

MEDIA RELEASE

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Crisis worsens: Long term spending and National Strategy required to address ballooning supply shortfall

National Shelter has called for longer term spending and urgent action in producing a National Housing Strategy in order to rein in the ballooning supply shortfall in Australia's housing Market.

Supply shortfalls have exceeded 2008 report projections by 23,000 increasing to 178,400 units, and the gap is expected to continue to grow to 308,000 dwellings by 2014, and to over 640,000 by 2029.

Welcoming the Housing Supply Council's 2010 State of Supply report, Chairperson of National Shelter Adrian Pisarski said that the figures clearly demonstrate the level of action needed by governments to increase the supply of accessible affordable housing.

"These figures are far worse than expected. Governments need to recognise the crisis this country is in and take strong action to alleviate the pressures on Australian households," Mr Pisarski said.

"We can't just expect that we will have enough houses near essential services and employment. The government needs to work with the housing industry to develop a strategy which will achieve long term goals and prepare for population growth and increasing demand," he said.

The report identifies that over 20% of lower income private renters paid more than 50% of household income in rent between 2007 and 2008 and that for the same group there is a shortage of 493 000 affordable rental dwellings.

"The private rental market is the greatest area of concern. Without significant investment in affordable housing low income earners will continue to find it increasingly difficult to compete in the private rental market where many cheaper rentals are tenanted by people who can afford to pay more," Mr Pisarski said.

Mr Pisarski commended the Rudd Government for their commitment to housing thus far, but insists that based on the latest figures, serious consideration should be given to some policies including the redirection of the First Home Owners Grant (FHOG) to the construction of affordable dwellings.

"The FHOG only adds pressure to demand and price. We need to focus on adding to supply and should therefore redirect that funding," Mr Pisarski concluded.

Housing Australia Affordably, National Shelter's policy platform makes extensive recommendations to the government to improve housing affordability in Australia. It is available at www.shelter.org.au

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