Kezia Purick
Shadow Minister for Housing

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RESERVE BANK WARNS OF TERRITORY HOUSING BUBBLE

The Territory Opposition is concerned that Darwin is at the top of the list of a potential property market bubble in Australia.

Reserve Bank Governor Glenn Stevens warned today that Australia is at risk of a property market bubble with prices inflated by the low cost of finance and a reduced supply of new housing.

“The Governor of the Reserve Bank could have been talking specifically about Darwin in today’s speech,” says Kezia Purick, Shadow Minister for Housing.

“The Henderson Government’s cynically slow land release policies have driven the price of buying and renting a home in Darwin through the roof.

“As Glenn Stevens says – if all we end up with is higher prices and not many more dwellings, then it will be very disappointing, indeed quite disturbing.

“The Governor of the Reserve Bank could have been talking specifically about Darwin during the last five years.

“The great tragedy of property bubbles is that many first time homebuyers find themselves with negative equity in their houses and if they need to sell they are actually worse off.

“The 5.6% decline in residential building across the Northern Territory in the March quarter increases the possibility of a property bubble.

“The Labor Government’s decision to sell off public housing has also fed the crisis in the Territory.

“The acute shortage of public housing has driven up the price of private rentals and forced too many people to sleep in cars, caravans and other people’s lounge rooms.

“Unfortunately the Henderson Government’s primary response to the crisis in home affordability is to release micro blocks of land in Bellamack Gardens.”

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