



# A Stark Reality

Housing Choice and Affordability for  
a Growing Australia



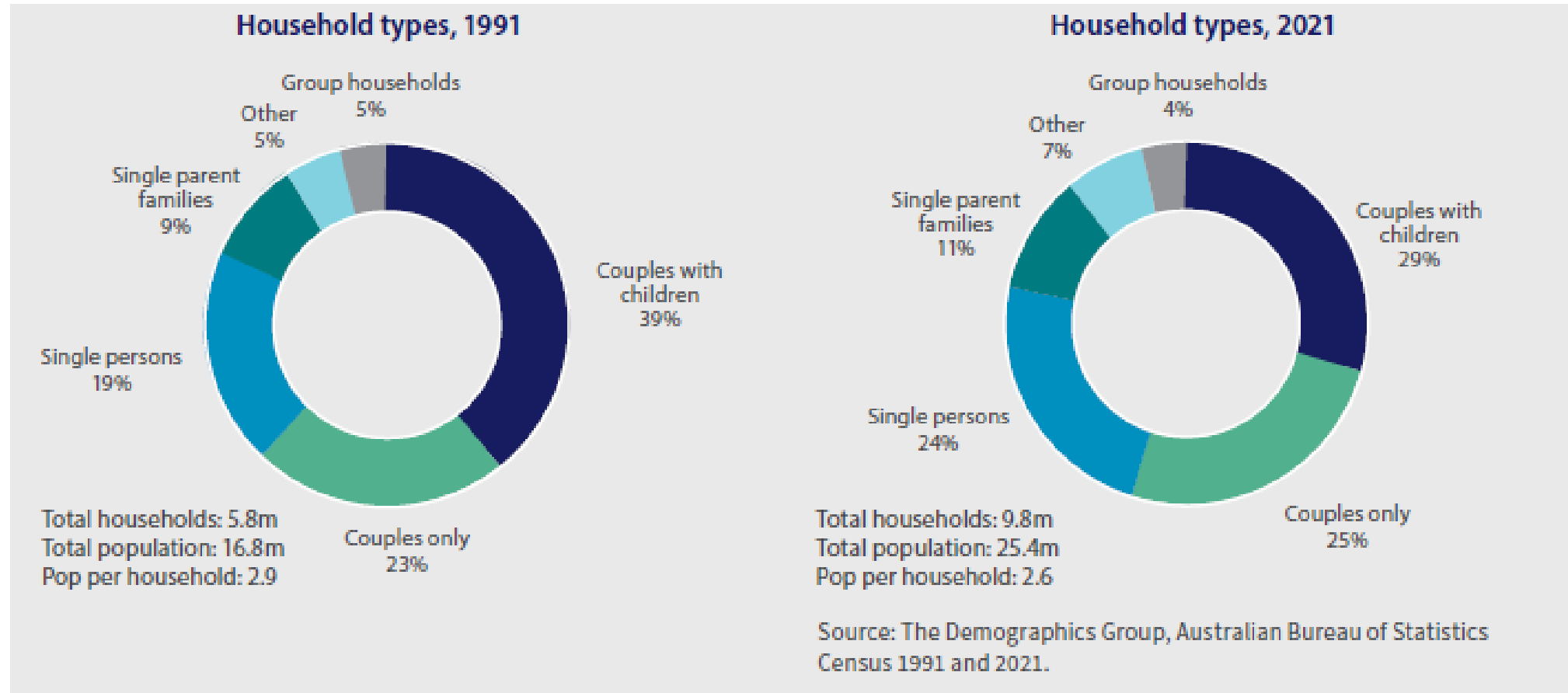
# National housing policy failure over decades

## A STARK REALITY

Part One in a thought leadership series on housing choice and affordability for a growing Australia



# Diverse with changing needs



# Starved of choice

81%

Over half of all people who rent say they have no other choice, and one third of all renters believe they will not be able to purchase a home in the next five years.

