

# Media Release



For immediate release – 30 April 2023

## **MORE NEEDS TO BE DONE TO REWIRE REAL ESTATE**

Real Estate Institute of Australia (REIA) President, Hayden Groves has welcomed the Federal Government’s Small Business Energy Incentive (the Incentive) and has said to truly rewire Australian real estate, a similar product must be developed for Australia’s property owners and renters.

Mr Groves said that REIA has advocated for more direct support to property owners for energy upgrades on primary places of residence and rental homes.

“The Australian Sustainable Built Environment Council estimated in December 2023 that electrification would save \$49 billion out to 2050, but the key to broad scale adoption would be to introduce incentives to address capital cost restraints to households and businesses.

“We know that powering property is a significant contributor to carbon emissions and with rental properties representing 30 percent of the residential property market in Australia, helping investors make their properties more efficient will in turn help their tenants.

“Currently, property owners supplying private rentals cannot even claim the cost of eco-friendly investments in heating and cooling upgrades or electrification of appliances in the year they are incurred.

“Household running costs for renters would reduce if deductions and grants are offered to property owners for improvements such as insulation, glazing or better cooling and heating that reduced the capital cost restraints.

“We welcome the business level support for real estate agencies and look forward to seeing what is yet to come to support property owners and their tenants from the Australian Government.”

Mr Groves said the Incentive will be beneficial for Australia’s real estate industry for those choosing to utilize it to reduce shopfront operating costs.

“The bonus tax deduction will assist agents and provide businesses with an annual turnover of less than \$50 million an extra 20 per cent deduction on business improvements that support energy efficiency like electrifying heating and cooling systems.”

Mr Groves said with the Incentive estimated to be only costing an initial \$314 million, it was likely much more investment would need to occur to get at scale adoption across the small business sector.

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For any further information please contact Media Consultant, Olwyn Conrau on 0413 600 350 or [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)