

VICTORIAN BUDGET'S 'RINSE AND REPEAT' APPROACH TO HOUSING CRISIS DOOMED TO FAIL: HOUSING EXPERT

The Andrews Government's social housing 'cash splash' detailed in last night's budget is a missed opportunity that's doomed to fail to fix critical housing shortages in Victoria, according to a housing affordability expert.

It's a 'rinse and repeat' pattern of the past that has not solved the housing crisis to date and is unlikely to this time around.

With some applauding the government's recent announcement of its biggest-ever cash injection of \$5.3 billion to build or repair more than 12,000 public housing homes over the next four years, Ian Ugarte said it doesn't solve the immediate need and will only help a fraction of the 100,000 Victorians currently on social housing waiting lists.

"I agree it's vital to invest in social housing, but if building or repairing a mere 12,000 dwellings is all you're doing to tackle homelessness in Victoria, then you're doomed to fail," the Small is the New Big co-founder said.

Ugarte explained that Victoria has the most progressive regulatory housing provisions in the country, yet decision-makers have once again overlooked this advantage which would offer long-term solutions to the housing crisis without the need for additional public money.

"It's time for the Andrews Government to capitalise on what they've already got - the country's most progressive regulatory provisions relating to shared housing - and incentivise mum and dad landlords to better use their investments to quickly and cost-effectively wipe off a third of those on social housing lists.

"If the definition of insanity is continuing to do the same thing but expecting a different result, then continuing to expect the government to cough up enough to provide social housing for all who need it is exactly that - senseless.

"How is investing heavily in a solution that hasn't worked effectively in the past, so is destined to fail more Victorians than it hopes to save the best way to tackle an escalating problem at the heart of homelessness in Victoria?" he said.

"You've got interest groups like Council to Homeless Persons, Domestic Violence Victoria, and Regional Cities Victoria all screaming for help, but unless we look at more creative ways to tackle the issue, the problem will always outpace the outdated solutions being proposed and create a cycle of more and more government cash being needed.

"The pandemic has shone a light on an issue that few are ready to tackle - housing affordability in Australia - with at least a third of those on Victoria's social housing waiting lists unable to find suitable housing they can afford.

"If the existing regulations are used to create suitable housing options that don't strain their budgets each week, and the demand for social housing will weaken," he said.

Ugarte believes the fastest way to reduce the demand on social housing is to look to the 500,000 mum and dad investors with two investment properties.

“We know there are more than 500,000 investors with more than one investment property in Australia, many of whom are financially hemorrhaging from job losses and little-to-no rent coming in from their investments.

“We also know that if we were to make it easier for these investors to convert just one of their 4-bedroom, 2-bathroom houses into 4 micro-apartments, we could provide affordable homes (with residents paying greatly reduced rent, with the cost of utilities thrown in) for up to 2 million people.”

Solution at a glance:

1. 500,000+ Australian investors have 2+ properties
2. 500,000 investment homes are each converted into 4 x micro-apartments
3. 500,000 x 4 micro-apartments = 2 million affordable places to live

“To fully recover from a pandemic-driven housing crisis, governments need to look beyond ‘what’s typical’, to ‘what’s possible’ and empower mum and dad investors to ease the housing affordability crisis, lessen the strain on the government purse and make homelessness a thing of the past.”

For more information on how the existing regulations, overlooked by this budget, can help fix critical housing shortages in Victoria, contact Bec Derrington on 0408 062 354.