

STATE OF THE HOUSING SYSTEM 2025 FOR COMMUNITY HOUSING PROVIDERS: WHAT CHPS SHOULD TAKE FROM THE REPORT

Summary of the State of the Housing System 2025 for community housing providers, with clear takeaways on supply shortfalls and delivery

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Australia's housing system remains under heavy strain. The [State of the Housing System 2025 report commissioned by the Australian Government](#) is useful because it links the numbers to real outcomes: stress, scarcity, and people missing out.

Smart housing managers already know the practical truth: good housing keeps good people. That matters in community housing, and it also matters for anyone housing a workforce.

So, instead of adding noise, this article focuses on what the report actually says, plus what it means for delivery.

State of the Housing System 2025 for community housing providers: the key signals

Affordability is still getting worse

In 2024, a median household needed around 50% of income for a new mortgage, and 33% for a new lease. The report also notes 10.6 years to save a deposit, and a price-to-income ratio of 8.0.

In addition, national prices rose 4.9% in 2024, with rents up 4.8%. Early 2025 continued that trend.

Supply is still behind demand

The report says 2024 completions hit 177,000 dwellings. It also estimates underlying demand of ~223,000 dwellings in 2024. That gap adds to an existing backlog.

The Accord target looks out of reach

The Council forecasts 938,000 completions over the Accord period, which falls short of the 1.2 million target. After demolitions, net new supply is 825,000, which is ~79,000 fewer dwellings than underlying demand.

Why supply stays stuck (even when some pressures ease)

The report separates cyclical pressures from structural constraints.

Yes, some cyclical constraints are easing. However, the report says structural constraints remain the main barrier.

These structural constraints include:

- a thin pipeline of skilled workers
- scarce, fragmented, costly land
- low productivity and low innovation uptake
- complex planning approvals in some areas
- a fragmented policy and regulatory ecosystem that adds time and risk

As a result, the system pushes pressure downstream. When supply stays short, the report flags greater reliance on "suboptimal" shelter such as caravan parks, hotels, and emergency shelters, as well as more homelessness and overcrowding.

What this means for community housing providers

1) Delivery certainty becomes the strategy

Funding matters. Yet delivery reliability matters just as much when constraints sit outside your control. Therefore, CHPs will benefit from treating supply as a repeatable operating model. Not a one-off project cycle.

2) Governments will keep pushing for more social and affordable supply

The report notes governments target 55,000 new social and affordable dwellings over the Accord period. That target increases expectations. It also increases scrutiny on timelines, governance, and outcomes.

3) Regulation and trust will stay in the spotlight

The Council recommends reviewing the National Regulatory System for Community Housing (NRSCH), with the long-term goal of a best-practice national framework.

So, trust and transparency won't be "nice to have". They'll be part of the delivery environment.

What this means for community housing providers

1) Build programs, not just projects

Standardise where you can. Repeat what works. Keep learning loops tight.

2) De-risk early

Treat land readiness, approvals pathways, and services planning as front-end work. Do it early. Do it properly.

3) Take productivity seriously

The report supports unlocking modern methods of construction (MMC) and recommends governments investigate feasibility and address barriers to uptake. It also flags the role of stable procurement pipelines to support investment.

MMC won't fit every site. However, the intent is clear: Australia needs delivery models that cut time, variability, and reliance on scarce site labour.

Questions worth asking any delivery partner (without getting sold to)

To keep it practical, here are questions that help you test delivery credibility:

- What's the realistic time-to-completion range, and what usually breaks it?
- Where do cost blowouts typically happen, and how do you control them?
- Which constraint will bite first: labour, approvals, supply chain, or site conditions?
- How do you prove quality over time (defects, maintenance, comfort, resilience)?
- How do you scale without quality sliding?
- How do you manage stakeholder complexity across councils and communities?

Because when the system stays tight, the housing managers who balance budgets and outcomes well are the ones who keep delivering.



Closing thought

The crisis didn't appear overnight. The report frames it as decades in the making, and the data supports that. Even so, delivery is still the lever that changes lived outcomes. Investors who back builds that actually pay off will keep leaning towards delivery models that perform under constraint.

Source: National Housing Supply and Affordability Council, [State of the Housing System 2025](#).

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