Institute of Public Affairs

IPA RESEARCH NOTE

Nationwide handbrake on housing construction

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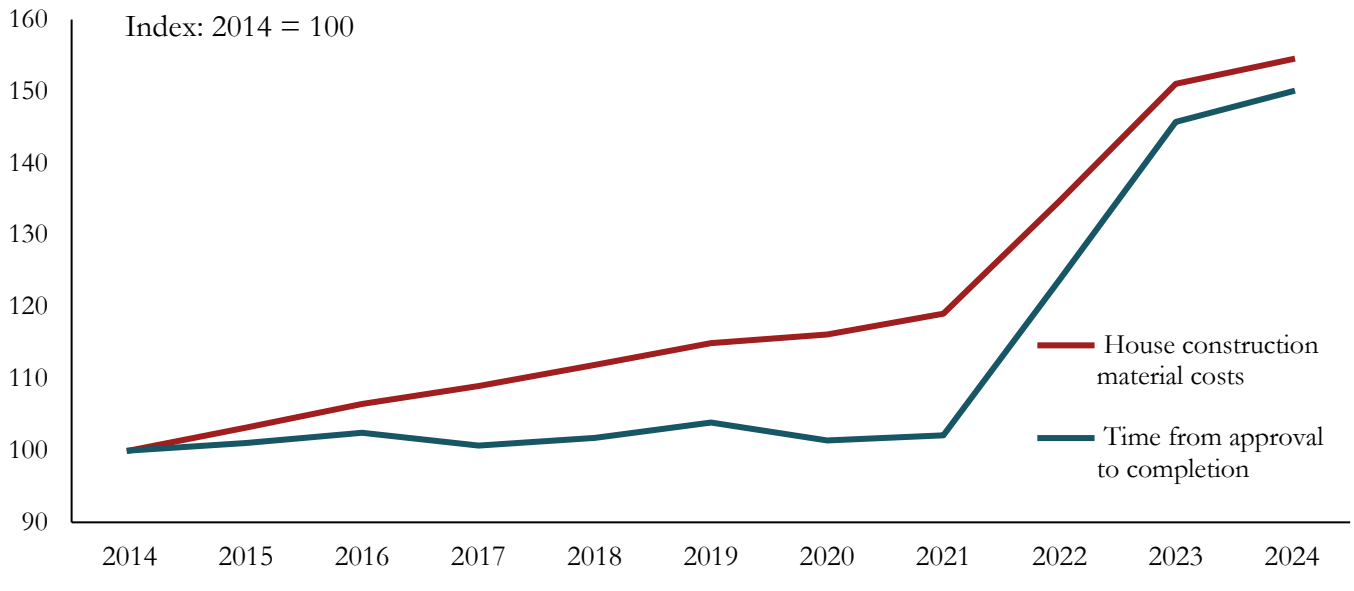
Key findings

- In 2014, building a house took approximately 8.5 months on average. In 2024, building a house took, on average, approximately 12.7 months. This represented an increase of 50 per cent over the last decade.
- The cost of material needed to build a house has also increased by a comparable amount: 53 per cent between 2014 and 2024.
- State-by-state, the increase in house construction time between 2014 and 2024 was:
  - Western Australia: 85 per cent longer.
  - South Australia: 74 per cent longer.
  - Queensland: 58 per cent longer.
  - New South Wales: 39 per cent longer.
  - Victoria: 37 per cent longer.
  - Tasmania: 29 per cent longer.

Figure 1: *Annualised house construction input cost and construction time indices*



Source: IPA, ABS

Methodology

The construction time data, analysed in this research note, was sourced from the Australian Bureau of Statistics' (ABS) 'Building Activity, Australia' database for the financial year ending June 2024.[1] Specifically, it is the sum of the estimated average time it takes to get a construction project for a house from approval through to commencement, and then from commencement to completion.

Housing construction input price data was derived from the ABS' 'Producer Price Indexes' database, which provides input price indices for each state capital.[2] The ABS noted that each index "measures changes in [the] prices of products (materials) used in house construction".[3] It includes the prices of ceramic, cement, and steel products among others. Labour costs are not included.

Housing completion data is a comparison of houses built to completion in 2014 and 2024, and was derived from an analysis of the ABS' most recent 'Building Activity, Australia' database as of the time of writing.[4]

All references to specific years in this document refer to financial years. The analysis is limited to detached houses, as opposed to other types of dwellings such as apartments and townhouses.

