

Media Release



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REIA DELIVERS A THREE POINT PLAN TO TACKLE BIG PICTURE HOUSING SUPPLY AND AFFORDABILITY ISSUES

The Real Estate Institute of Australia (REIA) has made the case for tax and supply reform through a simple three point plan to the Standing Committee on Taxation and Revenue.

Giving evidence to the Committee yesterday (4 November 2021), REIA President, Adrian Kelly, said that housing affordability needs to be urgently addressed before it becomes out of reach for aspiring homeowners.

Mr Kelly said the current housing affordability and supply challenge in Australia is categorically the most significant on record.

“In layman’s terms, this means for your average home buyer or renter, that there are far fewer properties to choose from and all of them are sold or leased at historical highs.

“Contrary to what some commentators might believe, the real estate industry is strongly of the view that the Australian dream of home ownership should be accessible to everyone.

“We take no comfort in the current record prices we are seeing, because they are primarily driven by a lack of supply. We would rather see 10 buyers happily enter the market through the availability of 10 suitable homes, than 10 buyers outbidding each other for one available home.

“There is a lot of quantitative data outlining the significance of the current market, my hometown of Hobart has now hit a median house price of \$1 million dollars. This is driven by Australians escaping the cities, interstate and international competition and a strong preference for houses over units or apartments.

“Australians that you would normally expect are not ‘rightsizing’ at the rate you would currently expect due to being unable to purchase anything in the current market. This hesitation needs to be unlocked,” Mr Kelly said.

REIA has recently released two major reports, “REIA’s Housing Affordability Report – The case for home ownership” and “Stamp Duty: Relationship to Affordability and Supply.”

Mr Kelly said that REIA’s three recommendations have been framed in the context of directly addressing inefficient housing taxes and increasing supply.

“We have recommended a national focus on stamp duty reform and getting rid of this antiquated tax.

“This a huge opportunity to improve both affordability and supply across the board, and as we transition out of the current phase of the COVID-19 pandemic and kick-start the economy.

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“Stamp duty has been too often put in the too hard basket and it would be great to see stamp duty reform front and centre of the Committees findings.

“We have recommended several different ways to better utilise existing housing stock and encourage increased listings to improve supply in the current cycle. This includes looking at new policy levers to encourage rightsizing as Australia’s population ages.

“New homes will need to be built. This will need to be prioritised as Australia’s borders reopen and international immigration resumes. This is an area that will present an increasing challenge unless we plan for it now.

“Lastly, the best possible thing the Federal Government can do is put in place a national plan for housing that address supply, affordability, tax reform and takes true leadership in addressing a problem that has existed in Australia for many years,” he said.

REIA’s three recommendations to the Inquiry are:

1. The removal of punitive taxation on Australian homes and households
2. Build more houses
3. Have a national plan for Housing between the State and Federal Government that is performance based and tasked to a Council of Ministers

Mr Kelly said that the dynamics of this were tabled in the REIA submission which can be [viewed here](#).

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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