

Media release

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A PATH FROM SOCIAL HOUSING TO PRIVATE RENTAL

The Real Estate Institute of Australia (REIA) says that small investors are an untapped resource when it comes to Australians in social housing making the transition to the private rental market.

REIA President, Mr Peter Bushby says, "Social housing is financially unsustainable for government with demand exceeding supply by as much as 30%."

"Except in Western Australia, there is no assistance to social housing tenants with good tenancy records and stable incomes to make the transition to the private rental market and whilst the National Rental Affordability Scheme (NRAS) utilises private sector funding, by its nature it excludes small scale investors."

"As part of REIA's Election Policies 2013, we've proposed that investors could buy a new or existing property for rental purposes which would be subject to broad guidelines provided by the appropriate state government agency/department regarding location, size, number of bedrooms and value."

"The owner would go to the agency with details of the property and a rental market valuation for endorsement for transitional housing. A tenant would be selected from the department's list of eligible clients and a real estate agent would manage the property," added Mr Bushby.

"Governments would need to guarantee the rental payment for the term of the arrangement and depending on the extent of the rental subsidy, may need to consider other assistance to the owner to achieve the equivalent net yield if the property was rented in the private market."

"The managing agent and owner would attend to routine maintenance matters as occurs in the private rental market alleviating the need for government involvement."

"Social housing tenants, just like private housing tenants, would be required to meet responsibilities of caring for the property and leaving it in good condition at the end of a tenancy."

"Social housing is provided by governments to low income households and those people who are unable to find appropriate accommodation in the private rental market. Governments can't keep up with demand, so surely this is a win-win concept," concluded Mr Bushby.

For REIA's Election Policies, go to http://reia.com.au/userfiles/MEDIARELEASE_1372030438.pdf

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or interview opportunities, please contact:

Peter Bushby
Amanda Lynch
Andrea Close

REIA President
REIA CEO
REIA Manager Communications

0419 349 500
0419 123 862
0403 298 685