A pro-cities, pro-investment agenda

2025 Federal election platform

Contents

Executive summary

A pro-cities, pro-investment agenda

Parliamentarians in the 47th parliament well understand the Property Council's pro-cities vision.

We have a pro-investment purpose - to see the benefits of improving our great Australian cities widely shared by all Australians.

Industry partnership

The next Australian Government will navigate many challenges.

Global uncertainty, cost of living pressures, decarbonising our economy and supplying more homes top the list.

Success will only be possible if we embrace global capital and skilled workers. Engagement with the property industry will be essential.

Industry leadership

The property industry invests in the future of our cities and shapes and supports the lives of every Australian.

Homes, retirement villages, shopping centres, offices, industrial areas, education, research and health precincts, tourism and hospitality venues, and more.

Our industry has the largest direct economic footprint in the nation – producing $232.7 billion towards GDP, employing 1.4 million Australians and generating $178 billion in employee incomes.

Our members sustainably shape our cities, create our communities and build the homes that Australians need.

The industry's leaders are Property Council members. The Property Council's 2,500 member companies are the nation's major investors, owners, managers and creators of properties and places that matter.

We have a pro-investment purpose - to see the benefits of improving our great Australian cities widely shared by all Australians.

Thought leadership on investment and city planning

Australia needs to grow well to boost individual prosperity and provide enough funding for government programs as our population ages.

The next Federal Parliament must oversee a clear national productivity agenda and boost overseas investment to create the city assets we need as state governments turn from mega projects to budget repair.

Better planning for all types of city property assets, including industrial and commercial, and better, more affordable delivery of housing are immediate, low cost improvements in the national interest.

Our 2025 Federal election platform tackles the challenges on four fronts:

01 **Housing for all** – ensuring every Australian has the opportunity to own or rent a home

02 **Competing hard for global investment** – welcoming other peoples' money to build the future of our great Australian cities

03 **A productivity nation** – attracting and growing a productive workforce to meet the surging demands of housing and other construction

04 **Decarbonising cities cleverly** – ensuring that Every Building Counts as we decarbonise our built environment.

Mike Zorbas
Chief Executive
Property Council of Australia

Beyond an antiquated tax system, the greatest economic and social cohesion challenge Australia faces is the delivery of affordable new homes to buy, to rent and social housing.

01 Housing for all

Ensuring every Australian has the opportunity to own or rent a home.

The issue

We are not 'match fit' after decades of supply neglect.

All Australians deserve a home, whether to own or rent.

The stark reality is that we are not supplying enough homes for a growing Australia.

Australia is land-rich, but 30 per cent of new housing prices are government taxes. Slow planning systems, high borrowing and materials costs and dire skill shortages add further to the high cost of the 97 per cent of the market that is not social housing.

The understanding of the causes of our housing deficit is now mainstream. Research commissioned by the Property Council, surveying 1,500 Australians, showed 81 per cent agree there is an undersupply of housing that is affordable in their area. Forty-four per cent of people say planning has failed to keep up with population growth and is the main reason for poor housing affordability.

ABS data shows only 963,064 homes were completed over the last five years.

Our national housing target of 1.2 million well-located new homes by 30 June 2029 will be challenging to achieve.

Making the target means moving from under 170,000 homes a year now into the high 200,000s to average 240,000 homes over the five target years.

We must expand our housing targets and our investments in all types of housing to suit all age groups, including retirement living, purpose-built student communities and social housing.

We are finally starting a coordinated national and state planning effort after decades of neglect. We need strong rolling housing targets every five years and we need to apply increasing amounts of federal money, state resources, local action and an attitude of 'yes' to meet them.

Research commissioned by the Property Council, surveying 1,500 Australians, showed 81 per cent agree there is an undersupply of housing that is affordable in their area.

The solutions

01 Committing housing supply and affordability as a key government priority by establishing a Housing Sub-Committee of Cabinet, to be chaired by the Minister for Housing and including the Treasurer and the ministers for Industry, Environment, Industrial Relations, Infrastructure and Cities.

02 Doubling the committed $3 billion performance-based New Home Bonus and the $500 million Housing Support Program for states and territories that surpass their targets under the National Housing Accord.

03 Committing to bring forward the New Home Bonus and Housing Support Program payments with appropriate trigger mechanisms to reward states and territories who put in place a robust and genuine plan to surpass their targets under the National Housing Accord, rather than waiting until 2029 to make those payments.

