

Building Better Homes for South Australia: Housing Quality, Supply, Diversity & Affordability

A design-led approach to tackling the current housing crisis

Context and Vision

South Australia is experiencing a multi-layered housing crisis shaped by structural supply shortages, affordability pressures, climate impacts, and a lack of diversity across housing types and tenures.

Demand continues to exceed supply across both metropolitan and regional areas. In 2024, Australia completed 177,000 dwellings, its lowest output in a decade, while underlying demand was approximately 223,000 dwellings—a shortfall of 68,000 homes. Over the current Accord period, SA is projected to deliver 59,000 new homes, significantly below the 84,000 dwellings required to meet its proportional national share.

Affordability has worsened. Rental costs now consume 33% of household income in Adelaide, while first-home buyers face an average deposit-saving timeframe of 7.2 years, the longest nationally. Rising housing costs put particular pressure on students, low-income households, essential workers, and people fleeing domestic violence.

More than 16,000 households remain on the South Australian public housing waitlist. Social housing has declined nationally from 6% of all dwellings in 1991 to around 4% today, while demographic changes—including shrinkage in household size and increasing single-person households—have intensified demand.

Climate change, energy prices, and health impacts linked to poor-quality housing further complicate the system's capacity to respond. A comprehensive housing policy must address these interconnected challenges simultaneously.

Why Quality, Safety & Health Matter

High-quality housing is essential infrastructure. The NCC 2022–2028 reforms provide an unprecedented opportunity to embed higher standards that deliver long-term public benefit.

Poor ventilation and inadequate condensation management contribute to mould, respiratory illness, and preventable healthcare costs. The Institute strongly supports full implementation and enforcement of:

- H405 Ventilation
- H407 Condensation Management
- Whole-of-home NatHERS energy rating requirements
- Improved thermal and energy performance measures

Healthy, climate-ready homes must be comfortable during heatwaves, efficient in energy and water use, gas-free and electric-ready, and designed to manage moisture, ventilation, shading, and airtightness.

Rental housing standards must be strengthened to include verified insulation, ventilation, airtightness, glazing performance, and access to safe heating and cooling systems. These reforms reduce tenant disadvantage and improve public health outcomes across the housing system.

Housing Supply & System Performance

The NHSAC identifies entrenched structural constraints that limit the system's ability to respond to demand. These include a shortage of skilled labour, low productivity, fragmented planning systems, commercially unviable medium-density development, and limited developable land in well-located areas.

Workforce shortages affect all construction models—traditional construction, prefabrication, modular manufacturing, and hybrid delivery. While detailed workforce strategies are provided in the Institute's MMC Policy Statement, it is essential to acknowledge workforce capacity as a core constraint on supply, project feasibility, and quality.

Planning, land, and infrastructure coordination must improve. Design-led precinct planning, strategic land assembly, infrastructure sequencing, improved local government capability, and better-aligned approval pathways are required to ensure that supply is feasible, timely, and responsive to housing need.

Regional South Australia faces additional pressures: key-worker housing shortages, limited rental options, material supply challenges, and workforce availability issues. The new Office for Regional Housing provides a platform for whole-of-government coordination across regions.

Housing Diversity, Equity & Inclusion

South Australia needs more diverse housing options that reflect changing household structures and life stages.

Missing-middle housing—such as townhouses, duplexes, co-housing models, cluster housing, and low-rise apartments—must be enabled through planning and funding mechanisms.

Multigenerational and culturally inclusive housing require design responses that accommodate larger families, shared living arrangements, and community-oriented spaces.

Universal design must be embedded as a mainstream housing outcome as the population ages, and should apply across private, public, and community housing. Age-friendly housing supports independence, reduces pressure on social services, and enables ageing-in-place.

First Nations housing must be community-led, culturally appropriate, well maintained, and coordinated across agencies. Housing design should support connection to Country, community wellbeing, and cultural practices.

Social & Affordable Housing

Restoring social housing to **6%** of total dwellings, with a long-term ambition of **10%**, is essential to address current and future need.

Inclusionary zoning provides a consistent, transparent tool to deliver affordable housing across metropolitan and regional South Australia. A low, uniform target should apply across jurisdictions.

Community Housing Providers (CHPs) require long-term policy certainty, expanded asset renewal funding, and strong regulatory support. CHPs are critical delivery partners for social and affordable housing, particularly where market-led development is unviable.

The Housing Australia Future Fund (HAFF) and National Housing Accord should be integrated with major SA projects to maximise affordable housing outcomes. Legislative protections for the National Housing & Homelessness Plan (NHHP) would ensure continuity across electoral cycles and allow for long-term planning.

Construction Modernisation

Construction modernisation—including MMC—can accelerate delivery, improve quality, reduce waste, and support predictable cost structures. MMC can play a significant role in regional housing delivery, public housing renewal, infill projects, and key-worker accommodation.

