

23/11/2014

MASTERBUILDERS RAISES THE ALARM ON MELBOURNE HOUSING AFFORDABILITY

Master Builders research reveals that Melbourne's housing affordability has worsened since 2004 from 'Unaffordable' to 'Extremely Unaffordable'.

Since 2004, the median house price in Melbourne has risen 70 per cent from \$310,000 to \$527,500. The local median post-tax household income has risen only 41 per cent from \$45,880 to \$64,590.

Housing affordability tops the list of Master Builders lobbying objectives leading up to the State Election. To highlight this, Master Builders has created an interactive housing affordability indicator where you can measure the status of your region.

"The cost of buying a home in Melbourne is beyond reach for too many, even though local households are bringing in more than \$18,700 more a year now than they did a decade ago," Master Builders CEO Radley de Silva said.

Master Builders has identified five key areas that require reform and, if introduced, would help address housing affordability:

- Cuts to stamp duty and property taxes
- Less building red tape
- Action on council delays
- More support for first home buyers
- Registering tradespeople.

"We are asking for urgent action on these issues from our political leaders and want them to commit to holding an independent review into housing affordability," Mr de Silva said.

"An independent inquiry is needed to find new solutions to our community's growing housing affordability problem and identify the impact taxes, fees and councils have on the price of a new home.

"The cost of buying a home has outpaced household incomes and it is now too difficult for many Victorians to fulfil the great Australian dream of buying their own home."

To highlight the issue of housing affordability, Master Builders has launched a State Election campaign website, *Building our Future*, enabling Melburnians to have their voices heard. The



website features the new Housing Affordability Index and report cards for the major political party policies. It also enables local residents to email their local candidates directly about issues that are concerning them most.

Of the 15 key metropolitan municipalities examined in the Housing Affordability Index, 14 have seen housing affordability worsen in the past ten years, led by Boroondara, Knox and Glen Eira.

Visit www.buildingourfuture.com.au for more information.

KEY MUNICIPALITIES

	Median post tax household income (\$)			Median House price (\$)			Housing Affordability Index		
	2004	2014	Change (%)	2004	2014	Change (%)	2004	2014	Change (%)
Metropolitan Melbourne	45,880	64,590	41	310,000	527,500	70	6.76	8.17	21
Boroondara	50,960	69,490	36	655,000	1,475,000	125	12.85	21.23	65
Knox	54,030	73,030	35	282,500	546,000	93	5.23	7.48	43
Glen Eira	40,270	58,140	44	487,000	968,000	99	12.09	16.65	38
Moonee Valley	53,330	72,500	36	400,000	713,000	78	7.50	9.83	31
Yarra Ranges	53,980	70,180	30	259,000	434,000	68	4.80	6.18	29
Moreland	39,590	58,870	49	332,000	628,000	89	8.39	10.67	27
Brimbank	45,520	60,150	32	240,000	394,000	64	5.27	6.55	24
Casey	36,280	50,060	38	240,000	409,000	70	6.62	8.17	24
Wyndham	48,390	64,260	22	231,500	373,000	61	4.78	5.80	21
Frankston	35,680	49,720	39	242,000	396,000	64	6.78	7.96	17
Banyule	41,240	61,570	49	335,500	588,000	75	8.14	9.55	17
Melton	50,310	65,710	31	241,000	367,000	52	4.79	5.59	17
Whittlesea	39,110	53,630	37	270,000	411,000	52	6.90	7.66	11
Cardinia	36,240	48,930	35	240,000	358,000	49	6.62	7.32	10
Hume	39,370	56,070	42	260,700	360,000	38	6.62	6.42	-3