

Media Release



For immediate release – 11th October, 2021

REIA BIG THREE FOR FEDERAL INQUIRY RETURNS TO HOUSING FUNDAMENTALS

As home ownership is fast being removed from a reality for many Australians and media speculation is rife on a lending crackdown, Real Estate Institute of Australia (REIA) has delivered three key urgent and actionable recommendations to the House of Representatives Standing Committee on Tax and Revenue inquiry on housing affordability and supply.

REIA President, Adrian Kelly said they have called for all governments to address three fundamentals which will assist Australians in achieving home ownership.

“Our three recommendations are axing taxes on Australian homes, building more houses and implementing a national plan for housing,” he said.

Mr Kelly said home ownership remains a major part of the great Australian dream, with 75% of Australians viewing home ownership as part of the Australian way of life but this is fast becoming an unreachable goal.

“With Covid-19 economic stimulus and housing support programs ending, first home buyer activity has plummeted by 20% since the start of this year – the decline is set to continue as the number of listings continue to dry up across the nation as home owners become more reluctant to sell up due to the high costs involved.

“Coinciding with the decline of first home buyers, listings are at a historical low falling down to just 200,000 over the past year – typically listings are double on this figure.

“As migration returns to normal, demand is expected to exceed new supply which in turn will further highlight the critical relationship between supply and affordability and new dwellings will be needed,” he said.

Mr Kelly said selling and buying a home has become increasingly prohibitive with real estate agents long highlighting to State and Federal governments that investors and owner occupiers alike are discouraged from buying a property due to stamp duty.

“Stamp duty is a major deterrent for Australian investors as well as those struggling to buy a home with lower investor activity putting upward pressure on rentals.”

Recent analysis shows that stamp duties on houses also absorb a significant portion of average annual earnings in Darwin (30%), Hobart (28.5%), Adelaide (27.8%) and Canberra (26.8%). For units, Melbourne and Sydney lead by a long way, though stamp duties also significantly eat up earnings for unit buyers in Adelaide (21.2%) and Hobart (20.7%).

Mr Kelly said more can be done to encourage activity to better utilise existing housing stock.

“First home owners should be able to offset their interest rates as a tax deduction the same way investors do for private rentals.

Media Release



"Other levers that must be considered is the removal of CGT on second residences and investment properties.

"By reducing and eliminating antiquated taxes, we will encourage more activity in the market place which will balance out both affordability and supply issue," Mr Kelly said.

Last, REIA has recommended that a national plan for housing be developed by State and Federal governments with an accountable council of Minister's formed.

REIA's submission to the Inquiry can be viewed [here](#).

ENDS

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