

Media Release



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NATIONAL CABINET: NO SILVER BULLET TO HOUSING CRISIS

The Real Estate Institute of Australia (REIA) has said that the National Cabinet decisions show there is no silver bullet and today's announced initiatives fall short of real reform.

Mr Groves said REIA welcomed housing supply and affordability being a central feature of National Cabinet discussions.

"The tasking to Housing Ministers to develop a proposal for National Cabinet in the second half of 2023 outlining reforms to strengthen renters' rights across the country needs some more details.

"Australian renters make up to 30 per cent of the private market and have strong rights under State and Territory legislation.

"It's unclear what a national renter's rights plan sets out to achieve.

"If it is uniformity of rental legislation and experience, including efficiencies like a National Bonds Board, bring it on. This should be extended to other areas of real estate practice like licensing and industry standards.

"It has been the view of REIA since our inception in 1924 that all real estate laws should be harmonised, and we would welcome similar attention to that by National Cabinet.

"It should also be an opportunity to weed out practices and policies that inhibit rental supply and discourage investors away from the market like stamp duty, land taxes and some tenancy laws.

"We all agree that renters need more help, including increases to the Commonwealth Rent Assistance and perhaps it is real investment like this National Cabinet should be turning their attention to.

"One has to question what exactly a renters rights plan aims to do at National Cabinet level, and we hope it is an opportunity to help enable rental supply and provide improvements to wildly disparate real estate laws across the country."

Mr Groves said concessions being offered to the build-to-rent (BTR) industry should make the asset class more viable.

"We welcome proposal for increased depreciation allowances to make BTR more viable but need to be careful not to have an adverse impact on ordinary property investors' decisions, who have been doing the heavy lifting in the supply of rental properties.

"Getting more ordinary Australian property investors back into private rentals as an asset class is a critical part of the solution yet we do not see any mention of them on the National Cabinet communique."

Mr Groves said until there is a National Plan for Housing in place supported by the Housing Australia Future Fund it is unlikely that any great gains are to be made in unlocking housing supply.

"The National Cabinet reforms are a start but greater engagement with the real estate industry is necessary to find unilateral solutions to housing supply.

"We need to put all options on the table when it comes to housing supply including stamp duty reform, incentives for mum-and-dad investors to come back to private rentals in force and sort out the planning and regulation backlogs in each State and Territory.

"Today's National Cabinet focused on two small areas of a much bigger puzzle.

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“REIA will continue to work with National Cabinet and Australia's Housing Minister's to provide impactful ideas to deliver more homes for Australians.”

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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