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REIA CALLS FOR AUSTRALIAN GOVERNMENTS TO URGENTLY TACKLE HOUSING ISSUES

Real Estate Institute of Australia is calling on the Federal Government to urgently address issues surrounding home ownership as supply continues to diminish.

Speaking at the National Housing Forum on June 16, REIA President, Adrian Kelly said after holding their first ever policy forum of Australia's real estate agents – *Getting Real* – in Darwin, we actually upgraded our forecast for sales and rentals to rise between 20-50% in supply shortfalls across the states.

"The amount of owner occupiers without a mortgage plummeted from 40% in 1994 to just 30% by 2018 and this figure is expected to continue to decline as more people struggle to pay off their homes," he said.

Supply will need to address the five categories of the housing spectrum which includes homelessness (0.5%), social and affordable housing (3%), private rental (27%), first home buyers (15%) and home ownership (67%) (37% with a mortgage).

Mr Kelly said, these percentages highlight the need to protect and promote the private sector. While there is no argument that more social and affordable housing options are needed, we do have to acknowledge that 97% of Australians are concerned with supply in the private market.

"Pre-pandemic, REIA estimated the supply shortfall to be around 150,000 homes and this is despite the major home construction boom credited widely to the HomeBuilder stimulus.

"With 235,000 new Australians expected to return in force by 2023- 2024 after negative population growth, enabling supply is going to be critical. Between 2023 and 2060, we can expect significant changes to the status quo that must be planned for," Mr Kelly said.

According to Mr Kelly housing affordability in New South Wales is at its worst ever with home buyers spending a staggering 43.7% of their income on loan repayments while renters are now spending 27.5% of their income on rent.

"Outlandish media headlines on housing affordability are all very well and good, but the reality is we need to bring State and Federal Governments to the table to tackling a housing supply plan using the same spirit, determination and funding we have used to fight COVID-19."

POLICY BACKGROUND TO A HOUSING SUPPLY PLAN

June 2021

Our policy

REIA believes that a long term and collaborative industry-government plan for housing in this country is required that proportionally addresses changing consumer preference for private rental, first home buyers and home owners, particularly in light of the role the private sector played in COVID-19.

This should also look at ways the private sector can address needs for public market needs across homelessness, social and affordable housing.

Key minimum measures required

- The Council of Federal Financial Relations (CFFR) establish a Property Ministers forum to develop *A Home for all Australians* property strategy that addresses in an evidence-based way the needs of the 5 parts of the housing spectrum.
- This should be a clear performance-based strategy that holds both State and Federal Governments accountable and has regular industry input.
- This should cover the whole housing spectrum but ultimately look to advance private property requirements as this is 97% of the housing spectrum.
- Have a structured program of industry engagement similar to the Infrastructure & Transport Council (where industry is given a 'seat at the table').
- Identify targets and benchmark progress annually through NHFICs State of Housing Report:
 - What should be the housing stock targets be? What is annual progress towards meeting them?
 - What should be our land release targets? What is annual progress towards meeting them?
 - What should be our national planning reform targets? What is annual progress towards meeting them?

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit www.reia.com.au