52%

rent as they have no other option

Excessive deposit costs are viewed as the highest barrier ownership- with over 7 in 10 renters citing it as the reason they won't be able to buy a home in the next five years

72%  
can't overcome the deposit gap

Almost one third of renters like the financial freedom and flexibility of being able to rent. However, more than one in five renters are currently forced to share the rent with other people to afford it.

30%  
enjoy renting

<sup>\*</sup> YouGov nationally representative survey of 1500 Australians, conducted for The Property Council of Australia, November 2022.



# Unaffordable

## HOUSE PRICES

(growth in house prices has eclipsed income and superannuation)

## DEPOSIT GAP

(it now takes an average of more than 10 years to save the 20 percent deposit required by most banks - up from an average of six years in 2001)

## LOAN SERVICEABILITY

(percentage of income needed to service a mortgage has jumped from 30.6 percent to 43.3 percent in the two years to September 30, 2022)

## RENTAL AFFORDABILITY

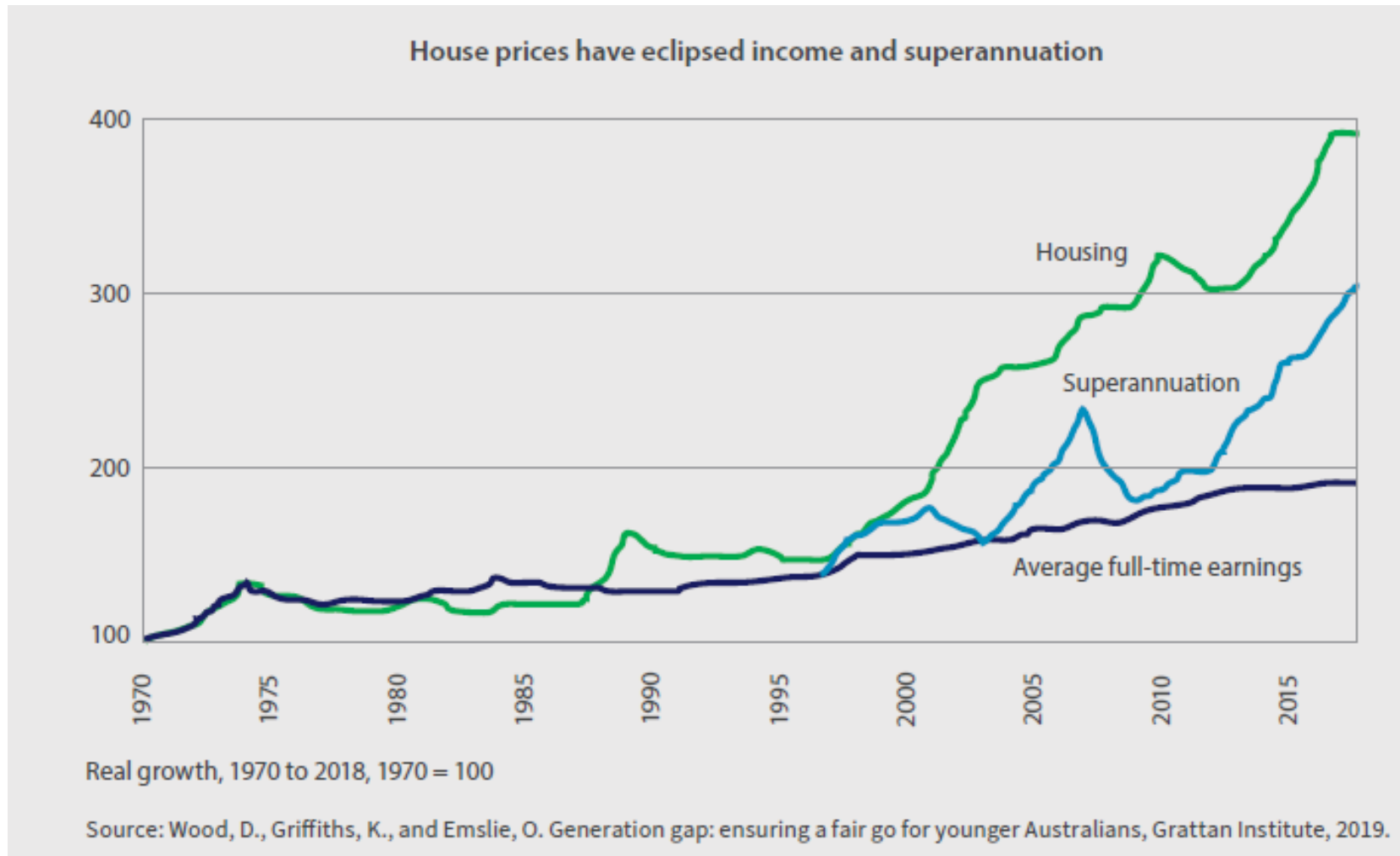
(43 percent of low-income households now sit in rental stress, rising to 47.8 percent in capital cities)

