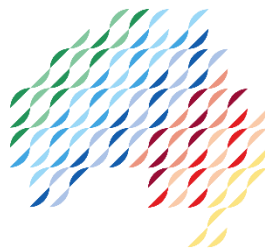




REIA



**OVER 100 YEARS OF SERVING
THE REAL ESTATE INDUSTRY**

Submission to the Senate Economics References Committee: Inquiry into the role of social housing in Australia

September 2026

Submitted to:

Senate Economics References Committee

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About REIA

The Real Estate Institute of Australia (REIA) is the national peak body representing the real estate profession, advocating for policies that support a well-functioning and sustainable property industry since 1924.

REIA's members are the State and Territory Real Estate Institutes (REIs), through which REIA represents the interests of real estate agencies and professionals across the country. As the leading voice for real estate professionals, REIA welcomes the opportunity to make this submission to the Senate Economics References Committee's inquiry into social housing.

REIA welcomes the Committee's inquiry into the role of social housing, including public and community housing.

A properly funded and well-governed social housing system is essential to housing security for people on low incomes and those who are experiencing crisis, family violence, homelessness or complex needs. Social housing is particularly important for people who are unlikely to secure or sustain housing in the private rental market, where vacancies remain tight, and affordability is under significant pressure.

Introduction

Australia's social housing stock has not kept pace with population and household growth, resulting in a decline in the proportion of social housing households from 4.7 per cent of all households in 2013 to 4.0 per cent in 2025. As at 30 June 2025, social housing accommodated about 430,000 households, while around 206,000 households remained on waiting lists.¹

REIA's central position is that Australia needs a long-term national social housing delivery framework based on independently assessed need, population growth, and actual net additions to housing supply. This should be supported by realistic delivery plans, transparent annual reporting, Commonwealth stewardship, and clear jurisdictional accountability. Targets must be credible, costed, tied to land and infrastructure readiness, and matched to construction capacity.

Alongside new supply, governments should improve the management and utilisation of existing social housing stock. Regular reviews of tenant eligibility, rent, household composition, accessibility requirements, and occupancy are necessary to ensure scarce social housing remains aligned with changing needs and is available to households in greatest need. These reviews should be accompanied by procedural fairness, reasonable transition periods, and practical support for tenants moving to

¹ Australian Institute of Health and Welfare (AIHW), [Housing assistance in Australia](#), AIHW, 2026, accessed 14 September 2026.

suitable private rental accommodation, home ownership, or differently sized social housing.

Response to Terms of Reference

a. the economic and social benefits of investment in social housing, including its impact on housing access, affordability, renting, homelessness and housing security;

Social housing provides stable, appropriate housing for people who cannot reasonably secure it in the private rental market. Its benefits include reduced homelessness, greater housing security, improved workforce participation, better health and educational outcomes, and more stable communities.

These benefits must be considered in the context of continuing pressure across the broader housing market. REIA's June quarter 2026 Housing Affordability Report found that national rental affordability remained stable, with the median rent for a three-bedroom house requiring 23.9 per cent of median family income. This figure was unchanged over both the quarter and the year. However, stability at the national level should not be mistaken for a return to affordable or balanced conditions. Rental affordability remained 2.5 percentage points worse than five years earlier, and outcomes varied considerably between jurisdictions.

Rental affordability improved modestly in New South Wales, Queensland, and the Australian Capital Territory, but deteriorated elsewhere. The Northern Territory became the least affordable jurisdiction in which to rent, largely reflecting a 12.7 per cent increase in median rent during the June quarter 2026. The proportion of median family income required to meet median rent rose to 28.8 per cent, 4.9 percentage points above the national result. Tasmania followed at 27.9 per cent, while the Australian Capital Territory remained the most affordable jurisdiction at 18.5 per cent.²

These affordability outcomes sit alongside persistently tight rental availability. REIA's March quarter 2026 Real Estate Market Facts reported a national weighted vacancy rate of 1.7 per cent, well below the 3.0 per cent industry benchmark for a balanced market. The combination of low vacancy, elevated rents, and long-term deterioration in affordability leaves low-income households particularly exposed and increases demand for social housing.

The private rental sector will remain Australia's principal source of rental housing. Social housing policy should therefore complement a well-functioning private rental market. Increasing social and affordable housing supply will assist households least able to compete for scarce rental properties, while increased overall housing supply remains essential to improving vacancy rates and moderating rental pressure.

