

# Concern for Gladstone affordability

**Michelle Hele**

THE development industry fears a blow-out in housing affordability in Gladstone if demand outstrips supply by the end of the year.

In a report on the Gladstone region, the Urban Development Institute of Australia has called for a formal body to be set up to monitor growth and ensure some form of continued housing affordability in the area.

UDIA Gladstone branch pres-

ident Andrew Foreman believes if demand outstrips supply investors will stop looking at that market.

"The most significant research findings warn of a potential undersupply of housing toward the end of 2008 with resulting damage to housing affordability and an exodus of investors," he said. UDIA national property research director Matthew Gross said the report highlighted a number of areas of immediate concern for the local Gladstone

housing market. He said in the report that housing demand had increased dramatically in the past year but would be met until later this year as more lots were released by council.

But later in the year demand would outstrip supply again, potentially through a shortage of trades and skilled labour.

Any further pressure on affordability in the area could also result in shrinkage in the size of housing lots.

"We have seen a significant

increase in average lot size recently and, with new vacant lots now priced at over \$200,000, affordability issues will start to come into play soon," he said.

"As housing affordability reaches the economic ceiling for Gladstone residents, the number of investors will diminish significantly creating a rental crisis, if only for the medium term.

"Lot sizes will also shrink as buyers are forced into smaller and cheaper accommodation," he said.