



21 February 2024

## MEDIA RELEASE

### Double down on housing incentives to hit supply targets: Property Council

The Property Council of Australia has today urged the federal government to double the \$3.5 billion incentives already on the table for states and territories to exceed their housing targets.

In a submission to the government ahead of the May 2024 Budget, the Property Council says the extent of the housing crisis requires scaled-up incentives for state governments large enough to survive the political cycles, proposing the federal government leverage the commodities surplus to double the \$3 billion performance-based *New Home Bonus* and the \$500 million *Housing Support Program*.

Property Council of Australia Chief Executive Mike Zorbas said while many commentators are already labelling the 1.2 million home 2029 target 'unachievable' just months after they were set by National Cabinet, the Property Council's focus is on working with governments to deliver to their targets.

"Australians, especially young people, simply can't afford a swing and a miss on the national housing target," Mr Zorbas said.

"We need to supply more quality homes around job, educational and social opportunities and as close to public transport as we can get.

"The vast majority of people see the greatest opportunity in our capital and regional cities. Most of us have wised up to the importance of housing supply and choice where we want to grow up and where we want to grow old.

"Right now, Labor is in power in every state government bar Tasmania, but the time will come when that changes and we need to keep our eyes on the national housing prize.

"History tells us housing supply repeatedly gets shoved in the too hard basket when politics intervenes. We need to break that cycle by offering the states a carrot no Premier from any party can ignore.

"Over the forward estimates where trillions are divvied up across the economy, a pool of \$3.5 billion between eight states and territories to boost housing supply won't survive changes in state politics," Mr Zorbas said.

The Property Council's pre-budget submission titled "*Not a minute to waste*" outlines four key Federal Budget proposals including housing for all Australians, positioning Australia as a competitive destination for global investment, boosting our productive and skilled workforce with enough construction workers to build the future homes we need, as well as mapping out a clever path to decarbonisation.

Targets for purpose-built student accommodation and retirement living communities, known as High Community Benefit forms of housing, are also recommended for the National Housing Accord.



"The reality is, if we expand higher density housing supply at either end of the age spectrum, where government and community services are most efficiently delivered, then everyone benefits," Mr Zorbas said.

"With younger people utilising bespoke student housing to meet their unique needs, and older Australians moving into communities that are proven to keep them healthier and happier for longer and save taxpayers \$1 billion a year by delaying their entry into aged care, then we open up the middle market for more Australian families," he said.

The submission also recommends a pro-construction adjustment to the migration mix in a smaller overall future intake.

New construction workers historically make up just 1.8 per cent of all skilled migrants and the overall intake of appropriately credentialled high, medium and low skill construction workers needs to at least double.

"We have an ambitious national housing target, big state project builds on foot and growing green energy infrastructure needs that terrific training and TAFE initiatives cannot hope to meet," Mr Zorbas said.

"We must stop the housing dog chasing its tail. While intelligently managing down the overall intake of migrants, we urgently need a higher proportion of the people we bring to Australia qualified in construction to build the housing all Australians need," he said.

The Property Council has also urged the government to reduce the managed investment trust withholding tax rate (from 15 to 10 per cent) when build-to-rent projects subsidise a proportion of the apartments to be 'affordable housing', meaning they are offered at below-market rates.

It also urges better resourcing of the Foreign Investment Review Board (FIRB) architecture and the exclusion of non-controversial housing investments from screening and unnecessary fees.

The submission has been released ahead of Mr Zorbas' appearance at the National Press Club on March 6, where he will advance and debate a series of solutions to the nation's housing crisis.

ENDS

Media contact: Rhys Prka | 0425 113 273 | [rprka@propertycouncil.com.au](mailto:rprka@propertycouncil.com.au)

Ellie Laing-Southwood | 0416 007 830 | [elaing@propertycouncil.com.au](mailto:elaing@propertycouncil.com.au)