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# Developers push Canberra over housing

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More than 110,000 single parents and first-time buyers in a position to purchase a home with new federal government assistance face higher mortgage repayments than their current rent amid strong growth in property prices.

The federal government announced a three-pronged housing affordability strategy in Tuesday's budget but developers and town planners say more needs to be done to force the states and territories to increase housing supply.

The New Home Guarantee will allow 10,000 first home buyers to purchase a new home with a depos-

it of just 5 per cent, while the Family Home Guarantee will let 10,000 single-parent families put down a deposit of only 2 per cent.

Figures from the University of Canberra's National Centre for Social and Economic Modelling show 135,000 households – up to 6 per cent of renters and about 7 per cent of single-parent families – could potentially take advantage of the budget measures based on their current savings.

But most would have to stump up more in mortgage repayments than they were outlaying in rent, it found.

Labor has made housing a cornerstone of its budget reply, with leader Anthony Albanese

promising a \$10 billion fund to invest in 30,000 social and affordable homes in its first five years amid voter concerns about soaring house prices.

This could increase pressure on the government to do more to help lower-income earners and boost housing supply, with backbenchers proposing a range of ideas to get first-home buyers on the property ladder including tapping into superannuation for a deposit.

The government's HomeBuilder grant helped drive construction and approvals during the pandemic.

But developers, town planners and tenants' unions say supply remains a huge problem, urging the federal government to push the

states and territories to overhaul planning systems.

Urban Taskforce chief executive Tom Forrest said the property market was facing a "bizarre dynamic" that was resulting in short-sighted views on development.

"There are huge amounts of empty units in the city with rents going down while the cost of land is rising," Mr Forrest said.

"[Federal government incentives for buyers' are] good and worthy but add to the problem – it's not delivering any supply." He said the federal government should make more funding available to the states but "get punitive" and make it contingent on providing extra supply and reforming the planning system

where necessary. "I think the federal government has to start taking the lead in relation to driving this ... That's the sort of conversation that doesn't seem to be happening."

A Property Council spokesman said competition-style payments to states and territories would be supported by the organisation, adding there was a "proven track record for micro-reform tying payments to outcomes".

Oxford Economics chief economist Sarah Hunter said there had been an increase in young people moving into cities to take advantage of lower rents.

At the same time, more households are leaving the city for regional areas.