



Northern Rivers Echo (Lismore, NSW)

Thursday 2/02/2017

Page: 28
Section: General News
Region: Lismore NSW, AU
Circulation: 17921
Type: Regional
Size: 512.00 sq.cms.



slice
CUT STRAIGHT TO YOUR NEWS

press clip

Low supply is affecting house prices

LISMORE'S housing market has been classified as "severely unaffordable" in an international survey of housing affordability.

The 13th annual Demographia International Housing Affordability Survey 2017 was released this week and it ranked Lismore as only 38th most affordable out of 54 housing markets in Australia.

The report classified affordable housing as being no more than three times a buyer's average income.

It found Lismore's median house price of \$335,000 and median household income of \$52,500 resulted in the cost of a home being 6.4 times an average local buyer's median annual earnings.

That made Lismore statistically less affordable than New York, Tokyo, Dublin or Singapore.

Demographia Australia spokesman Wayne Matthew said any rating above three was unaffordable.

"We have seen a massive range of unaffordable housing across the country because state governments generally have a massive influence over the price of land and they are hooked on the revenue from its sale," he said.

"This housing issue will create great chasms in our society, with young people being bitter that they can't afford the home their parents had and that they can't realise the same dreams."

Mr Matthew said

governments could look at leasing land over 25 to 30 years. "We need to be more creative in how we develop land but it needs to happen faster," he said.

According to Sustainable Futures chief executive Tony Davies, housing affordability touched the lives of most Northern Rivers people.

He called on new State Premier Gladys Berejiklian to make good her pledge to use the \$1.1 billion Social and Affordable Housing Fund.

Mr Davies said the fund needed to target high-need areas such as the whole of the Northern Rivers and ensure the funding was directly allocated into the region as quickly as possible.

"Many people are struggling with housing affordability and at a Federal (Government) level we need to reduce capital gains tax and negative gearing concessions that drive up prices," he said.

"It's heartening to see the new premier's commitment to housing affordability."

However, senior Aussie Home Loans mortgage broker Brian Lovegrove said Lismore was still affordable for people looking to buy a house.

"The loans we are writing for Lismore and for Goonellabah are often below the median price of \$335,000," he said.

"There is definitely some affordability in these areas."

Mr Lovegrove said removing stamp duty would be a good move to allow

more people to achieve a home of their own.

"One stumbling block apart from the deposit is the associated costs of buying the property; as well as getting the loan there can be costs such as mortgage insurance," he said.

Real Estate Institute NSW chief executive John Cunningham said the data was a bit like comparing apples and oranges when comparing city and country affordability data.

He said while Lismore was clearly affected by the strong property market in nearby coastal areas, in his view it was affordable.

"When salary growth does not match significant growth of property price rises, it appears unaffordable," he said.

"NSW is lagging in supply and we are seeing people moving out of Sydney and the Gold Coast to this region, which means a tighter property market."



**Northern Rivers Echo
(Lismore,NSW)**

Thursday 2/02/2017

Page: 28
Section: General News
Region: Lismore NSW, AU
Circulation: 17921
Type: Regional
Size: 512.00 sq.cms.



slice
CUT STRAIGHT TO YOUR NEWS

press clip



TOUGH: Lismore's median house price is \$335,000 with median household income of \$52,500.

PHOTO: JAY CRONAN