

How to beat the housing affordability crisis

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Urban planning experts at the University of Melbourne have produced an action plan to tackle Victoria's housing affordability crisis.

The new report *Affordable Housing for All, Towards an Integrated Affordable Housing Strategy for Victoria*, explains what needs to be done to fix the crisis, what it will cost, and where the money would come from to tackle homelessness, support public [housing](#) and make secure, tenured renting or owning a home a reality for all Victorians.

The solution is not simply more housing, rather more of the right types of housing, in the right locations and available to households at a range of affordable rates.

The report was produced by the [Transforming Housing](#) project, facilitated by the University of Melbourne and includes local and state governments, private and not-for-profit developers, private and philanthropic investors, built environment professionals, and [affordable housing](#) advocates and researchers.

Professor Carolyn Whitzman, a leading [urban planning](#) expert at the Melbourne School of Design, said Melbourne's shortage of affordable housing is chronic and acute.

"Only two per cent of rental units in Melbourne are considered affordable for working single-parent families. None is affordable for a single person on minimum wage or income support.

"Currently, 15 per cent of Victorian households are considered to be in housing stress, paying more than 30 per cent of income on household costs."

Professor Whitzman said recent ABS figures revealed a 20 per cent increase in homelessness in Victoria between 2006 and 2011 with more than 22,000 people living on the streets or in temporary or insecure accommodation on any given night.

She said the crisis has multiple causes, including the loss of purchasing power in the housing market. Household incomes, especially for people who rented, also have not kept pace with the growth of house prices and rents. Co-ordinated action is overdue.

"This affects young people, couples starting a family, older people whose existing accommodation is no longer suitable, and whole sectors of the workforce. It's a constraint on overall economic prosperity. "

Professor Whitzman said without public subsidies, the private marketplace would fail to address gaps in housing affordability.

"Financing for affordable housing can include strategies such as tax credits for equity investment in low- income rental housing development, property tax exemptions for qualifying housing projects and units and GST exemptions for components used in construction of new affordable housing.

The Transforming Housing strategy also calls for the dedication of publicly owned land for affordable housing development at Commonwealth, state and local government levels.

It draws on work by US housing expert Dr David Rosen, who has advised the Obama administration in the US and is a recognised authority on affordable housing.

More information: Read the full report here: www.dropbox.com/s/kosxg3tgic04j2k/Affordable%20Housing%20For%20All%20final%20low%20res.pdf?dl=0

Provided by University of Melbourne

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