

## MEDIA RELEASE

### Forecasting strong new housing supply: but how many of these will be homes for Australians doing it tough?

The Community Housing Industry Association (CHIA) congratulates the National Housing Finance and Investment Corporation (NHFIC) on its second State of the Nation's Housing Report. Since the demise of the Housing Supply Council, Australia has lacked the succinct digest of housing data, necessary to inform both government and industry responses to housing need. This report is a great foundation to build upon.

On the upside, the report's message is, that despite the pandemic, housing supply has held up well, that new dwellings are forecast to grow by more than 550,000 over the next three years, and that this level of supply is roughly consistent with household growth. Equally, housing affordability has generally worsened - both for aspiring homeowners, and also the often overlooked lower income private renters.

"The report makes an important point that rental affordability ought to be moving centre stage when it comes to government policy making. Over the last decade, the number of Australians renting in the private sector has been rapidly increasing. If we include households in social and affordable housing that means that one in three Australian households are now renting' noted Wendy Hayhurst, CHIA's CEO. She added, "This report also estimates that if you are a lower income earner, someone in the bottom income quartile such as an aged care worker, then you could be paying around 45% of your income to secure a home. For someone on quite low pay that's going to put you seriously at risk of lacking enough remaining money for essentials like food, clothing, and utility bills".

She went on: "For me, the critical thing coming out of this report is that Australia can do housing supply, but we don't yet have the right policy and funding mix to ensure we provide enough homes affordable to lower income households as well as higher earners. The report sets it out in stark terms, in the last decade the average annual growth in social housing has been just 0.4%, but what we now need to reduce the current shortfalls and keep pace with demand is growth around 5.5% per year; that's over 35,000 homes".

While some recent state initiatives, notably the Victorian Government's Big Housing Build will have a positive impact, other recent research [COVID-19: Rental housing and homelessness impacts in Australia](#) estimates the additional units (after factoring in demolition and sales) that will be added to the national stock of social and affordable housing numbers is only around 5,500 per year for the next three years.

CHIA's Chair, Andrew Hannan noted, "35,000 sounds a lot, but we can make big inroads into this number if all levels of government pull together. Our [Federal Pre-Budget Submission \(2022\)](#)



**Community Housing**  
INDUSTRY ASSOCIATION

proposes a cost-effective funding model – the [Housing Boost Aggregator](#) - that leverages the existing NHFIC arrangements, brings in institutional capital and uses the capability, capacity and financial sophistication of the community housing industry to deliver thousands of additional dwellings”.

He went on to say “the Federal Government’s Inquiry on Housing Affordability and Supply is about to report. This is a great opportunity for the committee to put this undersupply of social and affordable rental housing front and centre of their report. NHFIC has highlighted just how difficult it is for lower income earners to get into home ownership. Social and affordable rental housing can act as a springboard into homeownership as well as provide long term housing for example for older women and those escaping family and domestic violence. The community housing industry is ready to lead in delivering the national program Australia badly needs.”

**Contact: Wendy Hayhurst 0421 046 832**