Analysis

In recent years, Australia's housing market has been under significant strain. Institute of Public Affairs research has estimated that the housing supply shortfall between January 2022 and December 2024 was approximately 179,000, due to unprecedented demand attributable to population growth.

Net overseas migration to Australia in the period was approximately 1.3 million, which elevated total demand for housing above the level of supply added to the market in every state, except Tasmania.

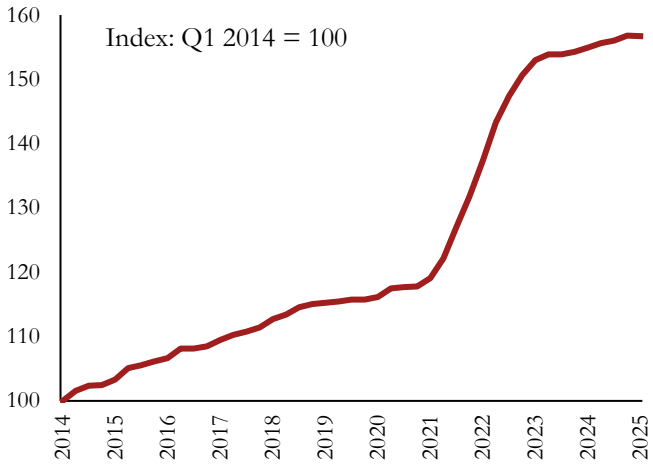
Concerningly, while demand has been at historically high levels, housing supply has stagnated, as a consequence of supply chain challenges, overregulation in housing and construction, the absorption of resources by large, inefficient government projects, and worker shortage in the construction sector.[5]

The analysis in this research note identifies that across Australia, over the last decade, the supply challenges in the housing construction sector have resulted in the time required to build a detached house, from approval to completion, increasing by 50 per cent—from under 8.5 months in 2014 to more than a year in 2024. The cost of house material input also rose by 53 per cent between 2014 and 2024.

