LIVEABILITY ON THE LINE WITH HOUSING AFFORDABILITY CRISIS

The Planning Institute of Australia (PIA) is calling on the Federal Government to acknowledge that tackling housing affordability is much more than a ‘supply issue’.

PIA CEO David Williams said despite record supply levels in recent years, prices have continued to rise in Sydney and Melbourne – proving an increase in supply is not the solution.

“Housing markets are complex systems,” said Mr Williams. “A genuine solution needs to take into account where people work, shop, study and where they feel part of a community.”

With the average median house price in Greater Sydney tipping $600,000 and Sydney CBD over $900,000, the great Australian dream of owning your own home is undeniably becoming out of reach for Millennials.

PIA welcomes the Federal Government’s consideration of its role in financing affordable housing stock, but all financial levers must be considered when re-balancing supply and demand.

“The Federal Government’s establishment of a government lender as part of its affordability solution is a catch-up response after decades of neglect and only addresses a small part of a much larger problem,” said Mr Williams. “The Federal Government must seriously consider an overhaul of the Capital Gains Tax discounts and negative gearing policies to help overcome the lack of housing affordability”.

PIA says it is not just the Federal Government but all levels of government that have their role to play in ensuring that Australia does not compromise its liveability by forcing young Australians to live on the fringes.

State Governments play a key role in improving access to housing. The supply of a wide range of different types of housing is critical, including incentives for the delivery of affordable housing.

Local authorities must develop local ‘housing needs assessments’ and set affordable housing targets at a grassroots level.
“Now is the time for governments to look at innovative solutions to combat housing affordability. They need to work with planners and the industry to deliver more cost-effective housing for young Australians that sets Australia as a front runner in housing diversity, liveability and affordability,” said Mr Williams.

PIA is urging the Federal Government, when putting together their May budget, to change their narrow approach and address the range of factors beyond supply that are seriously impacting housing affordability.

For more information on PIA's Housing Policy - https://www.planning.org.au/policy/housing-0616

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