



More Houses Sooner

Finding the Australian Dream:
Australian Housing Demand
and Timber Use Scenarios to 2034

Executive Report Summary



The findings in this executive summary document is based on research presented in the More Houses Sooner report, which has been prepared by **IndustryEdge Pty Ltd**, in conjunction with HireThinking Pty Ltd, for Forest & Wood Products Australia (FWPA) based on publicly available information, research and industry consultation to assemble industry information and has been prepared with due professional care and attention. All efforts have been made to cite references and provide evidence, while maintaining the confidence of information providers and protecting commercially sensitive information.

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The full More Houses Sooner research report can be accessed and downloaded via the FWPA website: <https://fwpa.com.au/report/more-houses-sooner>

Australian Housing Demand and Timber Use to 2034

Australia is experiencing a dwelling shortage, often described as a 'housing crisis' or a 'housing affordability crisis', influenced by unmet demand over the past two decades. Addressing this challenge presents opportunities for industries such as forestry and wood products, which play an important role in providing sustainable materials for construction and supporting efficient housing supply.

- Population growth is a key driver of housing demand, with projections showing nearly **31 million people and a decline in household size to fewer than 2.4 people per household.**
- Research indicates Australia needs to deliver approximately 2.48 million new dwellings by 2034 to keep pace with population growth and address historic unmet demand. This equates to roughly 225,400 new dwellings per year.
- Meeting this demand will require more efficient timber use in both free-standing homes and multi-residential developments (4-8 stories). This strategy can help accelerate construction while addressing both affordability and housing supply challenges.

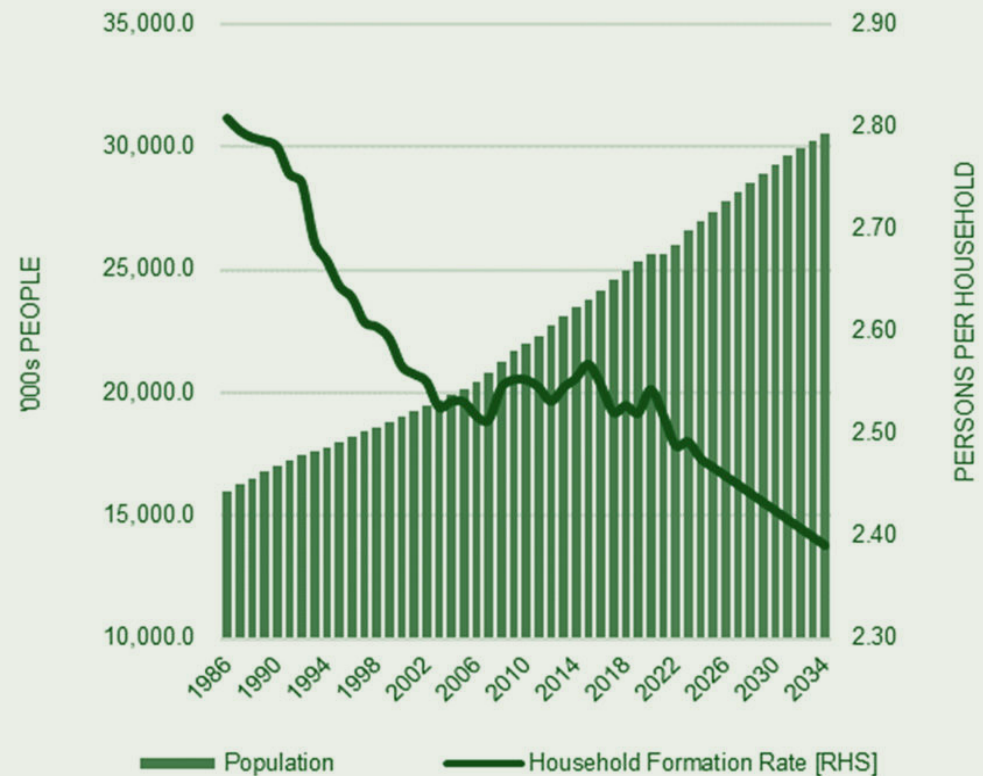


Population Growth and Housing Demand

A growing population and less people per dwelling increases required dwellings

- The Australian population is growing (projected to be ~31 million by 2034)
- The number of people per household is declining (<2.4 by 2034)
- If population increases and household size decreases... We need more dwellings.
- But how many more? And don't we have a problem building what we need?