Workforce capability is fundamental to modernisation, and must be supported through training, certification, and skills pathways aligned with national frameworks. Detailed MMC strategies are addressed in the Institute’s separate policy statement.

Climate-Ready & Low-Carbon Housing

South Australia must support a transition to low-carbon and circular construction by:

- Requiring whole-of-life carbon reporting
- Supporting recycled and low-embodied-carbon materials
- Encouraging sustainable precinct planning
- Reducing operational emissions through gas-free development and high-performance buildings
- Enabling material recovery, reuse, and recycling

These measures align with national climate objectives and help future-proof the housing sector.

Governance, Data & Design Leadership

Design leadership must be embedded within the governance of South Australia’s housing system. Architects play a crucial role in ensuring that homes and precincts are well-designed, climate-ready, accessible, and healthy.

Government should strengthen the formal representation of qualified architects and design-profession experts across key housing governance bodies — including membership of the National Housing Supply & Affordability Council, state design advisory panels, governance structures for government-led housing projects and precincts, and SAHT/SAHA board and program oversight. Strengthened architectural representation will help ensure that design quality is embedded from policy through to delivery.

Improved data transparency — such as land supply dashboards, development activity monitoring, and public reporting on social and affordable housing delivery — supports better decision-making and accountability across the system.

The Institute’s Position

The Australian Institute of Architects (SA Chapter) calls on all parties contesting the 2026 State Election to adopt policies that:

- Champion **quality and safety in housing** through strengthened design and performance regulation.
- Accelerate **innovation in construction** through Modern Methods of Construction (MMC) and digital delivery.
- Support **housing diversity and inclusivity** to meet the needs of multigenerational, rental, and culturally diverse communities.
- Advance **climate resilience and circular economy goals** through whole-of-life carbon reporting and traceable construction materials.

Design leadership must be central to achieving these outcomes. Quality housing is not achieved by regulation alone, but through collaborative policy that empowers architects, builders, and communities to design for resilience, health, and liveability.

Key Actions for Government

1. Adopt a Design-Led Housing Strategy

Embed design excellence, performance and climate resilience in all housing policy, planning and investment decisions.

2. Deliver a Balanced, Feasibility-Informed Supply Strategy

Coordinate planning, land release, market feasibility and infrastructure delivery to ensure supply meets demand.

3. Strengthen Construction Quality & NCC Compliance

Fully implement NCC 2022–2028 standards, including ventilation, condensation management, and energy performance.

4. Increase Housing Diversity & Inclusion

Enable missing-middle models, universal design, multigenerational housing and culturally informed housing.

5. Expand Social & Affordable Housing Supply

Return social housing to 6% of total dwellings; adopt inclusionary zoning; strengthen CHPs; maximise HAFF outcomes.

6. Introduce Minimum Rental Performance Standards

Require verified insulation, ventilation, airtightness, glazing and safe heating/cooling in all rental properties.

7. Support Workforce Development Across All Construction Pathways

Address labour shortages through training, apprenticeships, mobility programs and MMC-aligned skills pathways (refer to MMC Statement for detailed actions).

8. Advance Low-Carbon & Circular Construction

Mandate whole-of-life carbon reporting, support low-carbon materials, enable material recovery, and promote gas-free housing.

9. Integrate MMC into Strategic Housing Delivery

Use MMC to accelerate supply, particularly in regional housing, public housing renewal and large state-led developments.

10. Strengthen Governance & Data Transparency

Ensure design expertise across key housing bodies, enhance data-sharing, and align planning, transport, housing and infrastructure strategies.

Conclusion

South Australia can lead the nation in delivering safer, healthier, more equitable and more resilient housing. By uniting design leadership with targeted investment, planning reform, construction capability, climate adaptation and social housing expansion, the State can address structural challenges that have developed over decades.

Good housing underpins economic participation, health, wellbeing and community connection. South Australians deserve homes that are designed for the future, affordable to access, safe to live in, and built to withstand a changing climate.

Legend of Acronyms

AIA – Australian Institute of Architects
ABCB – Australian Building Codes Board
CHP – Community Housing Provider
GEMS – Greenhouse and Energy Minimum Standards
GBCA – Green Building Council of Australia
HAFF – Housing Australia Future Fund
MMC – Modern Methods of Construction
NCC – National Construction Code
NHA / Housing Australia – National Housing Australia
NHSAC – National Housing Supply & Affordability Council
NHFIC – National Housing Finance & Investment Corporation
NHHP – National Housing & Homelessness Plan
NRSCH – National Regulatory System for Community Housing
PDI Act – Planning, Development and Infrastructure Act
SAHT – South Australian Housing Trust
UDIA – Urban Development Institute of Australia

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