04 Decision-making for EPBC assessments have ground to a halt while the EPBC Act is under review. Over 40,000 new homes could be unlocked through immediate improvements including:

a. Priority fast-tracked determinations on a pay-to-play basis

b. Establish a Housing Accord related fast-track pathway with dedicated resources, experts and agreed decision making timeframes for applications that relate to residential development projects that will have homes complete by 30 June 2029

c. Short-term third-party, independent decision-making using delegation of Ministerial powers

d. Resolve post-approval delays with a set 60-day timeframe to endorse management plans and strategies.

05 A review of the build-to-rent managed investment trust (MIT) withholding tax rate settings to lift investment into the sector to even greater heights and fulfil its potential to deliver as many new homes as possible.

06 The government should use its balance sheet to support the delivery of new homes by:

a. Establishing a First Home Buyer Accelerator Loan Scheme (ALS) that provides a 50 per cent guarantee to participating lenders who reduce required deposits for first homebuyers to five per cent and otherwise cap interest rates at the greater of the official RBA cash rate or five per cent (whichever is greater), on owner-occupied new housing builds

b. Adopting New Zealand's Residential Development Underwrite (RDU) to act as the pre-sales needed for developers to secure bank finance for consented, costed and ready-to-commence projects.

07 Unleashing more age-friendly housing supply that keeps older Australians out of taxpayer funded aged care facilities by:

a. Exempting a portion of home sale proceeds from the age pension asset test to reduce the financial disincentive for those considering 'rightsizing' while ensuring the security of their pension long term

b. Removing incoming purchase price benchmarks for Australians living in retirement villages to allow deeper access to Commonwealth Rental Assistance.

08 Unlocking investment in purpose-built student accommodation (PBSA) to provide greater housing choice for students and reduce pressure on the rental market, including by working with states to identify PBSA as an "asset-class of priority" and to reduce barriers for growth that exist at state government level.

09 Quadrupling the Housing Australia Future Fund to $40 billion.

02 Competing hard for global investment

Welcoming other peoples' money to build the future of our great Australian cities.

The issue

The property industry is capital-intensive.

It needs significant up-front investment to deliver projects that take many years to launch.

Global property capital goes where it is welcome.

Australia exists in a competitive environment for capital and institutional investors.

Investors screen countries for the best, most stable, risk-adjusted returns.

Australia has good demographics and growth on our side.

But we have complex and costly regulatory and tax regimes for overseas institutional investment in real estate making us less competitive for investment.

Federal barriers to investment are imposed on top of opportunistic and counterproductive state taxes specifically on overseas investors.

Australia must put itself in the path of global institutional investors and the city-improving assets and well-paid jobs that flow from their investment.

Australia must be a capital magnet to support the development of the next wave of homes, offices, retail centres, industrial sites, retirement living, student accommodation, hotels and community, cultural and sporting precincts and to boost our economic growth and prosperity.

Australia must put itself in the path of global institutional investors and the city-improving assets and well-paid jobs that flow from their investment.

The solutions

01 Reviewing the Your Future Your Super performance benchmarking requirements (particularly RG97) and removing stamp duty costs from the calculation of fee adjusted returns, to better equip superannuation funds to invest in the delivery of housing – including retirement villages, PBSA and build-to-rent - to meet our 1.2 million new home target.

02 Allowing developers to reclaim input tax credits on expenses for PBSA, retirement villages and build-to-rent, to remove another hurdle for both financiers and developers' inability to claim credits for genuine costs to development.

03 Incentivising states and territories to remove foreign-investor-repelling-surcharges on residential and commercial property. These can add up to nine per cent to the purchase price upfront and increase annual land taxes by a further five per cent.

04 Reviewing and streamlining requirements for FIRB exemption certificates, including application costs, to lessen the regulatory burden for foreign investors delivering housing in Australia.

05 Excluding passive or non-controversial commercial real estate investment opportunities from national security screening processes and legislating the exemption of FIRB application fees on PBSA as a priority, to encourage institutional investment in new homes.

03 A more productive nation

Attracting and growing a productive workforce to meet the surging demands of housing and other construction.

The issue

Market capacity and labour scarcity are the key construction cost drivers.

Some key building products will remain structurally undersupplied. Builder insolvencies remained high during 2024. In many markets, project viability remains clouded.

Even after landing capital partners and navigating high-friction planning systems, the cost and delays in creating homes, commercial and industrial projects will be exacerbated by this historic labour and market capacity scarcity.

Over the past 20 years, only 1.8 per cent of permanent migrants have arrived employed in construction trades and construction trades are not in the top 10 occupations for either permanent or temporary migration.

