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Perth Needs a West Coast Approach to Housing Affordability

Strategies to improve housing affordability will need to be different in Western Australia compared to the eastern states.

According to Master Builders Housing Director, Jason Robertson, the Perth housing market is operating at a very different phase of the economic cycle compared to Sydney and Melbourne.

“This is highlighted by the fact that the highest number of new homes ever were built in Australia over the last 12 months, with NSW and Victoria accounting for over 60% of these; whereas WA is building at below its 10-year average,” Mr Robertson said.

“We welcome the renewed focus on housing affordability from the Turnbull government but it needs to tailor its strategies based on a two-speed economy,” Mr Robertson said.

“Strategies to slow down investment in an over-heated eastern seaboard property market will not be appropriate or well received on the west coast for some time to come.”

“That is why we support the retention of negative gearing and oppose discriminatory additional taxes on foreign investors,” Mr Robertson said.

“The federal government’s decision to establish an Affordable Housing Implementation Taskforce (AHIT) is timely but it should have a representative from WA on it who understands the operation of the WA housing and property market – otherwise we run the risk of misaligned policies with adverse consequences.”

“With the WA housing industry about to enter a recovery phase, the last thing our industry needs is the wrong policy mix.”

“We believe the primary focus in improving housing affordability in WA should be strengthening our economy which will provide more jobs, additional job security and greater capacity and confidence to own a home,” Mr Robertson said.

“While Master Builders understands that the Federal Government, the Reserve Bank and APRA have an important role to play in promoting stable market conditions, any moves to further tighten lending conditions or dampen investor demand must be aligned to local market conditions first and foremost.”

“Although this year’s Federal Budget provides a good opportunity to stimulate our economy, strategies to improve housing affordability should be pursued separately and in a holistic manner,” Mr Robertson concluded.

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