

# OpenVoiceNews Australia

Transparent. Unbiased. Yours.

## Australia Misses Q1 Home Building.

July 16, 2025

– Categories: Real Estate



*Australia's home construction industry failed to meet its first-quarter 2025 targets, highlighting ongoing challenges in supply chains, labor shortages, and rising costs.*

According to official figures, the total number of new homes completed in Q1 did not meet government targets, with several contributing factors slowing down the pace of construction. Builders and developers across the country continue to face a difficult mix of supply chain disruptions, skilled labor shortages, rising material costs, and lengthy planning approval processes.

Industry experts say these obstacles are making it increasingly difficult to keep up with Australia's ambitious housing goals. The government had set out to boost housing supply significantly in 2025 to address the ongoing affordability crisis. However, delays and cost overruns are pushing projects behind schedule.

The Housing Industry Association of Australia noted that many smaller builders are also under pressure, with some forced to delay or cancel planned projects. Rising interest rates and tighter lending conditions have added financial strain, making it harder for both developers and homebuyers to proceed confidently.

Experts also point to the growing gap between federal housing plans and on-the-ground realities. While the government has committed to fast-tracking home construction, approvals at the state and local levels remain slow and complex. The mismatch between policy and execution continues to be a major hurdle.

Economists warn that unless urgent reforms are made, the country may struggle to meet its long-term housing supply targets. The missed Q1 figures are a sign that more coordinated action is needed from both the public and private sectors.

Meanwhile, renters and first-time homebuyers are feeling the effects. Limited new housing supply continues to push prices higher, with many Australians finding it harder to enter the property market. Advocacy groups are calling for more direct government intervention, including support for affordable housing initiatives and streamlining building approvals.

While some larger developers are optimistic that supply chain pressures may ease later in the year, the near-term outlook remains uncertain. The construction sector is asking for clearer timelines, better planning frameworks, and increased investment in workforce training to help ease bottlenecks.

Australia's first-quarter performance has served as a wake-up call. Without swift and targeted action, the road to solving the nation's housing crisis may grow even longer.