Mostly justified big infrastructure and transport spends have swiftly followed or peaked after the pandemic. Big builds are not the majority of construction value delivered annually and yet they are the first option among equals for contracting firms and individuals seeking longevity of employment and certainty in a volatile market.

One-third of the Federal government's ten-year $80 billion transport investment is due to be expended by mid-2025. Costs are up 41 per cent or $32.8 billion on those 700-odd projects alone.

On a smaller scale, important green and defence infrastructure investment will increasingly attract existing talent away from vital city-building.

Market capacity and labour scarcity are the key construction cost drivers.

The solutions

01 Adjusting the mix of skilled migrants in a smaller overall intake with a greater emphasis on construction trades and the care economy (like retirement village workers) is vital. This involves at least doubling the proportion of permanent migrants in construction trades from 1.8 per cent and increasing the proportion of care economy workers.

02 Giving precedence to funding for new infrastructure projects that contribute to the expansion of housing supply and considering factors such as population growth, city planning and sustainability in the decision-making process.

03 Maintaining Australia's position as a destination of choice for international students by working with the PBSA sector to identify and streamline barriers to investment and grow the availability of purpose-built student accommodation.

04 Cultivating the intellectual capital essential for driving Australia's future prosperity by avoiding large reductions in the amount of genuine student visa holders, to ensure the ongoing economic contribution of international education is maintained.

05 Restoring a strong but fair national cop on the beat as a step towards improving productivity in the construction sector.

06 Ensuring the Australian Building Codes Board (ABCB) is resourced to deliver cost-benefit adjusted, highly consultative regulatory impact statements to improve the coordination of the National Construction Code.

04 Decarbonising cities cleverly

Ensuring that *Every Building Counts*
as we decarbonise our built environment.

The issue

Buildings account for half of Australia's electricity use and almost a quarter of its emissions.

Buildings present some of the lowest-cost emissions reduction opportunities.

The technology already exists to achieve zero-carbon-ready buildings.

Property Council members have worked through our organisation and our colleagues at the Green Building Council of Australia to position Australia as an international leader in sustainable commercial property over the past two decades. They have demonstrated a commitment to continuous improvement and redefining best practice, routinely topping indices such as the Global Real Estate Sustainability Benchmark and the Dow Jones Sustainability Index.

The challenge remains to extend this progress across the sector more broadly.

As a broader industry, we have the technology to decarbonise building operations now – but we must do this at speed and scale to smooth the way for other hard-to-abate sectors.

As outlined in our joint report with the Green Building Council of Australia, *Every Building Counts*, we estimate:

- Energy Efficiency measures could deliver $20 billion in energy bill savings for businesses and households and avoid 64 MT of CO_2e by 2050
- Electrification of the built environment could deliver $49 billion in energy saving between 2024 and 2050 compared to BAU and avoid 199 MT of CO_2e.

Our members, the market leaders, have made considerable progress in recent years but barriers remain, such as the perceived difficulty of building upgrades, high upfront costs and long payback periods.

Buildings present some of the lowest cost emissions reduction opportunities.

The solutions

The shift to low carbon and resilient buildings needs a clear plan and steady trajectory that encourages market confidence.

Support is required for Australian households to better understand and improve their energy performance, and targeted incentives are necessary to support the business case for the efficient electrification of new and existing buildings.

01 Delivering a climate adaptation and mitigation strategy for buildings, aligned with a new 2035 emissions reduction target. This must include:

a. An ambitious Built Environment Sector Plan (BESP), leveraging existing Sectoral Pathway modelling and update the Trajectory for Low Energy Buildings, to identify specific, medium-term abatement targets for our sector

b. a National Adaptation Plan with a focus on delivering quality retrofits and enhance the resilience of existing buildings.

02 Reduce energy bills forever with a long-term strategy for quality retrofits of existing residential and commercial buildings, including a household energy upgrades program that incentivises meaningful energy efficiency initiatives and electrification of household appliances.

03 Empower homeowners, buyers and renters with a single national rating for home energy performance and require the disclosure of ratings at the point of sale or lease. The Nationwide House Energy Rating Scheme (NatHERS) for existing homes must be the foundation for a nationally consistent program.

04 Pledge long-term funding certainty for expansion and strategic development of the Australia's world-leading energy efficiency program, the National Australian Built Environment Rating System (NABERS).

05 Establish a National Energy Performance Agency dedicated to driving down energy costs for all consumers.

06 Support industry to prepare for incoming mandatory Climate-Related Financial Disclosures as entities transition from voluntary sustainability reporting into an integrated reporting framework – with a focus on capacity building in small business to collect and provide relevant data to reporting entities.

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