Population and Household Size Drives Housing Demand



Source: FWPA Report: More Houses Sooner, February 2025

The More Houses Sooner Model: Connection between Affordability Period and Supply

Housing Supply and Population

- When demand and supply are in reasonable balance, we are building enough to meet the demand from the population.
- Before 2000, affordability indicators were stable as housing completions kept up with demand.
- Since 2000, affordability has worsened as construction rates failed to meet rising demand.

The More Houses Sooner Model used two different population measures:

Dwellings per total population (linear the Historic Rate)

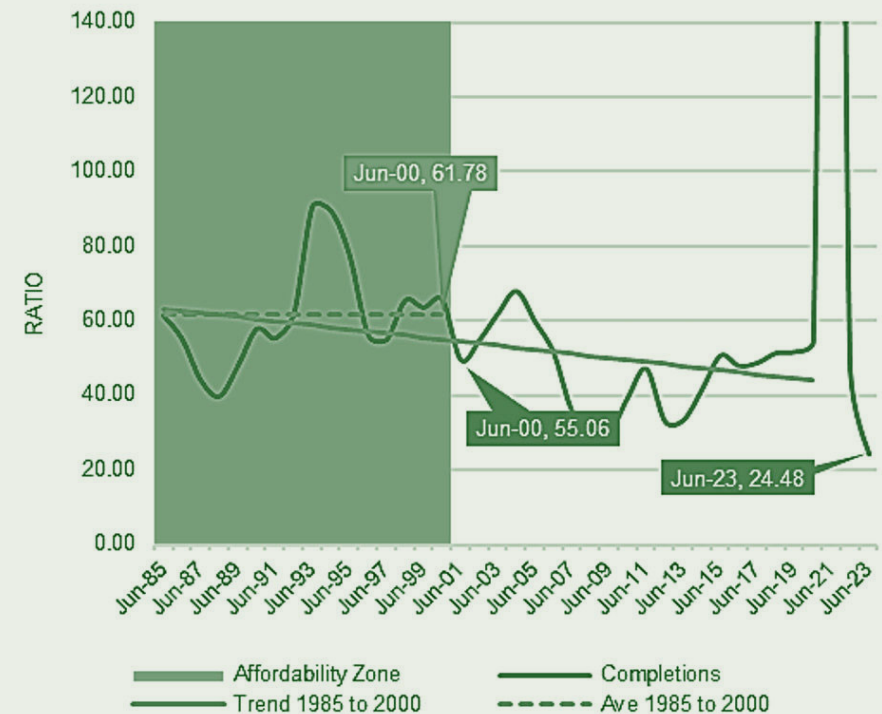
- The Historic Rate (HR) calculates the number of dwellings built as a ratio of total population over the affordability period 1984 to 2000.
- During the 1984-2000 period, new dwellings were completed at a rate of 0.71% of the population. At the end of June 2023, the rate had declined to 0.58%.

Dwellings per new population -

HARBU (Housing Affordability Rate of Building Index)

- This tracks number of dwelling completions per 100 new people in Estimated Resident Population. The average rate during the 1985 - 2000 period was 61.78%.
- In June of 2000 the rate was 55.06%.
- Since 2000 there has been an overall decline to 2023 when the rate sat at 24.48%.