Figure 2: *Months to build a house in Australia*

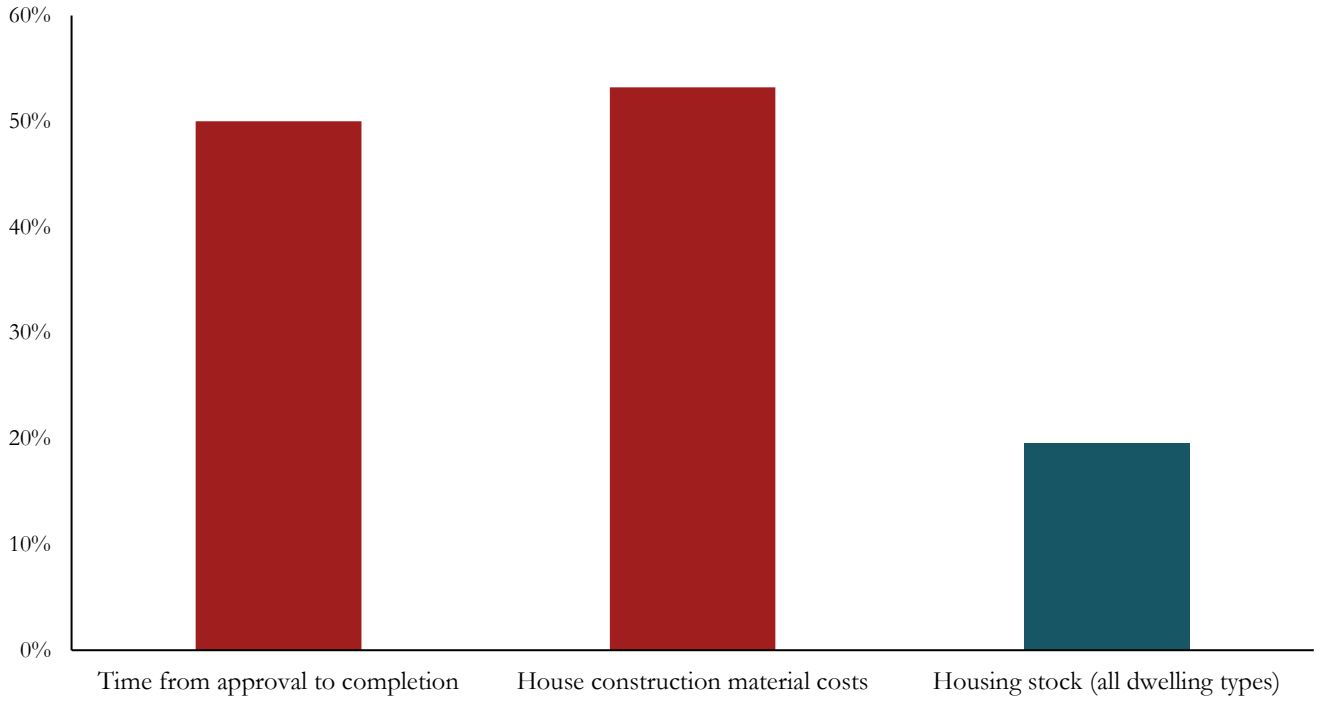
Source: ABS, IPA

Figure 3: *Quarterly indexed housing input material costs*



Source: ABS, IPA

Figure 4: *Change in house construction time, cost of building material, and housing stock from 2014 to 2024*



Source: IPA, ABS

Table 1: *Time to build a house in Australia by state*

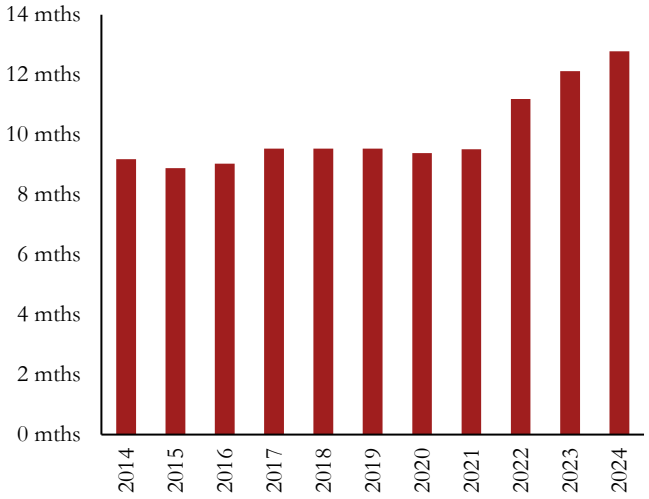
State	Time from approval to commencement	Time from commencement to completion	Time from approval to completion
New South Wales	2014: 2.37 months 2021: 2.43 months 2024: 2.58 months	2014: 6.81 months 2021: 7.08 months 2024: 10.20 months	2014: 9.18 months 2021: 9.51 months 2024: 12.78 months
Victoria	2014: 1.74 months 2021: 1.68 months 2024: 1.95 months	2014: 6.54 months 2021: 6.51 months 2024: 9.36 months	2014: 8.28 months 2021: 8.19 months 2024: 11.31 months
Queensland	2014: 1.56 months 2021: 1.92 months 2024: 2.10 months	2014: 4.92 months 2021: 5.58 months 2024: 8.16 months	2014: 6.48 months 2021: 7.50 months 2024: 10.26 months
South Australia	2014: 3.06 months 2021: 2.94 months 2024: 3.78 months	2014: 6.06 months 2021: 7.11 months 2024: 12.09 months	2014: 9.12 months 2021: 10.05 months 2024: 15.87 months
Western Australia	2014: 2.25 months 2021: 2.01 months 2024: 2.28 months	2014: 7.44 months 2021: 7.29 months 2024: 15.60 months	2014: 9.69 months 2021: 9.30 months 2024: 17.88 months
Tasmania	2014: 2.67 months 2021: 2.88 months 2024: 3.18 months	2014: 7.32 months 2021: 7.65 months 2024: 9.75 months	2014: 9.99 months 2021: 10.53 months 2024: 12.93 months
Australia	2014: 2.04 months 2021: 2.04 months 2024: 2.31 months	2014: 6.42 months 2021: 6.60 months 2024: 10.38 months	2014: 8.46 months 2021: 8.64 months 2024: 12.69 months

Source: IPA, ABS

In New South Wales, the time it took to build a house increased from just over 9 months in 2014 to just under 13 months in 2024, representing an increase of 39 per cent. In the meantime, the cost of material input increased by 55 per cent.

