

SAVE OUR SUBURBS

MEDIA RELEASE

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HOUSING AFFORDABILITY - HOW DOES YOUR CITY RATE?

[2010 6th Edition - Demographia International Housing Affordability Survey](#)

HOUSING STRESS UNNECESSARY – ACTION REQUIRED NOW

The current situation of housing stress on home owners caused by the unaffordability of housing is unnecessary, according to the authors of the 2010 international Demographia study.

The 2010 [6th Annual Demographia International Housing Affordability Survey](#) covers 272 major urban markets, comprising 23 for Australia; 28 Canada; 5 Ireland; 8 New Zealand; 33 United Kingdom and 175 for the United States.

The Survey, authored by Wendell Cox and Hugh Pavletich states the only affordable markets are in the United States (98) and Canada (5).

“High housing costs are causing severe financial stress in Sydney” says Dr Tony Recsei, an environmental consultant and President of the New South Wales, Australia, community organization, [Save Our Suburbs \(SOS\)](#) who wrote the preface. “It now takes 9.1 years of household income to buy a house in Sydney” he said. “In 1980 it only took 3.5 years of income to buy a house. The current figure for Sydney compares with only 4.9 years for Montreal in Canada and 2.9 years for Houston in the USA (which has an equivalent population to that of Sydney)”.

The survey associates the loss of housing affordability in Sydney (and Melbourne) with the highly prescriptive land use regulation policies in New South Wales and Victoria. As a result the survey states “the median income household would be required to pay more than 50 percent of its income to service a new mortgage on the median priced house in Sydney or Melbourne. In Dallas-Fort Worth or Atlanta, the household would pay under 20 percent”.

The report goes on to maintain that in these States: “‘Plan-driven’ land use regulation (more prescriptive regulation) is at the heart of the problem. It takes from 6.25 to 14.5 years to convert urban fringe land into new houses, which compares to less than 1.5 years before urban consolidation, and remains the case in the ‘demand-driven’ (more responsive) markets in the United States. The extensive plan-driven process tells land sellers and buyers precisely where land for development can be bought or sold, and as a consequence increases prices”.

A particular focus of this year’s *Demographia Survey* is to clearly illustrate the real mortgage stress – by comparing the affordable housing markets of Atlanta and Dallas Fort Worth in the United States, with the severely unaffordable urban markets of Sydney and Melbourne, Australia.

The differences are substantial. The *Demographia Survey* states –

“In Sydney, the monthly mortgage payment on a new median priced house would be nearly \$3,000 and more than \$2,500 in Melbourne. By comparison, in Dallas Fort Worth, the monthly mortgage payment on a new median priced house would be under \$800 and in Atlanta \$700.”

The 2010 6th Edition Demographia International Housing Affordability Survey concludes by suggesting urgent action is required at the local level by –

- (1) establishing sound and simple performance measures
- (2) appropriately financing infrastructure, and
- (3) allowing sufficient inexpensive urban fringe land on which to construct affordable housing.

“The problems and solutions are obvious, it is now past time for real action,” Pavletich says.

Download a free copy of the [2010 6th Edition - Demographia International Housing Affordability Survey](#)

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