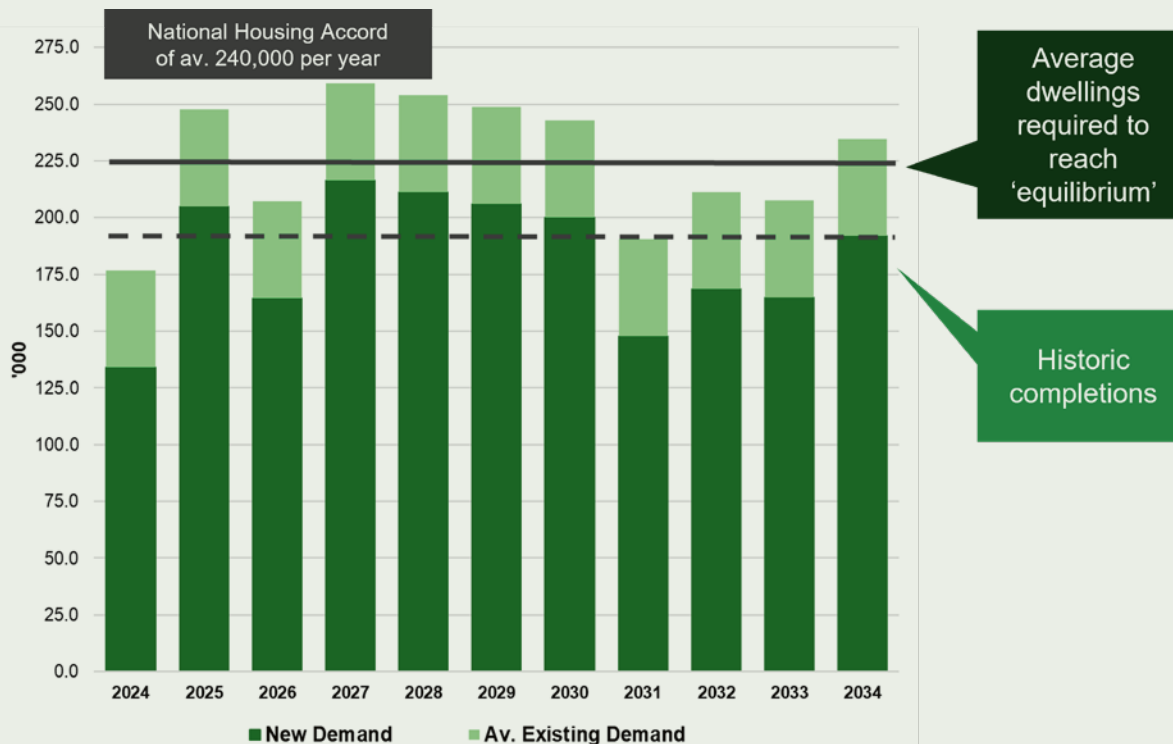
Dwelling Completions per New Population: 1985-2023



Source: FWPA Report: More Houses Sooner, February 2025

Australia needs more houses to address current and cumulative historic demand

Population growth and housing demand to 2034 Required completions of private dwellings



2024-34

New Demand (2024-34)

Additional Dwellings	~2.0 million
Ave. Required Completions	~ 182,700

Unmet Demand & New Demand

Additional Dwellings	~2.5 million
Ave. Required Completions	~ 225,400

Historic Average Completions

Ave. Completions	~ 192,100
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Key findings

- The More Houses Sooner study estimated that from 2024 to 2034, Australia will need to build around **182,700 new dwellings per year** (or 2.01 million over the period) to meet new demand.
- When factoring in **unmet demand from 2001-2023**, this requirement increases to an average of **225,400 dwellings per year, or 2.48 million** in total.
- A consideration of the type of dwellings to be constructed over the next decade has also been calculated, with **accelerated growth in multi-residential dwellings**, and demand for **free-standing homes expected to remain steady**.
- To bring housing supply closer to a nominal 'affordability zone,' Australia would need to build an average of **257,300 new dwellings per year** to meet both forecasted and historic unmet demand.

