

# **Fix the housing crisis** **so Australia has the decent** **affordable housing it needs**

## **An entrenched housing crisis**

Over past decades Australia has entrenched a deep housing crisis. The cost of renting or buying a home is out of reach for low and even middle income Australians. Record low vacancy rates in the rental market are supercharging price increases, and pushing people into homelessness.

## **The housing crisis can be fixed**

### **1. New low cost rentals are essential**

The housing market is failing to produce rental homes that are affordable to ordinary workers. While overall housing affordability overall is made worse by the undersupply of housing relative to population, simply adding to supply by building more homes, or reducing population by cutting migration, will not fix the rental crisis if new homes are unaffordable and far from jobs and services.

Housing economists consistently agree the failure of the housing market to produce affordable private rentals can only be fixed by governments supporting the delivery of low cost rentals at scale.

For many households the opportunity to reduce their rental bills will help them save towards a deposit and access home ownership.

## **2. A legislated National Housing and Homelessness Plan with clear targets and a plan for delivery**

Labor's current commitment to deliver a 10-year housing and homelessness plan could reset the policy debate if it articulates clear targets and a plan for delivery.

The Plan would provide a much more robust platform for change if it is enshrined in legislation and underpinned by a purpose 'to ensure that everyone in Australia has adequate housing'.

## **3. A social and affordable housing investment pipeline to leverage State Government and private investment**

Greater investment in the Housing Australia Future Fund, and a new partnership agreement with the states to require matched funding of new social and affordable housing agreement, would drive the necessary scale of low cost rental growth. HAFF investments can leverage superannuation fund investment in social and affordable housing, while a partnership with the states focused on social housing growth could double the impact of federal government investment.

A new agreement with the states could also build climate resilience and higher quality building standards for existing social and affordable rental homes

## **4. Commonwealth Government to compel affordable homes in new developments through state and territory regulations**

A new partnership with the States could also incentivise state planning reforms to require developers to include a proportion of affordable rental housing in new housing developments. This mechanism, called Mandatory Inclusionary Zoning, provides new resources for affordable housing at no cost to government.

Arrangements of this kind have operated successfully in the City of Sydney for more than 20 years. They also generate substantial amounts of social and affordable housing across the UK and in many other countries. To read more about the National MIZ blueprint developed by CHIA and partners, please click [here](#).

## **5. Investment in homelessness to mitigate the impact of the housing crisis**

Australia's epidemic of family and domestic violence together with the deepening housing crisis are pushing more and more Australians into homelessness. This is impacting the stability and wellbeing of ordinary families, and resulting in growing numbers of people sleeping rough across the nation.

Labor could cut through on public concern about homelessness and domestic and family violence by including a stronger focus on ending homelessness in the national housing and homelessness plan, investing in new homelessness service capacity targeted at preventing homelessness where possible, and rapidly rehousing vulnerable children and families, and people entrenched in homelessness.