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Grattan report shows NSW needs urgent housing action

The state's strong budget outlook is a once in a lifetime opportunity to invest in social and affordable housing to support the thousands of people in NSW struggling with rental stress and homelessness, the state's not-for-profit housing sector said today.

A Grattan Institute report released today shows NSW has the strongest budget in Australia but the lowest rates of social housing and the highest rates of rental stress and increasing homelessness.

According to the report, NSW has experienced the sharpest decline in social housing levels over the past five years.

The number of low income households (households in the bottom 40% of income earners) experiencing rental stress has increased by 10 per cent, with 1 in 2 low income households in NSW now in rental stress.

Homelessness rates have also increased by 10.7% – again the highest in the country

CHIA NSW CEO Wendy Hayhurst said with the state's budget surplus based largely on rising house prices NSW must urgently commit to investing in policies and programs for families left behind by the boom.

"NSW needs 12,500 social and affordable homes a year to fill the shortfall we have now and meet the needs of our growing population, which is vital if we are to support people in housing stress now and avoid increasing housing unaffordability even further down the track for our children," Ms Hayhurst said.

"Today's report also shows once again that we have money here in NSW to invest in housing that market mechanisms can't provide.

"Real estate prices in Sydney have dropped slightly, but whether a house is 12 or 11 times the average income is immaterial when you're a renter struggling just to keep a roof over your head and your income hasn't gone up. Getting together a deposit in these circumstances is nigh impossible.

"The NSW government has some good programs in place but they won't fill the gap.

"We need investment and planning reforms in NSW to encourage more the growth of not-for-profit social and affordable housing in local communities across NSW and secure future economic growth. Today's report shows we have the surplus and the money to do it, we just need the will.

"We're also hoping this report encourages the NSW government to release its Social Housing Strategy as soon as possible."

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