## DEMAND FOR SOCIAL AND AFFORDABILITY HOUSING

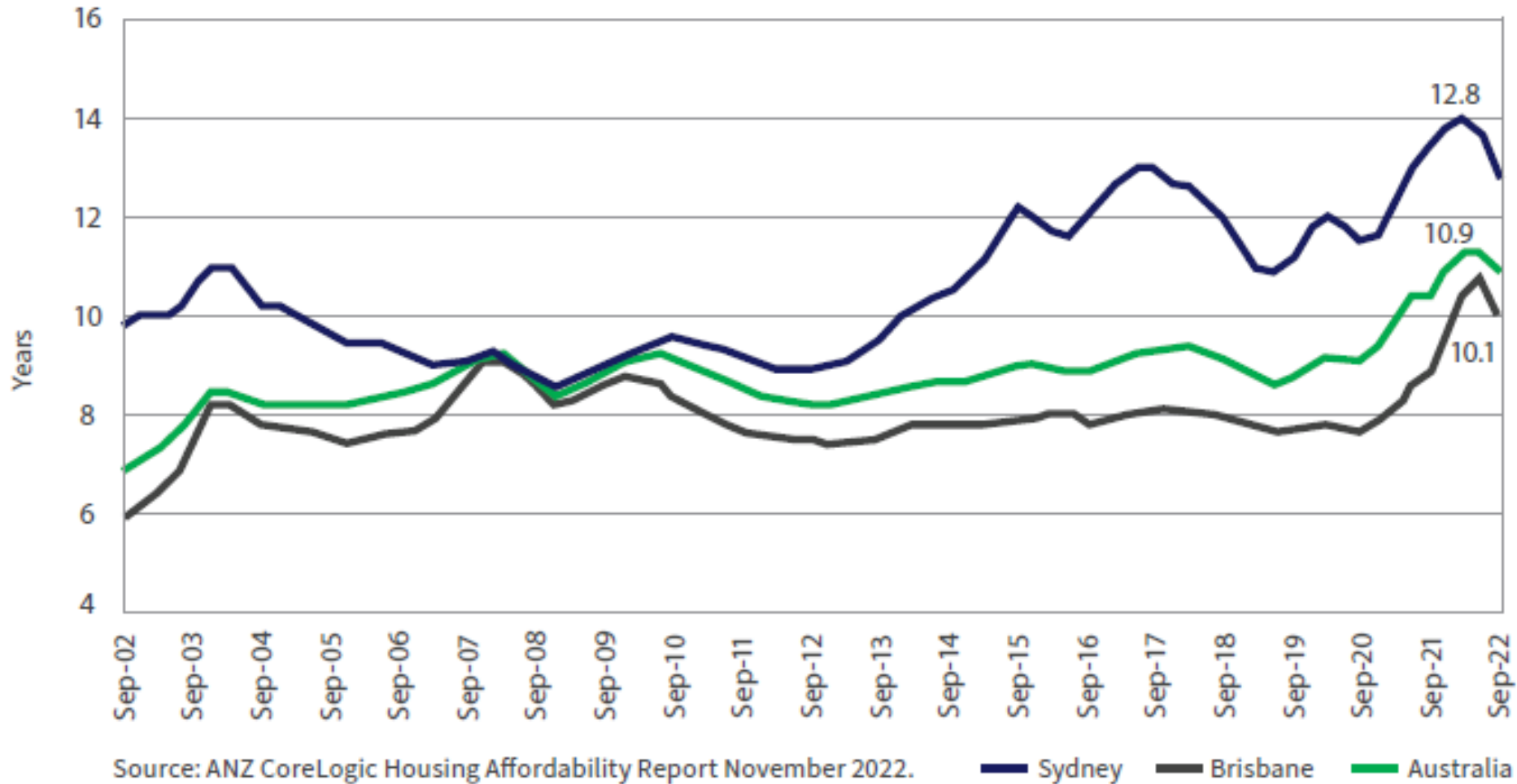
(more than 175,000 households were on waiting lists to access social housing as at mid-2020 - an increase of 20,000 over the prior year)



