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Record Migration Influx Deepens Australia's Housing Crisis

July 15, 2025

– Categories: Real Estate



Australia's housing shortage has reached breaking point as new data reveals record-breaking long-term overseas arrivals 245,890 in the year to July 2025 while construction lags 55,000 homes behind target. The latest Australian Bureau of Statistics (ABS) figures show net permanent and long-term arrivals hit 33,230 in May alone, a 6% increase from 2023's previous record. This surge, driven largely by international students, is intensifying pressure on an already strained rental market and exposing critical failures in housing policy.

The Institute of Public Affairs (IPA) warns migration is outpacing infrastructure at an unsustainable rate, with net arrivals already exceeding the federal government's full-year forecast by 88,990 with one month remaining. "Excessive migration is exacerbating housing and rental crises while dragging down per capita economic growth," said IPA deputy executive director David Wild. Leaked Treasury documents confirm Australia is falling short of its National Housing Accord target of 1.2 million new homes by 2029, with bureaucratic delays and government project crowding worsening supply constraints.

Economists emphasize the rental market will bear the brunt of this imbalance. "Most migrants initially rent, and approvals aren't keeping pace," noted PPD Real Estate's Dr. Diaswati Mardiasmo. Construction costs and red tape continue to stifle development, leaving renters competing for scarce properties as prices skyrocket. The IPA highlights a fundamental disconnect while population growth accelerates, housing approvals stagnate due to inefficient planning systems and misplaced infrastructure priorities. Australia faces a defining choice: continue uncontrolled migration that overwhelms communities or implement balanced policies that align population growth with housing and infrastructure capacity. The current trajectory record arrivals meeting construction shortfalls is a recipe for social division and economic decline. Sustainable solutions require more than aspirational housing targets; they demand urgent deregulation, incentivized construction, and migration levels that serve, rather than strain, the national interest. The time for empty accords has passed Australians need homes, not headlines.

