

**Queenslanders always come together in times of crisis – from cyclones, to floods, to fires. Our current housing crisis should be no different.**

## The Challenges

The housing crisis is the worst our community has seen, and while the situation is not unique to Queensland, there are challenges and solutions that are unique to our state.

As we seek to remedy decades of infrastructure lag and locked land supply, we are asking government to work closely with industry to review the barriers to delivering new homes across the state and across the entire housing continuum, including new greenfield growth fronts and higher-density infill apartments.

It is also critical for government to acknowledge the important role they play in delivering social housing, while supporting industry to increase the delivery of private housing to improve affordability. This includes working with industry on a case-by-case basis to support affordable by design housing through incentives, rather than imposing broad and overly prescriptive affordable housing requirements.

The housing crisis is being felt across the state, from Cooktown to Coolangatta and everywhere in between. And while housing affordability is slightly better in regional Queensland, young Queenslanders with an average household income of \$100,000 will be hard pressed to find a median priced house or apartment in regional areas such as Townsville and Cairns that is affordable (30 per cent or less of gross household income on a mortgage).

In Brisbane the prospects of buying a home are beyond hope, with the first nine years of a 30-year mortgage for a new house and land package is spent paying off government taxes, fees and charges – plus interest. In real terms, this equates to \$233,440 in fees and taxes for a house and land package valued at \$730,000.

Government charges and taxes are a major contributor to housing affordability with Property Council research showing fees and taxes make up 33 per cent of the cost of a new apartment in inner Brisbane.

Demand for new homes and apartments continues to outpace supply at a rate that only sees us fall further and further behind. Property Council of Australia research – On the Edge – shows that only 3,000 apartments are currently under construction in Brisbane, with this set to halve in 2025. This is alarming given the state's capital needs to be delivering 9,500 new dwellings per annum.

Reviewing prohibitive tax settings is critical to boosting housing affordability. All three levels of government impose levies on new property, however the most significant – and prohibitive – are transfer duties and land tax which are controlled by the state government.

And as house prices grow, so too does the amount collected by government – particularly state government. Transfer duties alone have yielded an additional \$3.5 Billion more than the government's own forecast over the past three years.

To help plan for the Queensland of tomorrow these surplus funds need to be captured, quarantined, and reinvested into supporting our state's growth.

## The Solutions

Ensuring a home for every Queenslander will require decisive action and political bravery across the entire state and housing continuum. This includes supporting the delivery of new greenfield communities, infill apartments, build-to-rent projects and purpose-built student and retirement housing.

To ensure every Queenslander has a home, **it's time to be a Queenslander** through government adopting the following initiatives:

- 1. Introduce a government-backed lending pathway:** A **state-based** government backed lending pathway will help more Queenslanders to afford a home sooner. Similar to Western Australia's Keystart program, which offers home loans with lower entry costs, with low deposit requirement and no lender's mortgage insurance.
- 2. Acknowledge the role of government in delivering social and affordable housing:** Continue to fund social housing, while partnering with industry to deliver housing that is affordable by design. This includes working with industry on a 'case-by-case' basis to support appropriately located affordable housing through incentives, rather than introducing broad and overly prescriptive affordable housing requirements.
- 3. Support first homeowners by expanding First Home Owners (FHO) Grant:** Extend the existing FHO Grant to reflect the steep increase in median house prices by increasing the ceiling to \$1,000,000. To drive supply, it is important the grant remains focused on new products, including townhouses, modular homes and dwellings purchased off-the-plan. Grants for existing dwellings will only stimulate further demand for the limited pool of established homes. The design of First Home Owner grants should also consider the requirements of regional areas of Queensland, including reflecting and the unique housing demands of regional communities the opportunities they provide to ease housing pressures across the state.
- 4. Encourage housing diversity through smaller lot sizes and by introducing a Queensland housing code:** Delivering on housing diversity and the Distinctly Queensland targets means there needs to be flexibility to create smaller lot sizes, which are supported by a uniform housing code. Delivering smaller lots where appropriate will increase affordability whilst assisting Council's in meeting housing targets.

- 5. Incentives to stimulate right sizers:** Introducing a rightsizing grant for eligible rightsizers who purchase either a newly completed apartment, off the plan apartment, or any type of purpose-built seniors' housing including Retirement Living. The grant would assist in freeing-up existing family dwellings in established suburbs and direct investment towards fit-for-purpose assets and new supply.