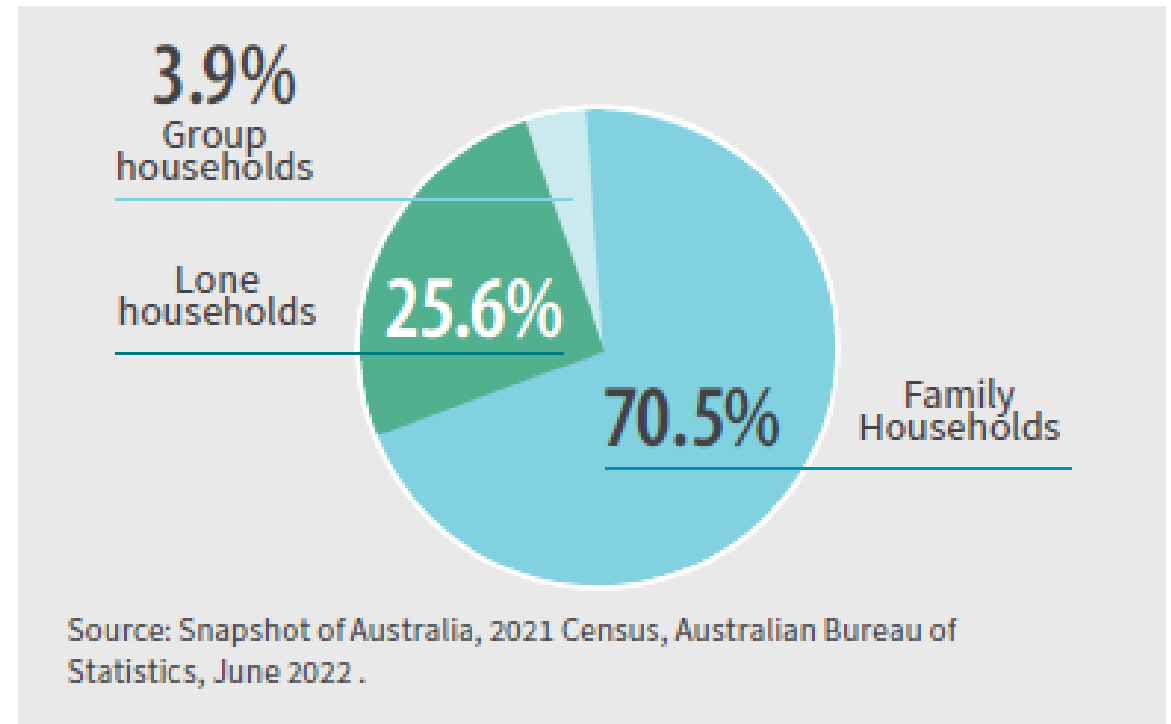
