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MEDIA RELEASE

Recommendations for more affordable housing

Peak development industry body, the Urban Development Institute of Australia (UDIA), has today (6 August) released a comprehensive national report into housing affordability in Australia.

The report – ‘*An industry report into affordable home ownership in Australia*’ – charts the change in housing affordability of 70 designated population centres in Australia from 2001 to 2006.

The report shows Australia has moved from 2001 when 96 per cent of the centres were considered affordable, to the current situation - with only 39 per cent of centres affordable and a staggering 27 per cent considered unaffordable at the end of 2006.

As well as providing an unprecedented audit of affordability in Australian centres, the report includes state-specific chapters, outlining local issues impacting on affordability in each jurisdiction.

The report also puts forward a series of recommendations which, in the view of the UDIA, would deliver a more stable environment for the restoration of housing affordability in this country.

The recommendations are as follows.

1. The federal government should liaise with state and local governments to ensure the development of national growth management strategies that underpin state and local authority growth management strategies and which deliver coordinated plans for new and emerging communities particularly with respect to the provision of major infrastructure, such as transport, employment and government services.
2. The federal government, in conjunction with state and local governments should establish a Ministerial Council on Housing Affordability that includes industry representation.
3. The Ministerial Council on Housing Affordability should have oversight of the development and implementation of appropriate mechanisms to ensure that:
 - An independent Housing Affordability Authority (HAA) such as the United Kingdom’s National Housing and Planning Advice Unit is established to provide economic modelling and advice to all relevant levels of government on the impact of planning and other legislation and planning schemes on housing affordability;
 - Monitoring and reporting of housing affordability is undertaken under an agreed methodology by the HAA;
 - Targets for the affordability of home ownership are set at appropriate levels for all relevant Australian markets;

- State-based land release programs ensure ample greenfield, infill and re-development land supply is available to meet demand requirements to achieve the agreed affordability targets; and
 - Oversight and immediate review of planning and development legislation and processes occurs in order to improve the efficiency and effectiveness of residential property development in Australia.
4. The development of federal policies and funding schemes should take place to reduce the reliance of state and local governments on upfront levies, taxes and charges, (including stamp duty and land tax), particularly for the provision of infrastructure, and taxation incentives to encourage dwelling supply. Specifically, federal government expenditure on urban infrastructure should be substantially increased at least consistent with population growth.
 5. The implementation of coordinated strategies at federal, state and local levels should occur to ensure adequate numbers of appropriately skilled employees are available for the residential property sector.
 6. Funded programs should be developed to restore affordability and intergenerational equity for first home purchasers of existing and new residential dwellings in addition or complementary to the existing First Home Owners Scheme.

A full copy of the UDIA report, *'An industry report into affordable home ownership in Australia'* is available online at www.udia.com.au.

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Media:

The UDIA Report *'An industry report into affordable home ownership in Australia'* is available for viewing and download at: www.udia.com.au. For more information or to interview Grant Dennis, please contact Susan McCosker on 0422 567 667.