

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

07/02/2007

Rental crisis reflects delays in council approval process

The worsening rental crisis in Melbourne points to a deficiency in Victoria's planning permit process, with councils failing to respond to the changing demographics of our society, according to Victoria's peak industry body, the Master Builders Association.

Based on figures from July to September 2006, released yesterday by the State Government, median weekly rent across Melbourne has risen to \$245 a week, the highest ever. The figure for Victoria as a whole is \$230.

"Melbourne 2030 anticipates Melbourne will need to accommodate an extra 1 million people, but delays caused by councils opposed to rental type development is increasing scarcity in accommodation," said Executive Director, Brian Welch.

"Councils need to pay greater attention to Melbourne's evolving demographic trends by keeping an open mind to community driven building proposals. This is especially true of 1-bedroom units which is one of the areas of greatest need," Mr. Welch said.

While initially hesitant about apartment and unit style living, Victorians have become increasingly attracted to the lifestyle and flexibility afforded to non-detached housing. According to ABS data, the proportion of non-detached housing dwelling units completed has risen from 21.8 per cent in 1984 to over 32 per cent of total dwellings at present. This represents a major long-term upswing in demand for rental-type property.

This compares favourably with the decline in traditional detached housing over the same period, falling from 78 per cent to below 67 per cent.

What these trends demonstrate is that apartment and unit dwellings are gradually becoming the housing option of choice, especially for empty nesters, singles, young families and the elderly.

In fact, due to the increasing cost of construction, often caused by obstinate local councils, medium and high-density housing is fast becoming the preferred choice for a growing number of first homebuyers as well.

"Local councils across Melbourne need to be mindful of this evolving change in housing preference and be proactive in accommodating the community's housing needs.," Mr. Welch said.

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