Year	Dynamic Household Formation Rate	New Annual Dwelling Demand ('000)	New Annual demand + unmet demand ('000)
2024	2.440	134.2	176.9
2025	2.430	204.8	247.5
2026	2.430	164.4	207.2
2027	2.430	216.3	259.0
2028	2.420	211.1	253.9
2029	2.410	205.9	248.7
2030	2.400	200.2	242.9
2031	2.400	147.8	190.6
2032	2.390	168.4	211.1
2033	2.390	164.7	207.4
2034	2.380	191.8	234.5
Total		2009.6	2479.7
Average		182.7	225.4

Source: FWPA Report: More Houses Sooner, February 2025

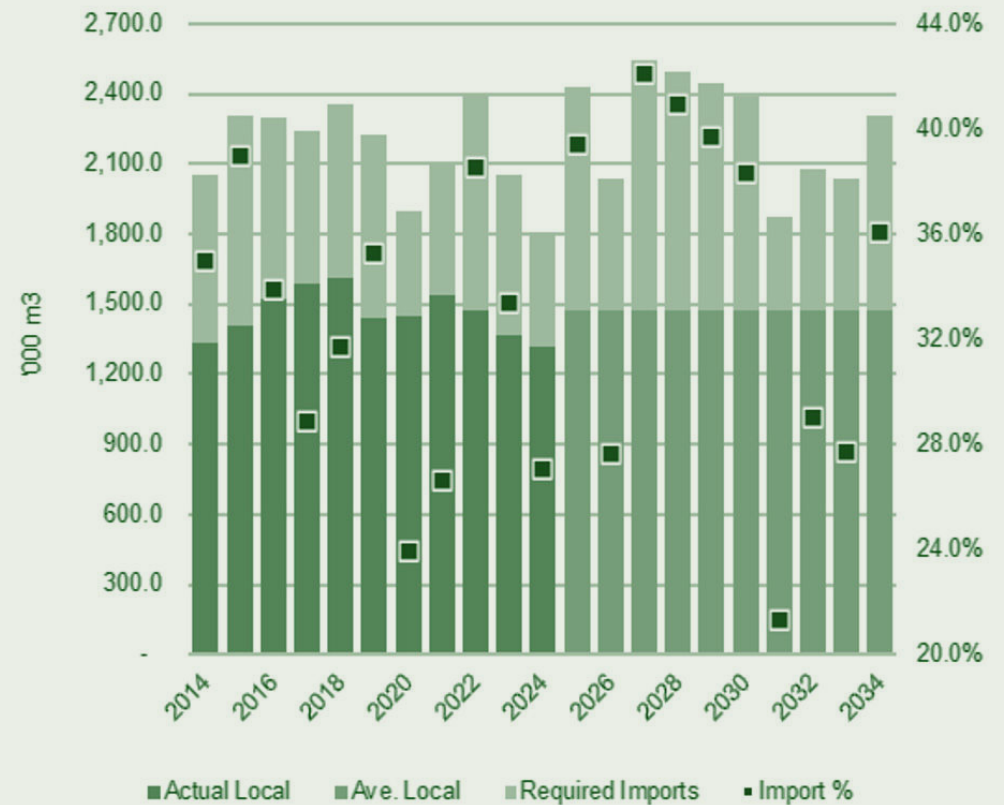
Meeting the demand for structural timber - a challenge and an opportunity for the timber industry

Sawn Structural Timber Demand to 2034

As housing demand grows, both domestic production and imports of sawn structural timber are expected to increase to meet supply needs.

- The study projects that demand for **sawn structural softwood timber (and equivalents) will exceed 2.5 million m³ per year by 2027**, which is anticipated to be the peak year.
- If demand for **free-standing dwellings rises**, the need for sawn structural timber is expected to grow significantly, aligning with industry trends.
- A key challenge is the increasing **reliance on imports**, which could approach or exceed **40% of total supply** during peak demand periods.

Understanding these demand trends will be essential for planning domestic supply strategies and ensuring a stable and sustainable timber market.



