

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
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Building industry calls for housing affordability review

Victoria's building industry has called on the State Government to review housing affordability and identify ways to encourage first home buyers to purchase new homes.

The call for a review by the Victorian Competition and Efficiency Commission (VCEC) is a key plank of the Master Builders Association of Victoria's submission to the May State Budget.

"We cannot afford to deny generations of Victorians the opportunity to fulfil the great Australian dream of owning their own home," said Master Builders CEO Radley de Silva.

"Our research shows that Melbourne homes are less affordable today than all other capital cities except Sydney and are less affordable than they were a decade ago," he said.

"Housing affordability is a key issue for our community."

New data shows fewer than 1700 first home buyers entered the Victorian market in November – the lowest monthly figure since January 2011.

VCEC has previously calculated the costs to business of complying with land-use planning and building regulations are between \$500 million and \$875 million per year, which is adding significant pressure to housing affordability and reducing the competitiveness of the homebuilding industry.

"There are a widespread number of taxes, levies, charges and fees added to the price of new homes across multiple levels of government," Mr de Silva said.

"If government is serious about housing affordability, then we need to look at these charges and identify ways of reducing costs while promoting the benefits of home ownership to young Victorians," he said.

"The Victorian Government has introduced reforms to encourage first home buyers including grants for newly built or off-the-plan homes and significant stamp duty discounts.

"Now it's time to look at the underlying factors impacting home ownership with an independent inquiry so we can tackle housing affordability now and in the future."

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