

'Sweat equity' could give homes to poor

EXCLUSIVE

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NEW research to be presented to the Abbott government argues that a \$20 million pilot program involving government, the private and community sectors could put 200 low-income families in home ownership and unlock the equivalent of \$140m in value.

A new report by Equity Economics, commissioned by Habitat for Humanity Australia, reveals that new approaches to support social home ownership, land release and reforms in planning and zoning could improve the prospect of home ownership for families on low incomes.

Such a pilot could involve low-income families providing "sweat equity", in which they would work alongside community and corporate volunteers to keep the cost of new house builds lower.

It would also involve governments providing access to discounted land.

It says that creating new ways for low-income families to own their own home is critical to tackling Australia's affordable-housing crisis and to reduce the reliance on the federal government's billion-dollar rental subsidy program.

Struggling families are being forced to live in sub-standard and transitory accommodation — or are being left homeless — because of an estimated shortage of 553,000 affordable properties.

The fact that so many families are locked out of home ownership is being blamed for creating a massive intergenerational wealth gap in Australia.

The report cites some successful affordable-housing programs in Australian states as well as a US program that has run for more than a decade and has enabled 28,000 low-income families to own their homes.

It is estimated the American program returns \$7 of impact for every \$1 in government funding.

"We can make the dream of home ownership possible for poor families and we must if we want to give their children a safe, decent place to live and ensure we close the growing poverty gap in our nation," said Habitat for Humanity chief executive Martin Thomas.

The chief executive of Equity Economics, Amanda Robbins, said: "Home ownership has played an important role in wealth accumulation in Australia, but for low-income families home ownership has typically been well beyond their reach.

"This not only impacts on their financial situation today but also excludes next generations from the benefits that come with home ownership."

The report, *Rediscovering the Great Australian Dream*, finds that while public housing is critical to the "immediate and growing demand" for affordable housing, creating a better "social home ownership" model could also help tackle intergenerational poverty in Australia.

It finds that low- to moderate-income purchasers, buying in lower-priced suburbs where amenities are available, could still support wealth generation but also delivered greater stability such as fewer moves and better work and educational outcomes.