

SAVE OUR SUBURBS

MEDIA RELEASE

15 February 2005

SYDNEY HOUSING BECOMING ONE OF THE MOST EXPENSIVE IN THE WORLD

Sydney has experienced an unprecedented loss in housing affordability. An international study comparing the affordability of housing shows Sydney is among the least affordable cities in which to buy a new home. The Demographia 2004 Housing Affordability Rankings survey comparing housing affordability in 88 cities around New Zealand, Australia, Canada and the United States shows Sydney ranks fourth in the housing unaffordability league.

“Housing costs have rocketed in Sydney” said Dr Tony Recsei, President of the community group Save Our Suburbs. “It now takes 8.8 years of median household income to buy a median priced house in Sydney” he said. “We have gone backwards. In 1980 it only took 3.5 years of income to buy a house. The current 8.8 years of income for Sydney compares with only 3.9 years for Toronto, 3.1 years for Montreal and 2.7 years for Houston which has the same population as Sydney.

“The major cause of this iniquity is the Government’s Urban Consolidation policy. The State Government has increasingly strangled the land supply, creating artificial scarcities and driving land prices into the stratosphere. In 1976 the land component of the price of a house was 32%. Now the price of land comprises 60% of the cost of buying a house¹.

“This unaffordability hits young people the hardest. In time the fact that new generations will not be able to afford a family home will be bitterly resented”.

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¹ Housing Industry Association, *Restoring housing affordability – the housing industry’s perspective*, July 2003.