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Census Reveals Housing Affordability Problem

Figures from the 2006 Census, published yesterday by the Australian Bureau of Statistics, confirm previous statements by the Housing Industry Association that addressing housing affordability requires a greater commitment from all levels of government.

HIA's Senior Executive Director Industry Policy, Chris Lamont, said, there has been a dramatic increase in mortgage repayments which has not been matched by a commensurate increase in wages.

"In 1996, 41 per cent of the population fully owned their homes and 26 per cent were still paying off their mortgages," he said. "A decade later the figures are 33 per cent and 32 per cent respectively.

"In the five years between 2001 and 2006 monthly mortgage repayments have risen from \$780 to \$1300 – a 50 per cent increase, while household incomes have increased by just 31 per cent.

"It does not take Einstein to see that people are taking longer and having more difficulty in paying off mortgages."

Faced with increasing house prices, more Australians have little choice but to take their chances with what is a severely constrained private rental market where vacancies nationally are now less than two per cent.

"Rents are growing at double digits rates and with a lack of incentives for investment in the private rental market rental stress will only get worse," Mr Lamont said.

"Home purchasers are borrowing more than ever just to enter the housing market. A significant component of the increase in mortgages could be avoided if governments worked together and invested in more of the community and social infrastructure required to meet urban residential requirements."

The 2006 Census shows that Australians are in more debt than ever. In contrast, governments have been anxious to rack up successive surpluses, while under-investing in infrastructure and other essential services.

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