



## Media Release

For immediate release – Tuesday 25 October 2022

### **BUDGET 22-23 GETS REAL ABOUT REAL ESTATE SUPPLY** ***No end in sight for affordability woes.***

Real Estate Institute of Australia (REIA) has welcomed the handing down of Budget 22-23 and has congratulated Treasurer Chalmers on making housing supply the centerpiece of Budget 22-23.

REIA President, Hayden Groves, has welcomed the ambitious target of building one million more affordable homes over five years from 2024 through a new National Accord.

“REIA has long called for a plan to increase housing supply in a real way with proper targets that holds State and Territories accountable and deals with the key barriers in land release, planning and that is pro-investment for the private property markets.

“Done right, this can give Australia’s housing stock the generational injection it so badly needs in the same way policy programs in the 1970s did.

“Of course, the devil will be in the detail, and much more detail will be needed especially in relation to the intent to provide opportunities to superannuation funds and build-to-rent developers ahead of Australia’s mum-and-dad investors. The REIA will be looking out for any attempted inequities in this space.”

“The Australian real estate industry manages a combined property management portfolio worth \$3 trillion and manages \$78 billion in rents each year on behalf of family investors.”

Mr Groves said while the National Accord was a step in the right direction, far more could be done to address affordability.

“It is an opportunity lost once and for all to deal with the wicked problem of stamp duty by State and Federal Governments which has been entirely and disappointingly omitted within the National Accord.

“However, one million new affordable homes are a supply ambition to be applauded. The challenge has now been thrown down to get these homes built and Australians housed in a very short period.

“REIA would like to in particular congratulate Minister Collins on the housing measures within Budget 22-23.”

Mr Groves said that Budget 22-23 would have no immediate impact on housing and rental affordability.

“Since May, repayments on a \$500,000 mortgage have increased by almost \$700 each month and household saving is forecast to slump below pre-pandemic levels.

"Inflation is forecast to peak at 7.75 per cent in the December quarter of 2022, ease to 3.5 per cent by June quarter 2024 and moderate to 2.5 per cent by 2024–25.

"Higher mortgage payments are expected through higher interest rates because of this persistent inflation will impact on both housing and rental affordability.

"Constraints on housing supply, including a backlog of new builds from supply chain pressures, all mean affordability pressures for home buyers and renters are unfortunately likely to continue.

"Affordable housing measures, whilst both necessary and welcome, will have no immediate impact on housing and rental affordability and availability woes for many Australians."

Mr Groves said the challenges of inflation, interest and the labor market to both consumers and businesses would test the state of the economy.

"Australia's economic growth is forecast to slow from 3.25 per cent in 2022–23 to 1.5 per cent in 2023–24.

"This is lower than previous forecasts, but it does not hint towards an imminent recession which is good news."

Mr. Groves concluded "Whilst this Budget was appropriate for the current circumstances both internationally and domestically the 2023 Budget needs to address how we put some jam on our bread and butter through increased real earnings. A serious conversation on tax reform with intent to implement needs to happen."

## **ENDS**

For any further information please contact Olwyn Conrau, REIA Media Consultant, 0413 600 350, [olwyn.conrau@reia.com.au](mailto:olwyn.conrau@reia.com.au)

Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit [www.reia.com.au](http://www.reia.com.au)