prospects report has identified ten markets with affordable entry points, which are expected to experience continued demand and long-term price growth.

The top 10 list includes house and unit markets with regional Australia offering many viable options for investors. Ballarat in Victoria leads the list due to its affordability, scale, economic depth, and major infrastructure investment. Broken Hill in New South Wales with a median house price of just \$220,000, is the most affordable option, although Hotspotting managing director Tim Graham says it is an “absolute roughie”, which is best suited to experienced investors chasing strong cash flow.

Once seen as a one-dimensional mining town, Graham says Broken Hill’s economy is now supported by healthcare, tourism, and renewable energy. Other locations on the list include Gawler and Port Lincoln in South Australia, Glenorchy in Tasmania, the City of Melbourne and the Wellington Shire in Victoria, Muswellbrook and Parramatta in New South Wales and Woden Valley in the ACT.