

# Lismore housing through the roof



Alison Paterson | 27th Jan 2017 5:56 AM



*Aerial of Lismore. Photo Jay Cronan / The Northern Star Jay Cronan*

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

The 13th Annual Demographia International Housing Affordability Survey 2017 was released this week and it ranked Lismore as one of 33 out of a total of 54 housing markets in Australia

The report classified affordable housing as three times a buyer's average income.

It found Lismore's median house price of \$335,000 and a median household income of \$52,500, results in the cost of a home 6.4 times higher than local buyers' median annual earnings.

This puts Lismore statistically less affordable than New York, Tokyo, Dublin or Singapore.

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

"We have seen a massive range of unaffordable housing across the country because the 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 Australia had always been a country where the great Australian dream is being smashed."

"Government 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 almost everyone in the Northern Rivers.

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 from his perspective, Lismore was still affordable for people looking to buy a house.

"The loans we are writing for Lismore and Goonellabah are often below the media 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 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 impacted by the strong property market from nearby coastal areas, in his view it was affordable.

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