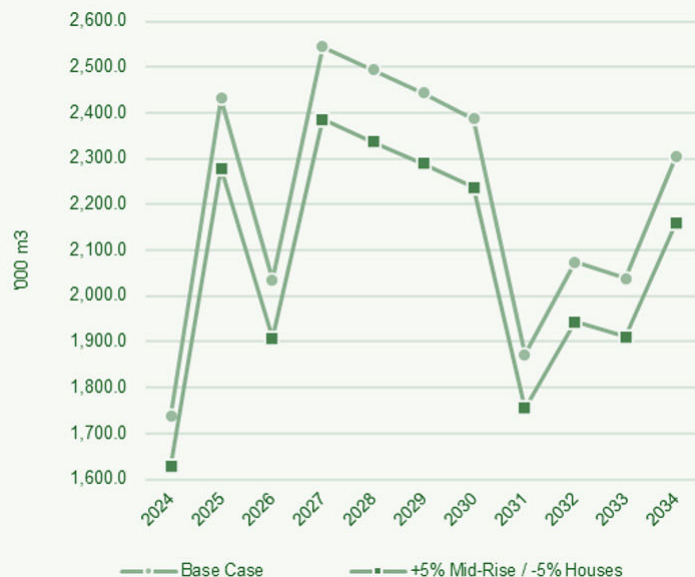
Source: FWPA Report: More Houses Sooner, February 2025

Opportunities for mid-rise and multi residential dwellings

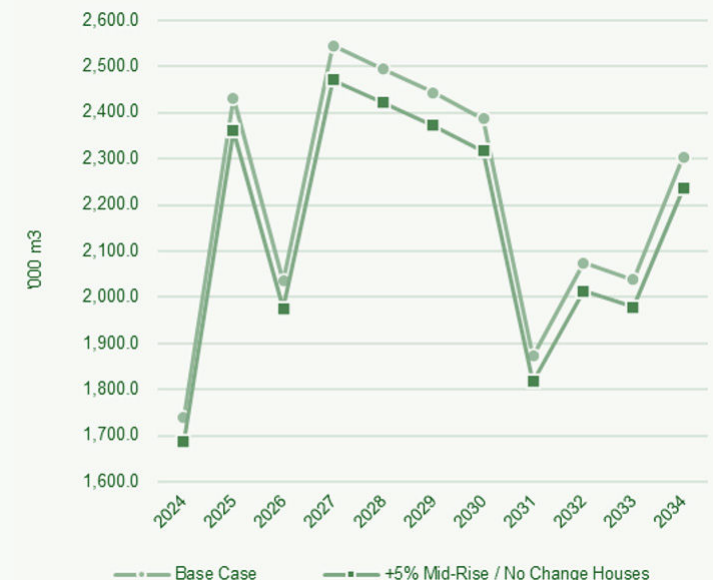
How the move toward multi-residential could impact sawn structural timber use

The More Houses Sooner model can test scenarios – showing how much sawn structural timber would be used nationally as the types of housing in the built environment change. Movement towards mid-rise multi-residential dwellings will reduce the amount of timber used per dwelling, presenting both opportunities and challenges.

Scenario 4a: Increased mid-rise multi-residential dwellings at expense of free-standing dwellings



Scenario 4b: Increased proportion of mid-rise multi-residential dwellings, with no change to free-standing dwellings



Multiple scenarios were estimated in this study to measure timber use in a range of housing configurations

Timber, Forestry, and Innovation: Shaping the Next Decade of Housing

The forestry and wood products sector has a vital role to play in supporting Australia's housing needs over the next decade. While the nation has historically produced an average of **192,100 dwellings per year** (2014–2024), meeting future demand will require **a significant increase in annual housing completions**.

- To achieve **equilibrium by 2034**, Australia will need to construct approximately **225,400 dwellings per year**—a level never before reached.
- Data indicates that in order to meet these targets, **multi-residential construction will continue to grow**, while free-standing dwelling completions are expected to remain stable.
- The **forestry and wood products industry is well-positioned to support this shift**, providing sustainable materials and innovative solutions for evolving housing needs.
- Further opportunities exist in **prefabrication, factory-based manufacturing, and lean production methods**, all of which can enhance efficiency and scalability in construction.
- Moving forward, the **More Houses Sooner** methodology can be expanded with additional scenarios and refined modelling to strengthen insights and inform industry and policy decisions.
- By embracing innovation and strategic planning, the forestry and wood products sector can help shape a more sustainable, efficient, and responsive housing future for Australia.





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the full report
[https://fwpa.com.au/
report/more-houses-sooner](https://fwpa.com.au/report/more-houses-sooner)





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