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Media Release

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REIA BACKS HAFFF, BUT HOUSING AFFORDABILITY REMAINS CRITICAL

The Real Estate Institute of Australia (REIA) has welcomed the Federal Government's announcement of funding for social and affordable housing but remains concerned about broader housing affordability issues.

While REIA President, Ms Leanne Pilkington, welcomed the \$9.2 billion investment and focus on vulnerable groups, she stressed that housing affordability is still a critical challenge for many Australians. "It's a step forward in addressing the critical supply issues for social and vulnerable housing and it was great to learn that were many submissions.

"While more social housing will certainly ease some of the pain, we need to ensure there is housing available for young professionals and downsizers as well, and that the construction industry can meet the demand to build both social and market-rate housing.

"REIA's most recent Housing Affordability Report indicated that rental affordability declined over the June quarter, with the proportion of income required to meet median rents increasing to 24.6%. Across the states and territories, there were mixed results, with rental affordability improving in New South Wales, Tasmania, and the ACT, but declining elsewhere."

Ms Pilkington said that while rental affordability is currently in crisis, the wider issue of housing affordability, which encompasses all aspects of the housing market (both renting and buying), remains a major concern for Australians.

"Overall housing affordability is now at its lowest point since REIA began tracking the metric in 1996. "The average loan repayment nationally amounts to 48.1% of the median family income, meaning for every dollar earned, just over 48 cents is going toward mortgage repayments." She noted slight improvements in Victoria, the Northern Territory, and the ACT, but declines in most other states, with the largest drops seen in South Australia and Tasmania.

"REIA hopes that while this new housing initiative is a positive step, attention remains on ensuring all Australians can access affordable housing options."

The initial pipeline under the Housing Australia Future Fund Facility (HAFFF) and National Housing Accord Facility (NHAF) includes 185 projects aimed at delivering over 13,700 homes, representing more than one-third of the program's five-year goal of 40,000. This \$9.2 billion investment will focus on vulnerable groups and is expected to see around 700 homes completed by the end of this financial year.

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians.

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