

Productivity Commission
First Home Ownership inquiry
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Submission to First Home Ownership Inquiry, By Alan Salter Concerned Citizen.

It is "BLATANTLY OBVIOUS" by the need for this inquiry that, many, many, would be first home buyers are being shut out of the market by "Governments in-action and changes to planning legislation".

Changes to Planning Legislation.

As a Councillor for "THE CITY OF MOORABBIN" back in the late 80s, I became extremely concerned when the concept of "BUILDING A GRANNY FLAT" of up to "100 sq metres" as of right in your back-garden, started to be "EXPANDED INTO DUAL OCCUPANCY" and building houses "NOT FOR GRANNY" nor of 100 sq metres, but "TWO & THREE BEDROOM HOMES", even "DOUBLE STOREY", this of course now, with further changes to planning legislation has expanded into "MULTI-UNIT DEVELOPMENT - HIGHER DENSITY LIVING". Of course the ramifications of these changes were almost immediate on "THE VALUE OF THE LAND THAT MOST HOUSES IN METROPOLITAN MELBOURNE WERE BUILT ON", i.e. the more you can build on the land, the higher the value of that land!

Of course there were other ramifications beside the increased value of the land.

Many, many homes, which were once "THE FIRST HOME BUYERS" entry into the property market, "THE RENOVATORS DREAM OR THE OLD WEATHERBOARD", were now "BEING GOBBLED UP BY DEVELOPERS AND DEMOLISHED", but the developers "DO NOT/ DID NOT" build "HOUSES/UNITS/ DWELLINGS" in the "PRICE RANGE FOR FIRST HOME BUYERS".

Of course "INCREASED PRICES FOR HOUSES/ DWELLINGS" means "INCREASED TAXES & CHARGES", further compounding the financial plight of "WOULD-BE FIRST HOME BUYERS".

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Melbourne and its suburbs was developed in a fairly orderly way over the past 100 or so years, what we are now seeing is, Melbourne & its suburbs "CARVED UP IN A VERY UN-ORDERLY WAY", by "100 & 100s of small Developers" who's only concern is "HOW MUCH MONEY THEY CAN MAKE!" and "NO CONCERN FOR THE OVERALL WELL-BEING OF OUR SOCIETY".

Governments have "AIDED & ABETTED" this by constant "DOWN-GRADING OF PLANNING LEGISLATION" to accommodate "MAXIMUM DEVELOPMENT", they have a "PECUNIARY INTEREST IN THIS OF COURSE", as it all means "HIGHER REVENUE FOR THEM".

Conclusion

We need to get back to "CONTROLLED / ORDERLY PLANNING", Where the needs of those at the bottom of the "HOME OWNERSHIP LADDER, FIRST HOME BUYERS" are met first, below is a cartoon by "MARK KNIGHT" of The Herald Sun, it shows The First Home Buyer "AT THE BACK", hopefully the result of this inquiry "WILL BRING THE FIRST HOME BUYER ONCE AGAIN TO THE FRONT!".

Of course "COMPOUNDING" the plight of "First Home Buyer" is the impact of "NEGATIVE-GEARERS, INVESTORS / OVERSEAS INVESTORS" in our HOUSING MARKET, i.e. MORE MONEY IN THE MARKET, THE HIGHER THE HOUSE PRICES WILL GO!. High House Prices do not do anyone or our Society any "REAL GOOD", the impact brings about, :- less people being able to enter the "HOME OWNERSHIP MARKET", "MORE PEOPLE PAYING HIGHER RENTS", mainly to "THE NEGATIVE GEARERS".

This of course impacts on couples wishing to "START A FAMILY", LOW INCOME PEOPLE PAYING "TOO LARGER PERCENTAGE OF THEIR INCOME IN RENT" & also being pushed further & further out of Melbourne & the Suburbs to find "CHEAP RENT", then of course they incur "TRAVELLING EXPENSES" to get to their place of work.

Conclusion

Hopefully the outcome of this inquiry will recommend that in some way "FIRST HOME BUYERS BE SEPARATED FROM, NEGATIVE GEARERS & OTHER HOUSE INVESTORS", Possibly that even "NEGATIVE GEARING be phased out or restricted in some way", the impact on First Home Prices & Rents is just not worth keeping Negative Gearing going.

All Governments, Commonwealth & State need to "ENTER THE FIRST HOME BUYERS HOUSING INDUSTRY & MARKET" and build homes "ONLY FOR FIRST HOME BUYERS", thus shutting out "ALL SPECULATIVE MONEY".

Governments also need to build more "PLACES FOR RENTAL ACCOMMODATION" thus reducing the pressure on "EVER INCREASING PRIVATE RENTAL ACCOMMODATION".

One only has to "EXTRAPULATE THE INCREASE IN WAGE RISES OVER, SAY, THE PAST FIFTEEN OR SO YEARS AGAINST THE INCREASE IN HOUSE PRICES, TO SEE THAT THIS INQUIRY IS LONG OVER DUE & Governments HAVE JUST SAT ON THEIR HANDS".

This exercise will also confirm that house prices started "TAKING OFF" when "DUEL OCCUPANCY/MULTI UNIT DEVELOPMENTS" were allowed.

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Below is a copy of an add for a block of land to be Auctioned on 20/9/03 in Bentleigh, as you will see it is being advertised as 'A THREE UNIT SITE", price range \$600,000 to \$650,000, "A FIRST HOME BUYERS HOUSE, i.e. RENOVATOR'S DREAM, WOULD HAVE BEEN DEMOLISHED", this is happening ALL OVER MELBOURNE!

Below also is a copy of a letter I recently had in "THE SUNDAY HERALD SUN".

Yours Faithfully

Alan Salter.