

Battling: James Hall with wife Leah and children Elise, 7 months, and Jensen, 2, at their rented Diamond Creek home. Picture: ANDREW HENSHAW

Too few houses, too many people

VICTORIA faces a severe housing drought, with the number of homes being built falling while our population booms.

New figures reveal a yawning gap between the number of houses built last year — just 38,600 — and the rise in population — 77,000.

State Government restrictions on new land releases is being blamed for the imbalance, which has sent property prices and rents soaring, squeezing out renters and first home-buyers.

Opposition planning spokesman Matthew Guy said people would be discouraged from moving to Victoria.

"If we can't house people, they won't come here," he said.

He blamed the Government's 2030 planning scheme, which draws a development boundary around Melbourne and tries to limit urban sprawl through high-density inner-suburban development.

"Our population is surging forward yet the State Government is discouraging dwelling construction through its Melbourne 2030 document. This is a recipe for a planning disaster," he said.

Ellen Whinnett

state politics reporter

Across Melbourne, the home vacancy rate has plummeted to just 1.4 per cent — the worst in 25 years, sparking a huge rise in rent and prices for those trying to buy a home.

The Australian Bureau of Statistics says 38,614 dwellings were built in Victoria last year — more than 10,000 fewer than five years ago.

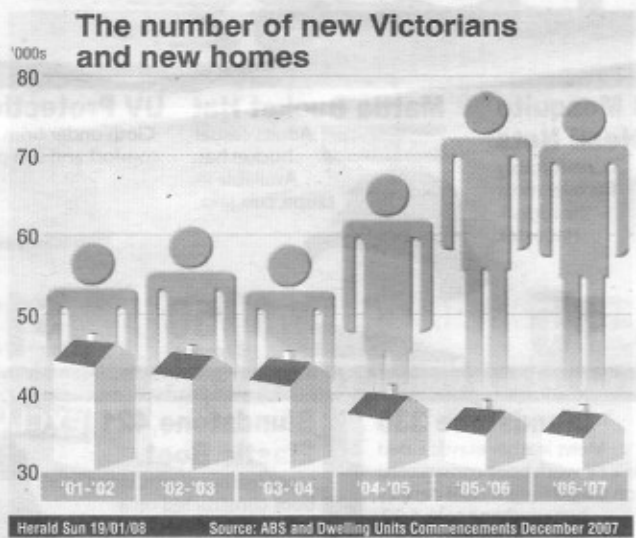
At the same time, Victoria's population grew by 76,906 — to a record 5.2 million.

This month's ANZ Australian Property Outlook warned that Australian housing stocks were dangerously low.

"By 2010 we project a record housing shortage of nearly 200,000 homes, which risks becoming an intractable imbalance as renters and first-home buyers become collateral damage in the Reserve Bank's on-going war on inflation," it warned.

In Victoria, the ANZ said new home building was "well short of housing demand and underlying fundamentals will tighten further".

"The residential vacancy rate fell to a 25-year low of 1.4 per cent in September and tightening rental availability has driven rents sharply higher with advertised rents up a whopping 27 per cent



over the year," the report said.

James and Leah Hall have been saving for seven years, but still can't afford to buy their family a home.

The Diamond Valley couple, who are renting, have searched from Rosanna to Eltham, Diamond Creek and Watsonia, but say they simply can't afford a house to suit them and children, Jensen, 2 and Elise, 7 months.

"It just got ridiculous to the point that we had to give up,"

Mr Hall, 31, said yesterday.

An engineer with a defence company, Mr Hall said his salary package was about \$70,000 a year but a single income was not enough to buy a home.

"You could borrow ridiculous amounts of money but you'd never make the repayments," Mr Hall said.

Demographer Bernard Salt said about 2001 there was a peak in smaller households — singles, couples, DINKS

(double-income no kids), and gay couples.

He said now households were larger, creating less need for homes.

"The high birth-rate has kicked in and the extra population goes into the existing dwellings," he said.

Mr Salt also said the mix of migrants coming to Victoria was changing, with more coming from Islamic nations and from China, and they preferred larger families.

He said the ANZ had sounded a warning bell and the State Government needed to ensure developable land was available over the next 10 years.

A spokesman for Acting Planning Minister Peter Batchelor said the Government was confident enough houses were being built to meet demand.

"ABS statistics show that Victoria is leading the nation — with 26.6 per cent of residential building activity, despite having just 24 per cent of Australia's population," spokesman Ben Ruse said.

"There is a supply of 10 years of zoned land in Melbourne's designated growth areas."

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