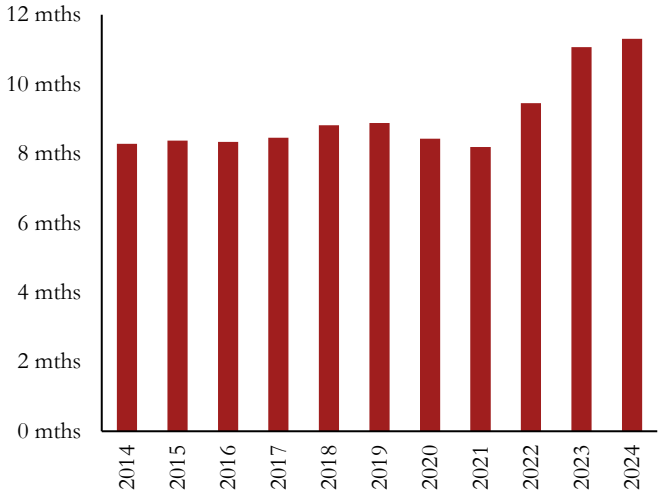
In Victoria, the time it took to build a house increased from a bit over 8 months in 2014 to more than 11 months in 2024, representing an increase of 37 per cent. In the meantime, the cost of material input increased by 56 per cent.

Figure 5: *Months to build a house in NSW*



Source: ABS, IPA

Figure 6: *Months to build a house in Victoria*

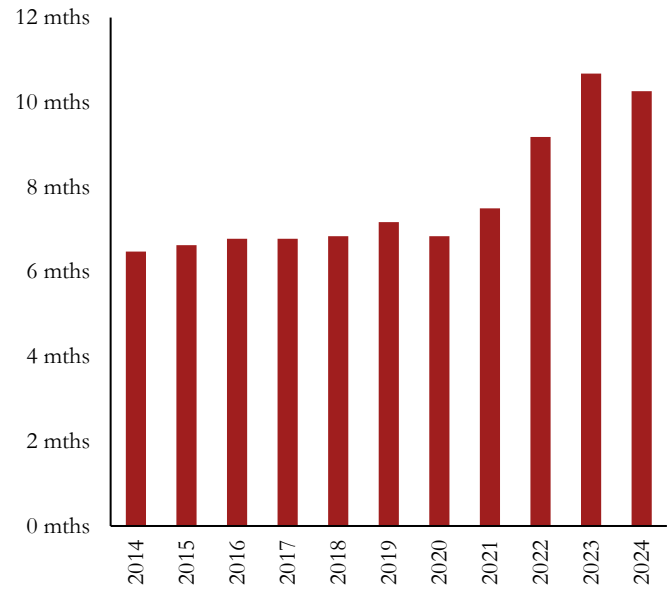


Source: ABS, IPA

In Queensland, the time it took to build a house increased from 6 months and a half in 2014 to more than 10 months in 2024, representing an increase of 58 per cent. In the meantime, the cost of material input also increased by 58 per cent.

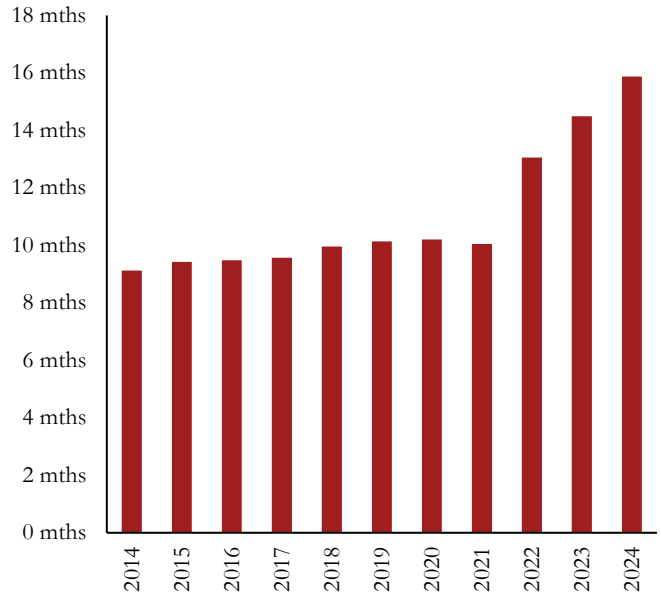
In South Australia, the time it took to build a house increased from just over 9 months in 2014 to almost 1 year and 4 months in 2024, representing an increase of 74 per cent. In the meantime, the cost of material input increased by 51 per cent.

