

# Boost for affordable housing

By JONATHON HOWARD

AN affordable housing development to help ease Bendigo's chronic accommodation shortage is nearing completion in Kangaroo Flat.

Almost \$1.5 million has been spent developing six brick units in Irabella Place.

The development is part of a \$20 million state government building program.

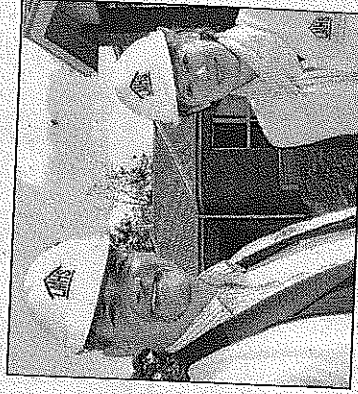
The units are expected to be handed over to the Loddon Mallee Housing Services for tenanting by July.

A Victorian Housing report stated more than 850 applications were lodged for affordable housing in Bendigo over a three-month period, between September to December 2009.

The report also revealed 261 of those applicants were in desperate need of homeless.

Loddon Mallee Housing Services will overlook the construction of more than 40 properties in the next seven months through the building program.

CEO Ken Marchino, said the units were the first in a series of



**HOUSING:** Ken Marchino and Northern Victoria MLC Candy Broad inspect the project at Kangaroo Flat.

steps to address the need for affordable housing in Bendigo.

"The development of affordable housing creates new jobs for locals and means a brighter future for low and moderate income earners," he said.

He said the homes would be made available to a mix of low income and moderate income earners to ensure a positive community mix in the area.

NEWS

# Housing bubble losers

**By CLARE QUIRK**

THERE are fears 380 households in the Loddon Mallee region in critical housing stress will be hardest hit by rising property prices.

Greater Bendigo Council has released its 2010 preliminary revaluation figures which show the average Bendigo house price is \$250,000, an increase of about \$20,000 since 2008.

Loddon Mallee Housing Services chief development officer Mario Roccisano said continuing price rises affected people's ability to

enter the home ownership market in country areas.

"In terms of rental affordability, higher capital costs will express itself as higher rents, placing additional financial stress on households who cannot access home ownership."

Mr Roccisano said the latest census data indicated there were 380 households in the region in critical housing stress. "Using this

as an indicator, we can assume that 3000-4000 households in the region are under some form of housing stress.

"We can safely assume that figure will continue to grow in the current housing environment.

"There are other related implications in what appears to be a tightening credit market.

"This will impact on households being able to access mortgage

funding for home purchase and also for developers to access development funding.

"That in turn will impact on supply and therefore further exacerbate the affordability crisis."

The biggest jump in values was in central Bendigo and Quarry Hill houses.

Average prices rose 16.6 per cent, from \$246,000 to \$287,000.

Marong was just slightly behind,

## Price jump hits renters hardest

with a rise of 16.2 per cent, from \$216,000 to \$251,000. Kennington and Flora Hill properties have increased 7.5 per cent, from \$221,000 to \$237,500.

Properties in Strathdale rose by 4.7 per cent and Junoroun increased by just 2.7 per cent.

Mr Roccisano said it was difficult to see how housing establishment costs could be contained.

Two ways to help affordability were subsidy schemes, such as the first homebuyers grants, and government spending on affordable rental housing to take pressure off the rental markets and to help contain rental costs.