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# AFFORDABLE HOUSING

## *REIWA: Real Estate Matters 31/08/2015*

It's encouraging to learn that the State Government has met its target for construction of affordable homes early. Earlier this month, 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 has helped many people into a home of their own or a more secure rental.

Cost of living in Western Australia 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. It helps those on modest incomes to own their own home and it contributes to better communities.

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

Premier Barnett has committed to a new target of 30,000 affordable homes by 2020. And he's right to say that this strategy has changed the lives of thousands of West Australians by giving them a place to call home. Equally, he's right to acknowledge that more needs to be done.

The strategy has worked well across the housing spectrum, from affordable land and housing sales and Keystart home loans to social housing and affordable rentals.

While REIWA is a strong advocate of private home ownership, we recognise the need for adequate affordable, social and community housing across the state.

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.

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.

For most first home buyers the real hurdle is the deposit, so it's important for those people thinking of entering the property market to establish a savings program to build a deposit. Most banks will also require first timers taking out a loan to clear other debts firstly, especially credit cards.

Being a mortgage holder requires a commitment to fiscal discipline and a long term plan to pay the home. Even so, the State's affordable housing schemes make this possible for many people on modest incomes.

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