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Budget's housing affordability measures welcomed

The Federal Government's package of housing measures, announced by Treasurer Morrison in the 2017 Federal Budget, provides a solid base for long-term reform that will lead to improved housing affordability over the next decade, according to Community Housing Industry Association (CHIA).

CHIA CEO Peta Winzar described the package as 'a balanced set of measures'.

'We are particularly pleased with the initiatives to stimulate investment in affordable rental housing as a new asset class. The National Housing Finance and Investment Corporation and the changes to the rules to enable Managed Investment Trusts to invest in affordable rental housing are potential game changers', Ms Winzar says.

'Setting up a financial intermediary to raise funds from institutional investors was one of the key measures on our wish list for this Budget, so we're very happy to see the Finance and Investment Corporation.

'The \$1 billion the Government has set aside for the National Housing Infrastructure facility to boost housing supply is an excellent start,' Ms Winzar says.

CHIA also welcomed the new National Housing and Homelessness Agreement, which will tie Commonwealth funding more closely to improvements in homelessness and housing affordability.

'This change is long overdue and will bring much needed certainty to homelessness services,' Ms Winzar says.

'Bilateral agreements between the Commonwealth and the states and territories on housing make a great deal of sense given that Australia's housing markets vary so much and, together with the National Housing Finance and Investment Corporation, we believe this will allow progress on improving the supply of affordable rental housing.

'There is a lot to like in this package, although there are a few areas where we think the Government could have done more. Some improvement in Commonwealth Rent Assistance would have been very welcome for low-income renters struggling in tight housing markets,' Ms Winzar says.

'There are some modest changes to capital gains tax in respect of foreign investors and some minor aspects of negative gearing have been tidied up, but these do not go as far as we would wish. However, we hope they signal that the Government will be open to more fundamental changes to housing related taxes in future Budgets and that these measures can now be drawn together to



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produce a strategy that will have real impact on housing affordability - we look forward to working with the Government on this,' Ms Winzar says.

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