

Pushing through the 'cheer squad' to have a proper conversation on housing with Aussie economist Cameron Murray

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By Gareth Vaughan

The "cheer squad" make it hard to have a proper debate on housing, especially when looking to address the question of what we want from the housing market from a public policy perspective.

So says Cameron Murray, Chief Economist at [Fresh Economic Thinking](#), a new Australian think-tank. In the latest episode of interest.co.nz's [Of Interest podcast](#) Murray talks about housing and his new book *The Great Housing Hijack*. **He describes the housing markets and attitudes to housing in Australia and New Zealand as "culturally very similar in terms of the attitude to housing."**

Murray, who has been a real estate agent, property investor and worked for FKP Property Group, says his book title essentially describes the state of the public debate in housing.

"There are so many vested interests, so many different groups and hobby horses that have lobbied, professionally or not for many decades, that it is very hard to have a straight conversation about housing in a public forum. So that is the housing hijack," he says.

"The housing hijack is all about what I call in the book the cheer squad, these noisy people on the sideline distracting us from the game of housing and, rather than understanding the plays and the strategy of the game, we're getting distracted by the noise of the cheer squad."

In the podcast Murray talks about why we should acknowledge the post-World War II to mid-1970s period was an unusual golden age in housing, what he sees as the five housing market equilibria, why he doesn't believe simply freeing up land and loosening zoning rules to enable more houses to be built is the silver bullet, KiwiBuild and the politics of housing.

Murray proposes HouseMate, a parallel public homeownership system alongside purchase and rental in the private property market. It would offer non-property owner citizens the option to buy a home from a public provider at a cheap price.

"The reason to propose this is simply that I couldn't find any examples anywhere in history or anywhere in the world where we'd sold housing for that group, that 10% or 15% of people who are renters, who are getting squeezed every time the market adjusts and people's incomes are rising. I couldn't find any examples where those people's housing had been improved without a public option of some sort. Whether that's regulated rental, like Vienna, where there's massive council housing and it's somewhat universal, anyone can access it. Or whether it's public housing home ownership, which is more of a Singapore type approach. Europeans have long term rental, but I think culturally, the Australians and the Kiwis would go for a home ownership type approach," he says.

"At the end of the day, we have to accept the economics that there is a subsidy exactly equal to the difference between the market price and what you get people into that home at. There is no sneaking around this economically."

"If I could find a way to just change zoning regulations and taxes and make housing cheap for those people, I would do it. Like, who wouldn't? It would be so easy. But I've spent decades looking around trying to understand housing, and in the last four years looking for examples around the world, and I just can't find them. I'm sorry. So we have to do it the hard way," says Murray.

[*You can find all episodes of the Of Interest podcast here.](#)




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