

Housing shortages to skyrocket: Libs

19:06 AEST Wed Mar 11 2009 By Susanna Dunkerley



The federal opposition warns the housing shortage is likely to be far higher than predicted.

The federal opposition says housing shortages in the near future are likely to be far higher than predicted in a new report.

In a report commissioned by the federal government, the National Housing Supply Council has confirmed there is plenty of land available for development on the fringes of Australia's major cities.

But it says without significant government and industry intervention the housing crisis could increase tenfold by 2028.

In 2008, the housing shortfall was around 85,000 dwellings.

In three years, the number was expected to reach 203,000 and hit 431,000 by 2028.

The forecasts are based on recent housing development and government funding trends.

But if these trends slow, the predicted shortfall could top 800,000, the report warned.

The shortfalls could also be higher than the report predicts because it fails to include the impact of the global financial crisis.

Opposition housing spokesman Scott Morrison said the projections are "overly optimistic".

"Banks and housing groups have been forecasting an undersupply of 200,000 dwellings in the next financial year and I think that's pretty accurate," he told AAP.

Mr Morrison said exorbitant state and local government charges associated with new housing development must be cut and more land released.

The government should also be doing more to help the private sector rather than public housing, he said.

But National Housing Supply Council chairman Owen Donald said the majority of housing demand was coming from the bottom end of the market and people from lower socioeconomic backgrounds were going to be hardest hit as rents and housing prices lift.

He said there had been a significant boost to housing investment, particularly in social housing, by the Rudd government but much more was needed.

"The absence of a very significant industry response and a very significant response from government will actually lead to a deterioration of housing supply ... and ... affordability," Dr Donald told reporters.

Housing Minister Tanya Plibersek said the bleak outlook should not be seen as a sign that the Australian dream of home ownership was no longer achievable.

"No, this report shows that with government action and with industry responses we can begin to close the gap between housing demand and housing supply," Ms Plibersek told reporters.

Ms Plibersek said it should also send a clear message to industry.

"The incentive is that they want to build the sort of houses that people want to buy, that's their bread and butter."



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