

Housing Affordability

The cost of housing has increased dramatically in WA in recent years, leaving many low and moderate income families struggling to pay their bills. Housing is generally considered affordable if a household in the lower 40% of the income range spends less than 30% of its income on housing. Many factors contribute to a lack of affordable housing in WA including population growth, zoning that restricts the supply and diversity in types housing, and a taxation system that protects established residential property wealth and accumulation. All of these factors contribute to driving up housing prices in WA, making it difficult for low and moderate income households to purchase their own homes or rent at an affordable rate.

Stats and issues:

- As of March 2010, the median house price in Perth was \$500,000, up 16.3% from the previous year. The annual income needed to afford a house at that price is \$144,500, substantially higher than the actual median income in WA of \$72,800.ⁱ
- Due to population growth not matched by increased housing supply, housing prices in regional mining towns in WA have increased dramatically, causing significant housing stress for the local population. In March 2010, median home prices were \$800,000 in Karratha and \$685,000 in Port Hedland, up 28% and 14.2% respectively, from March 2009.ⁱⁱ
- From 2007 to 2008, median rents increased across WA. The median rent increased by 23% in the Perth metropolitan area. Rents increased even more dramatically in the Goldfields, with median rents increasing by 33% to \$320 per week by March 2008.ⁱⁱⁱ
- Many low and moderate income households experience housing stress. Private renters with income in the lower 40% of the income range are particularly vulnerable to rising housing costs. In 2006, 62% of low income private renters were in housing stress and 25% were in extreme housing stress, defined as paying more than 50% of their income on housing.^{iv}
- At the 5th of June 2009, 34,480 Centrelink recipients in WA also received Commonwealth Rent Assistance, which is available to low income renters in private rentals and community housing (but not in public housing).^v Even with this assistance, 41.9% of these households were still paying more than 30% of their income on rent.^{vi}



Promoting Affordable Housing for all Western Australians

Resources and links:

- The WA Department of Housing operates several programs to assist low and moderate income households, including:
 - Applying for public housing http://www.dhw.wa.gov.au/404_437.asp
 - Keystart home loans <http://www.keystart.com.au/key/home.htm>
- Community Housing Coalition of WA <http://www.communityhousing.com.au/>
- First Home Saver Accounts <http://www.homesaver.treasury.gov.au/content/default.asp>
- National Affordable Housing Agreement – provides funding for social housing (public rental housing, state owned and managed Indigenous housing (SOMIH), community housing, the Crisis Accommodation Program (CAP)) and assistance with private rental and home purchase. <http://www.fahcsia.gov.au/sa/housing/progserv/affordability/affordablehousing/Pages/default.aspx>
- Commonwealth Rent Assistance (CRA) is a non-taxable income support payment to eligible Centrelink recipient individuals or families in the private rental market. <http://www.fahcsia.gov.au/sa/housing/payments/pages/rentassistance.aspx>

ⁱ Australian Bureau of Statistics, Household Income and Income Distribution, Australia 2007-08.

ⁱⁱ Real Estate Institute of Western Australia (2010) Quarterly Market Charts <http://reiwa.com.au/research/quarterly-market-charts.cfm>, and Market Indicators <http://reiwa.com.au/res/res-marketindicators-display.cfm>.

ⁱⁱⁱ Social Housing Taskforce (2009) More than a roof and four walls, http://www.housing.wa.gov.au/Files/SocialHousingTaskforce_FinalReport.pdf, Department of Housing Calculations on data from Department of Consumer and Environment Protection.

^{iv} Social Housing Taskforce (2009) More than a roof and four walls, http://www.housing.wa.gov.au/Files/SocialHousingTaskforce_FinalReport.pdf, Department of Housing Calculations on data from Department of Consumer and Environment Protection.

^v Report on Government Services (2010) Part G Housing, Table 16A.48 Number of income units receiving CRA, 2009. <http://www.pc.gov.au/gsp/reports/rogs/2010>.

^{vi} Report on Government Services (2010) Part G Housing, Table 16A.68 Number and proportion of income units receiving CRA paying more than 30% of income on rent, with or without CRA 2004 to 2009.