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Social housing should return to ‘early post-war period’ levels

A new national report released today shows that Victoria needs to grow the number of social housing units from 67,600 properties to 233,600 over the next 20 years – an average of 8,300 additional public and community housing properties per year.

The report, **‘Social housing as infrastructure: an investment pathway’** released by the Australian Housing Institute of Urban Research Institute (AHURI), suggests that governments should boost output to a level similar to during the post-war period, when about one-in-seven new homes were built by the government.

Researchers predict that population growth, and the ongoing impacts of the housing crisis, will drive up the number of households unable to afford private rental prompting the call for 8,300 new public and community properties per year.

The AHURI projections dwarf previous estimates of social housing need. A 2017 Infrastructure Victoria report recommended Victoria inject 30,000 new social housing properties over the next 10 years.

‘We have an enormous backlog of people that need housing in Victoria – 82,000 to be exact - but this report also illuminates the tens of thousands of people who will need housing in the coming decades,’ said Ms Kate Colvin, Acting CEO, Council to Homeless Persons.

‘This AHURI report tells us that right now we’re shuffling chairs on the titanic in relation to housing those in need in Victoria. We’re not even keeping up with current demand, let alone preparing for what’s around the corner,’ said Ms Smith.

Victoria currently has the lowest levels of social housing in Australia, with just 3.2 per cent of all dwellings being social housing (compared to the national average of 4.3 per cent).

The research also indicates that the most cost-effective method of growing social housing stock is direct government investment (capital grant funding), rather than providing subsidies to commercially financed developments.

The National Housing Finance Investment Corporation, a government backed lender, “provides the longest-term, lowest cost finance available” the report says, and the lifetime cost of direct capital investment by governments is \$1.6 billion less than a commercially financed program subsidised with taxpayer funds.

“Direct public investment costs less in both the medium and long term. It also builds the value of assets held by government or regulated non-government providers, creating a basis for leveraging more efficient National Housing Finance Investment Corporation finance into social and affordable housing over the long term,” said lead author Associate Professor Julie Lawson.

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