

**Date:** August 5, 2017

**Author:** Rhys Kelly, President UDIA WA

## **Making housing more accessible for all**

The Minister for Housing Peter Tinley MLA recently presented to a UDIA luncheon and discussed the need to more effectively address housing affordability in Western Australia.

One of the key misconceptions about housing affordability in Perth is that it is solely related to the price of land and houses and whether prices are going up or down. For example, as the average price of housing in Perth has declined in recent years, many might assume this has automatically led to more affordable housing.

This is true for buyers on good incomes, but definitely not the case for those in the lower income quartiles, where affordability is a much more complicated issue.

While the price of housing certainly plays a major part, being able to enter the property market is also dependent on being able to save for a deposit, a person or couple's employment history and stability, borrowing capacity and the daily cost of living expenses, such as access to public transport.

These factors can make achieving home ownership not just difficult, but impossible for those on very low incomes.

That is why mechanisms such as the First Home Owner Grant (FHOG), Keystart Loans and shared equity schemes are all critical and need to continue, as they enable people working in some of our lowest paid industries, such as hospitality and retail, to enter the property market in WA.

Therefore, it was very pleasing to hear Minister Tinley voice his strong support for retaining the FHOG and supporting first homebuyers into home ownership.

Keystart is run by the State Government and provides low deposit home loans with no mortgage insurance to eligible owner-occupiers.

Keystart also offers the option of shared equity loans where the Housing Authority will co-own up to 40 per cent of a property with the purchaser. Shared equity arrangements are available for a range of properties procured or built by the Department of Housing in certain areas across the state.

Moving forward, UDIA would like to see the Keystart and shared equity schemes expanded so more people have access to them.

For instance, if the Federal Government was to support and invest funds into the successful shared equity scheme, even more properties could be made available to a larger number of applicants.

And with the shared equity schemes also providing the opportunity for homebuyers to purchase the government's 'share' or portion of the home in due course, more people are provided with housing security and a stepping stone into full home ownership, which is fantastic not only for those individuals, but also for the broader economy.