
Budget wish list for strata dwellers

High up would be replacing, with an Australian-made product, all the dangerous combustible cladding of dubious foreign provenance covering thousands of high rises.

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Property wasn't so much an afterthought in the [federal budget](#) as a hastily scribbled postscript. Sure, there are additional incentives for first home buyers and [capital gains tax relief on granny flats](#), but there were very few "big picture" initiatives.

On the plus side, the [expansion of the First Home Loan Deposit Scheme](#) allows 10,000 more eligible applicants to purchase a new home with only a 5 per cent deposit while the government takes care of the mortgage insurance usually attached to loans that start with a low deposit.

And the upper limit on purchase prices has been lifted from \$700,000 to a more realistic \$950,000 in Sydney, \$850,000 in Melbourne and \$650,000 in Brisbane.

But really, this budget was the "same old, same old". The government wants more people to spend more money on new homes so that builders can build and money can flow back into the economy.

According to Andrew Wilson, chief economist at property management analyst Archistar, home building can generate three jobs directly for every \$1 million invested, with up to six extra jobs created in the wider economy as a knock-on effect.

But while building approvals for houses are at the highest monthly level since January, Wilson says, there are worrying signs that [approvals for apartments are down](#) by more than 8 per cent over the first eight months of this year compared to last year, and are now at their lowest levels since 2012.

Why are apartments suffering more than houses? The bad publicity around building defects, such as the [Opal and Mascot towers scandals](#), can't have helped.





The appearance of cracks at the Opal tower in suburban Sydney can't have helped encourage apartment ownership. **SMH**

Add the ongoing angst over [combustible cladding](#) and the millions of dollars it will take out of Australian apartment owners' pockets to make their blocks safe, and you can see why increasing numbers are shying away from high rises.

Another factor is our closed borders deterring residents and investors from countries where they "get" apartment living.

So what has the government done? Pouring more money into affordable housing is a good idea but funding some serious community creation would kick-start every part of the equation.

We keep hearing that the pandemic will be a “game changer” but that only applies if someone changes the rules.

[Build-to-rent could use a boost](#). More “lifestyle” apartment blocks, with long-term leases and all the amenities that young people, especially, want and need would change things up, especially if we need to move home to find work.

Why not set out to build focused combinations of low-cost and regular housing, a mix of owner-occupied and long-term rentals, with sustainable infrastructure that supports people working from home and in shared spaces?

Add in childcare, sports and recreation, cafes, bars, medical centres – and you can create the kind of community that takes years to build organically. It’s not rocket science – it’s social science.

If the government really wants to create jobs while rebuilding confidence in the apartment market, why not put some of those funds into replacing, with an Australian-made product, all the dangerous combustible cladding of dubious foreign provenance currently covering thousands of high rises. Or does that have too strong a whiff of pink batts for our pollies to seriously consider?