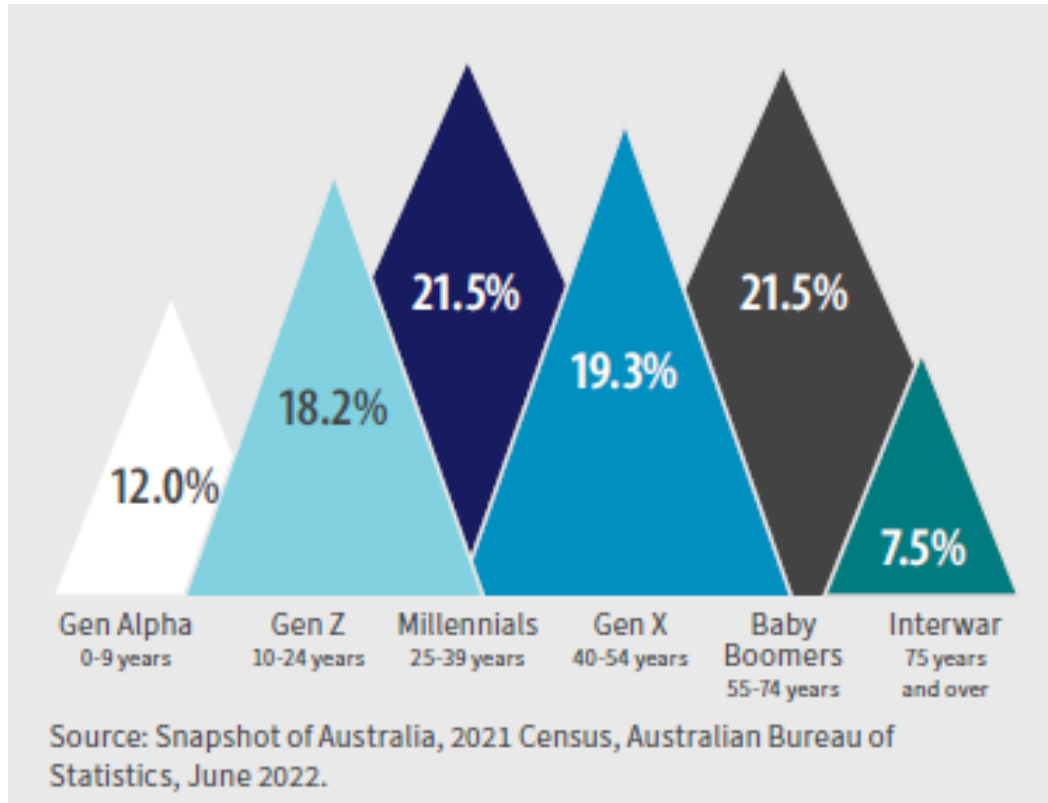
# House prices



