
AFFORDABLE HOUSING SCHEMES ARE WELCOME

REIWA: Real Estate Matters 11/07/2015

REIWA recently welcomed news from the State Government that it had met its target for construction of affordable homes early.

Two weeks' ago Premier Colin Barnett said his government had delivered on 20,000 new homes for people on low and moderate incomes over the last five years.

This included 10,000 low-deposit Keystart home loans, 1,900 shared equity homes, 2,700 discounted private rentals and 5,400 social housing properties.

The government's affordable housing program helps many people into a home of their own or a more secure rental.

Cost of living in WA is higher than most parts of the east coast, so any program that helps people to live more comfortably around the state is very important. In particular, it helps those on modest incomes to own their own home and it contributes to better communities.

REIWA members often work with first home buyers using the Keystart home loans scheme or managed private rentals where tenants receive a government subsidy to assist with rental costs.

The Premier has committed to a new target of 30,000 affordable homes by 2020.

Mr Barnett said this strategy had changed the lives of thousands of West Australians by giving them a place to call home but there was still more to be done.

I can only agree, and reiterate my call on the premier to address the runaway cost of stamp duty in our state. It now costs around \$20,000 in stamp duty to purchase a median priced home, which is especially hard on retirees looking to downsize.

It's also critical we keep the existing stamp duty exemption for first home buyers.

We really need to abolish stamp duty altogether and phase-in a system of land tax on all owners. This would be more reasonable, more equitable and a more predictable source of revenue for the government.

While REIWA remains a strong advocate of private home ownership, we recognised the need for adequate affordable, social and community housing.

Not everyone is in a position to secure a mortgage and maintain loan repayments, so as a society and community it's important to take reasonable steps to ensure fairness and do what we can to prevent homelessness and improve housing affordability.

According to the State Government, Keystart has provided nearly 60,000 low-deposit loans over the past 25 years, with 86 per cent of current borrowers being first homebuyers.

I encourage first home buyers on low incomes to learn more about Keystart home loans and to see if they are eligible. It's a terrific scheme.

Separately, the Department of Housing and its partners have delivered 15 per cent of all land supply in WA over the past five years, with an average of 80 per cent below the median land price for Perth.
