



## **Unlocking housing credit and more liveable cities must be Government's top priorities**

Following the weekend's election result, the Urban Development Institute of Australia (UDIA) congratulates the Prime Minister, the Hon Scott Morrison MP and his team on their historic victory and urges the Government to ensure that measures to enable home ownership and national infrastructure remain firmly in focus.

"UDIA applauds the Government's commitment to housing affordability and creating more liveable cities through its record \$100 billion commitment to infrastructure over the next decade, as well as initiatives such as the First Home Loan Deposit Scheme," says UDIA National President Darren Cooper. This scheme will provide a pathway for 10,000 people to be able to buy their first home.

"However, the real key now to enabling new home ownership is for the Government to unlock housing credit. It can best do this by encouraging APRA for it to reduce its interest rate servicing benchmark rate that the banks must use to assess home loan applications", Mr Cooper said.

"The current assessment rate of 7% is unrealistic in the current interest rate environment, and by reducing peoples' borrowing capacity it's locking thousands out of buying their first home, or upgrading or down-sizing from their current home. Even a benchmark rate of 5.5% would provide a prudent buffer over current rates, and would get home lending and therefore housing markets moving again", he said.

"We also continue to advocate for an Infrastructure Accord so that we can continue to move forward with a vital and connected infrastructure plan for our nation, without allowing investment programs to be sidetracked by bi-partisan politics."

**ENDS**

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