# Years to save a deposit



# A diverse Australia requires choice





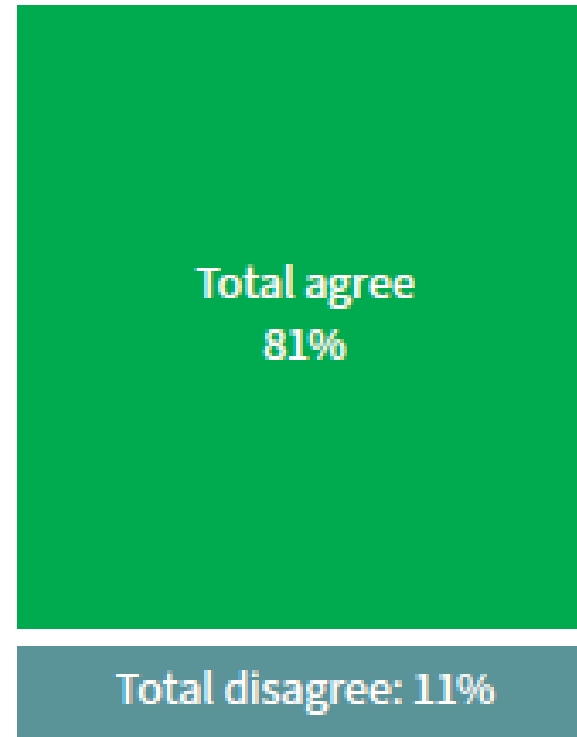
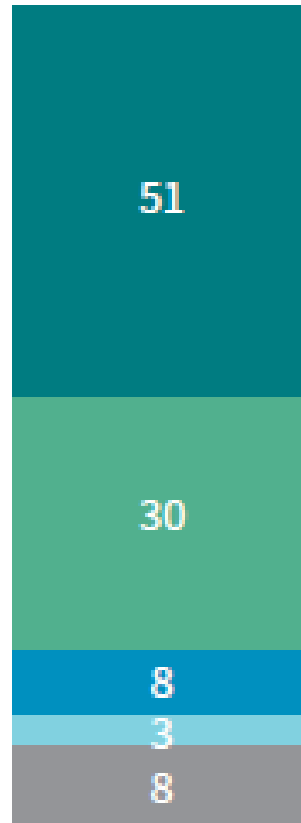
# What do Australians think?

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know

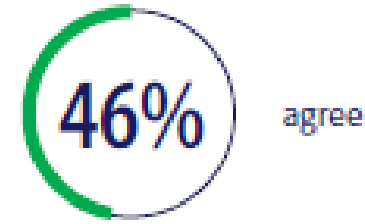
Base: all Australians 18+ n=1,555

Q9. To what extent do you agree with the following?

There is a lack of supply of housing that is affordable in my area



# Poor planning decisions?



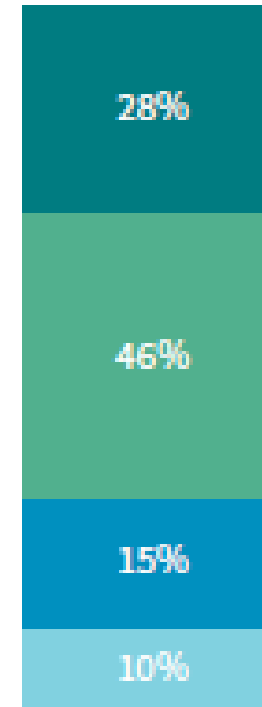
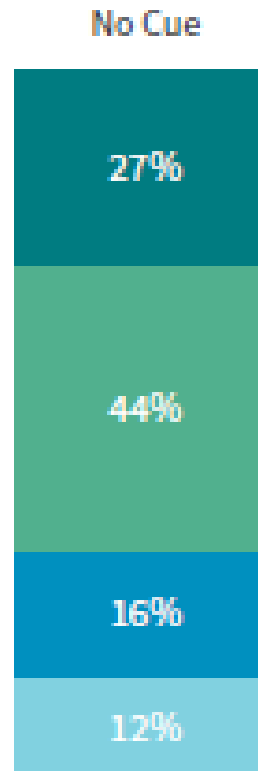
The Australian population has grown by 15% (3.5 million people) since 2010...

- The increase in the Australian population is the main reason for the lack of supply of housing that is affordable
- The lack of planning to deliver housing in line with population growth is the main reason it is not affordable
- The increase in the Australian population is not an important reason for the lack of supply of housing that is affordable
- Don't know

