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Media Release

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URGENT CALL TO GOVERNMENT TO ALLEVIATE COST OF LIVING: BUDGET 2024

The Real Estate Institute of Australia (REIA) is fervently calling on the Federal Government to relieve cost of living for Australian renters and homeowners in Budget 2024-25.

REIA President, Ms Leanne Pilkington, said the REIA Budget Submission 2024 focused on addressing cost of living pressures in housing.

“Feedback from real estate practitioners across the country is that cost-of-living pressures for both renters and those holding a home loan are needed now.

“Rental affordability remains a critical concern.

“The role of Australia’s 2.2 million private property investors in supplying rental stock for approximately eight million Australian rentals, supporting the development of various housing types.

“Despite a 7.6% annual increase in rental prices last year, the highest since 2009, Australia faces a shortage of housing in capital cities. If not for the Commonwealth Rental Assistance (CRA), this figure would have been higher. REIA has always argued that CRA must be pegged to market rentals to continuously support renters, particularly vulnerable renters.”

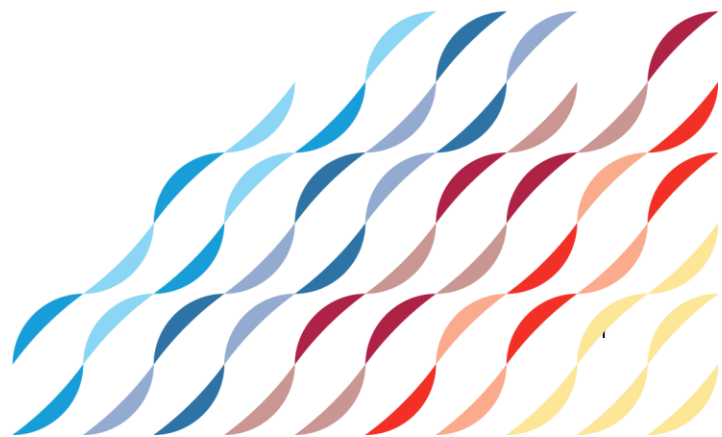
Ms Pilkington said that tinkering around the edges of income tax would do nothing for either housing supply or economic productivity and the Australian Government needs to be more ambitious.

“While we acknowledge stamp duty is state tax, the Federal Government has a role in taking a coordinated approach across jurisdictions.

“The removal of stamp duty could introduce an additional 4.0% of property listings into the sales market.

“REIA advocates for a broader national perspective, presenting various options for stamp duty reforms, including big picture and smaller scale reforms, broad-based tax replacement, and innovative payment structures.

“What we should see in this Budget is funding put aside to fund a task force to look at tax reform generally, and stamp duty phase out in particular.





“Sadly what we are likely to see is this agenda once more put in the two hard basket even when the Australian economy and housing customers need it the most.”

Ms Pilkington has once more called on a practical approach to empty houses.

“REIA proposes an immediate occupancy audit across government-owned and funded housing, collaborating with local governments and communities.”

“It’s a do now action that could immediately bring more homes to market that all three levels of government can implement.”

Ms Pilkington said there is also the need for comprehensive climate action plan for Australia’s existing residential housing stock.

The 2015 Paris Agreement and the 2018 Intergovernmental Panel on Climate Change underscore the importance of limiting global warming to 1.5-2.0°C above pre-industrial levels. The Australian Government’s September 2022 Climate Bill sets ambitious emissions targets: 43% reduction by 2050 and net zero emissions.

“REIA suggests short-term recommendations, including cashflow incentives and instant tax write-offs for energy-efficient features targeting family investors. Energy-efficient renovations and retrofits are crucial to reducing energy use, especially as Australians spend 90% of their time indoors, with two-thirds at home.

“In addition, a national program of tenant resources is proposed, empowering tenants to negotiate and implement energy efficiency upgrades. An awareness and education program, based on key behavioural insights, is recommended, with collaboration between the government, private sector, and not-for-profit organisations for a cohesive nation-wide awareness campaign.

“REIA, in collaboration with the Tenancy Skills Institute, is actively contributing to tenant education around energy efficiency initiatives focussing on a communication first approach by producing seasonal resources to assist tenants, property managements, and owners in negotiating heating and cooling upgrades.”

Ms Pilkington said Australia is standing at the precipice of a worsening cost-of-living crisis, coupled with a pressing housing shortage. Despite measures taken to support renters and homeownership rates, there is an urgent need for focused, concerted action on the supply side across all levels of government.

Recommendations for Budget 2024: A Holistic Approach

Short-term Recommendations:

1. **Improving Housing Supply and Affordability:**

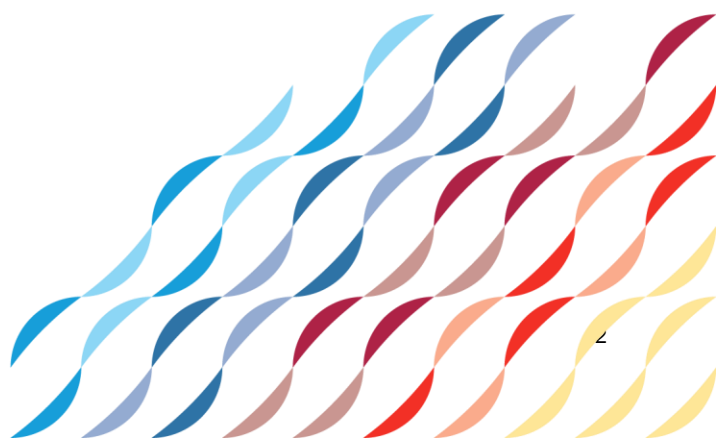
- Tax deductibility on interest rates for first home buyers.
- Continued support for First Home Guarantee programs.
- Exploration of downsizer initiatives.

2. **National Stamp Duty Phase Out:**

- Immediate stamp duty waivers for purchases of rental properties in high-demand areas.

3. **Rental Affordability:**

- Immediate occupancy audit of government-owned stock.
- Increase Commonwealth Rent Assistance.





4. **Policy Certainty for Property Investment:**
 - Trajectory for Low Energy Buildings.
 - Incentives for energy-efficient features.
 - Tenant awareness and education.
 - Green loan pilot trial.

Long-term Recommendations:

1. **Homeownership:**
 - Continue the rollout of the Australian Government Home Guarantee Scheme.
 - Aggressive promotion of deposit-building incentives like the First Home Super Saver Scheme.
2. **Supporting Downsize:**
 - Analysis of options to support downsizers.
 - Stamp duty waivers for downsizers.
 - Review of taxation and cash flow incentives for increased housing supply.
3. **Phase Out Stamp Duty:**
 - Establishment of an Intergovernmental Working Group on Stamp Duty Phase Out.
 - Pilot stamp duty waivers for purchases of rental properties in high-need areas.
4. **Sustainability:**
 - Cashflow incentives and instant tax write-offs for energy-efficient features.
 - National program of tenant resources empowering them to negotiate energy efficiency upgrades.
 - Awareness and education program drawing from key behavioural insights.

In unveiling these recommendations, REIA aims to provide tangible, effective solutions for Australia's housing and cost-of-living challenges. REIA encourages collaboration between the government, private sector, and not-for-profit organisations to implement these measures and pave the way for a more sustainable and affordable housing future.

To view the submission click [here](#)

For any further information please contact
Olwyn Conrau, REIA Media Consultant

0413 600 350
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

