

Australians are concerned about housing affordability, so much so that 45.4% say they would be willing to see the value of their home stop growing to improve the situation, only 31.8% of those polled wouldn't. [An ANU poll](#) shows 51.7% of Australians are also in favour of removing tax concessions like negative gearing.

The poll surveyed 2,513 people (representative of the population) and found 63.6% were willing to see an increase in supply of public housing. Only 32.3% are opposed to relaxing planning restrictions.

With these numbers in mind, it is perhaps surprising that state and federal governments have done so little of any substance in housing policy for decades, if anything they've contributed to the problem rather than improved the situation.

Potential policy changes that many believe will improve housing affordability, including removing or reducing tax incentives such as the capital gains tax discount or removing supply impediments, have all been considered too politically difficult by the current government.

The government has justified this by playing to the fear that the value of people's home may decline or that more liberal planning arrangements may mean that new buildings may spoil the look and feel of local neighbourhoods.

The latest ANUpoll shows Australians are very concerned that future generations may be locked out of home ownership. Three quarters believe home ownership is part of the Australian way of life.

In terms of their own investments we found that nearly 68% of homeowners cite emotional security, stability and belonging as a reason for becoming a homeowner. In terms of security factors, 51% cite financial security, 42% refer to "renting is dead money" and 41% cite security of tenure and being able to "bang nails in the wall".

Of those families who have an investment property (17% in this poll) the primary motivation for the investment was a “secure place to store money” (27.4%) closely followed by rental income (24.3%). Only 11.9% cited negative gearing as the primary motivator and 13.7% were motivated primarily by the capital gains discount.

Housing remains easily the most popular investment vehicle, with 30% saying their preferred investment for spare cash would be an investment property, followed by 18.5% preferring to upgrade their own home. Only 12.6% preferred shares as an investment.

In spite of recent talk of a housing bubble the general population is not particularly concerned with immediate price drops, with 85% expecting house prices to rise over the coming five years. Only 5.4% expect prices to fall and just 1.7% expect prices to decrease a lot.

If interest rates were to increase by 2 percentage points, 6.4% of mortgage holders expected to be in “a lot” of financial difficulty and 16.7% in “quite a bit”. Only 27.9% would be in no difficulty. While financial difficulty does not mean default, in mortgage markets it may not take a large share of loans to default to cause financial problems for an economy.

As pointed out earlier negative gearing was the least cited reason for property investment which suggests removing the incentive would at least not make a dramatic difference to the level of housing investment in Australia.

The ANUpoll shows that the public are concerned about housing affordability and where policy is directed at improving affordability they are likely to be supportive. The policy options, be they demand side - reducing tax incentives, or supply side - building more dwellings and/or relaxing planning restrictions, are available, but greater political nerve may be required to undertake such options.

Ben Phillips does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

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