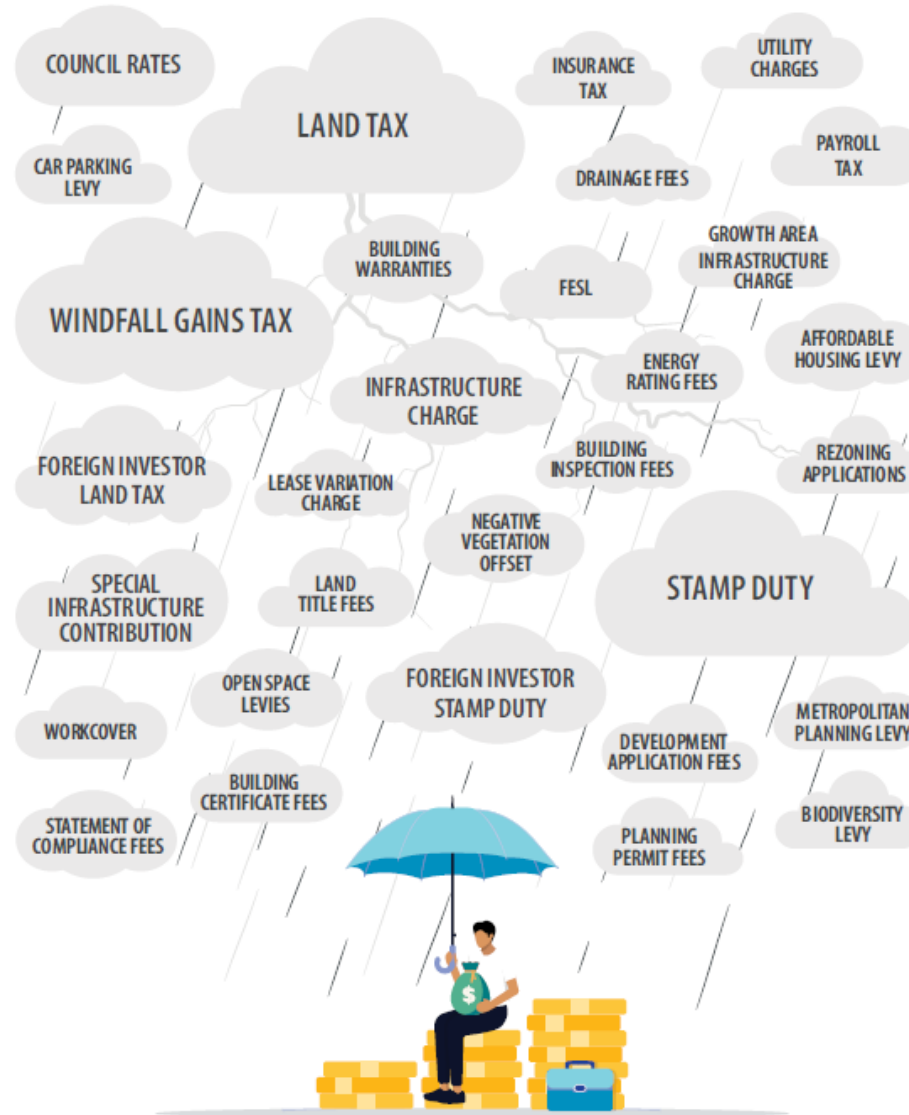
Base: all property owners N=777

Q13a. The Australian population has grown by 15% (3.5 million people) since 2010... Which of the following is closer to your opinion?