Figure 7: *Months to build a house in Queensland*



Source: ABS, IPA

Figure 8: *Months to build a house in South Australia*

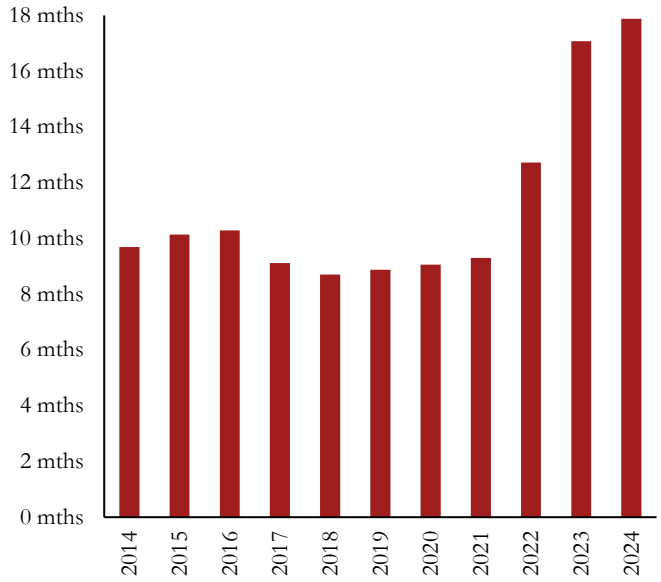


Source: ABS, IPA

In Western Australia, the time it took to build a house increased from under 10 months in 2014 to almost 1 year and a half in 2024, representing an increase of 85 per cent. In the meantime, the cost of material input increased by 45 per cent.

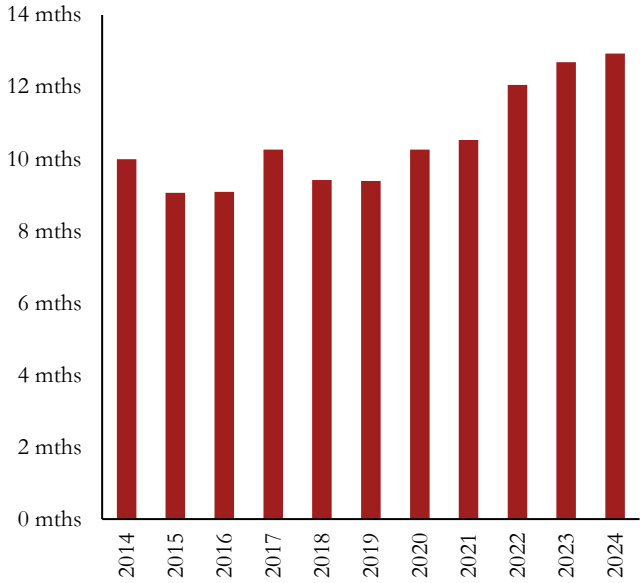
In Tasmania, the time it took to build a house increased from about 10 months in 2014 to 13 months in 2024, representing an increase of 29 per cent. In the meantime, the cost of material input increased by 55 per cent.

Figure 9: *Months to build a house in Western Australia*



Source: ABS, IPA

Figure 10: *Months to build a house in Tasmania*



Source: ABS, IPA

For more information contact Morgan Begg, Director of Research at mbegg@ipa.org.au

End Notes

1. Australian Bureau of Statistics (ABS), *Building Activity, Australia* (Reference period June 2024, 9 October 2024): https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/jun-2024.

2. ABS, *Producer Prices Indexes, Australia* (Reference period March 2025, 2 May 2025): https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/producer-price-indexes-australia/latest-release.

3. ABS, *Producer Prices Indexes, Australia methodology* (Reference period March 2025, 2 May 2025): https://www.abs.gov.au/methodologies/producer-price-indexes-australia-methodology/mar-2025.

4. ABS, *Building Activity, Australia* (Reference period December 2024, 16 April 2025): https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/dec-2024.

5. See Institute of Public Affairs, 'Facts about the costs of housing' (2025) Vol. 50(1) *IPA Facts* 8-9; Saxon Davidson, *Cut immigration and red tape to expand home ownership* (Institute of Public Affairs Research Submission, 8 August 2024) 2; Micheal Read and John Kehoe, 'Infrastructure splurge exacerbating housing shortage: RBA' (*The Australian Financial Review*, 10 November 2023); GJ Gardner Homes, 'Australian construction material supply causing delays for home builders' (2021) https://www.gjgardner.com.au/learn/building-with-gj/australian-construction-material-supply-causing-delays-for-home-builders/.