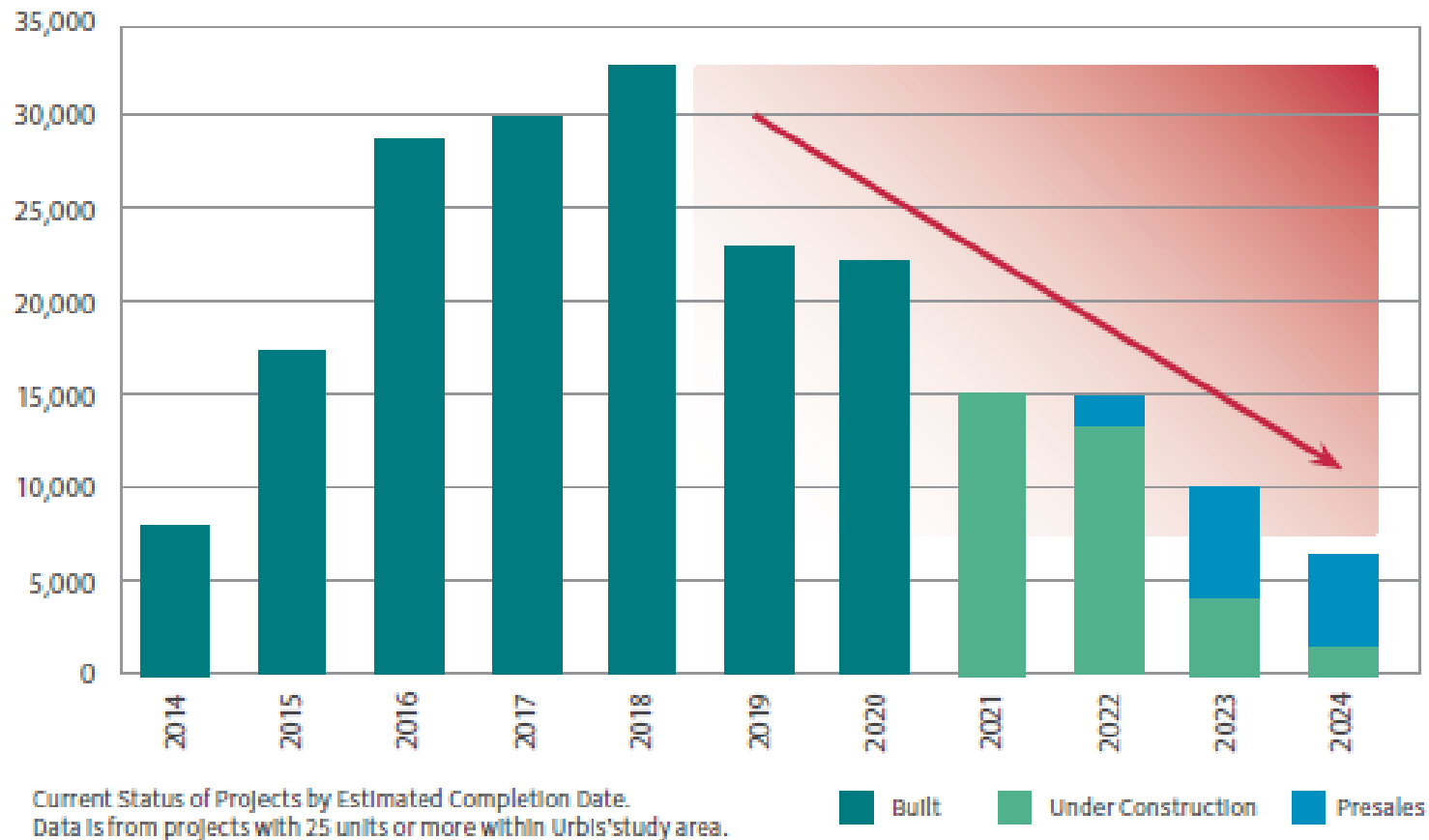
Q13b. Which of the following is closer to your opinion?



# Property Tax – A barrier



# Apartment markets are softening



# Foreign Investor Taxes



# Foster growth in emerging sectors



# The solutions for choice, affordability and growth

1. Holding governments to account and incentivizing them to deliver. A mandate of Housing Supply & Affordability Council.
2. Best practice benchmarks and incentives to reach clear housing targets.
3. Sustainable partnerships to align integrated transport planning with housing.
4. Support for those who need it.
5. Unlock investment in new forms of housing.



# Housing Supply Boost





# State and Federal build-to-rent tax changes



# Challenges remain for apartment construction



# Coming soon





# Sandra Brewer

# WA Executive Director

Property Council of Australia