² Real Estate Institute of Australia (REIA), *Housing Affordability Report (June Quarter 2026)*, REIA, 2026

b. historical levels of investment in social housing, and public housing in particular, including the reasons for its decline as a share of Australia's housing stock;

The decline in social housing's share of the housing system reflects decades of underinvestment relative to population and household growth. Public housing has declined as a proportion of total housing, while additions to social housing have not been sufficient to meet growing demand or consistently replace dwellings that are sold, demolished, or no longer fit for purpose.

The National Housing Supply and Affordability Council reported that the number of social housing dwellings stagnated during 2024–25 after increasing gradually over the preceding decade. It also identified continuing gaps in jurisdictional reporting on new builds and purchases, sales and demolitions, repairs, and net stock changes.³

This decline cannot be considered separately from Australia's broader housing undersupply. When overall housing construction fails to keep pace with population and household formation, pressure increases across every part of the housing continuum. Households that may otherwise have been able to secure an affordable private rental are pushed towards housing assistance, while people already in social housing face fewer opportunities to transition into other appropriate housing.

The failure to deliver enough housing overall has therefore compounded the consequences of underinvestment in social housing. Each lost or delayed social dwelling becomes more consequential when private rental vacancies are low and affordable alternatives are limited.

c. the case for establishing a target for social housing as a proportion of Australia's housing stock, including consideration of what an appropriate target may be;

REIA supports clear and accountable national targets for the delivery of social housing. However, REIA does not support using social housing as a percentage of total housing stock as the primary delivery target.

A percentage target is dependent on the performance of the broader housing market. Australia is not currently delivering sufficient overall housing to meet population growth and underlying demand. Attaching the principal social housing target to this underperforming measure risks creating distorted outcomes.

If overall housing delivery falls short, a government may find it easier to achieve a social housing percentage even though too few social homes, and too few homes overall, have been built. Conversely, stronger delivery of market housing could make the percentage target harder to achieve, even where the number of social homes

³ National Housing Supply and Affordability Council (NHSAC), [State of the Housing System](#), NHSAC, 2026

being delivered has increased substantially. A percentage measure could therefore produce perverse incentives, mask underperformance in overall housing supply, and obscure actual social housing delivery.

Most importantly, housing need is experienced in the form of households requiring suitable homes, rather than as a percentage of the national dwelling stock.

Governments should consequently be accountable for the number of net additional social homes completed, made available for occupation, and matched to assessed need.

REIA recommends that the primary national target be based on:

- independently assessed current and projected housing need;
- population and household growth;
- an explicit number of net additional social homes to be delivered nationally and in each jurisdiction;
- separate and transparent targets for replacing, renewing, and maintaining existing stock; and
- annual milestones for approvals, commencements, completions, tenancy allocation, and occupation.

Social housing as a share of total housing stock may remain a useful contextual indicator for monitoring long-term trends. It should not be the principal measure against which governments are held accountable.

d. the impact of current Commonwealth and state and territory government investment in social housing, including through the Housing Australia Future Fund and the Social Housing Accelerator, in view of the current scale of need;

The Australian National Audit Office reported in July 2026 that 1,432 homes had been completed against the combined Housing Australia Future Fund and National Housing Accord Facility target of 40,000 as at May 2026. The audit found the programme design to be largely effective, delivery arrangements partly effective, and forecast delivery of the full target by mid-2029 subject to considerable uncertainty.⁴

REIA welcomes recent Commonwealth investment, including the Housing Australia Future Fund (HAFF), the Social Housing Accelerator, and National Housing Accord measures. The Commonwealth has committed to support 55,000 social and affordable homes by mid-2029.⁵ These measures are important, but they must be assessed against the scale of current and projected need.

⁴ Australian National Audit Office (ANAO), [Department of the Treasury's Design and Delivery of the Housing Australia Future Fund and the National Housing Accord Facility](#), ANAO, 2026

⁵ Treasury, [Social and affordable housing](#), Treasury, 2026, accessed 14 September 2026.

REIA supports retaining the HAFF as part of Australia's social and affordable housing delivery framework, subject to implementation of the ANAO's recommendations and clear evidence of efficient, timely, and high-quality delivery. Future funding rounds should have clear programme rules, streamlined approvals, and transparent public reporting.

e. the role of modern methods of design and construction in building more social homes and creating communities with a high quality of life;

REIA supports the appropriate use of modern methods of design and construction where they can help deliver more social housing sooner, improve consistency, and make better use of available construction capacity. These methods may complement conventional construction, but faster delivery must not come at the expense of safety, durability, accessibility, liveability, or appropriate consumer protections.

REIA does not seek to prescribe particular construction technologies or provide detailed technical advice in this area, which is best addressed by construction, engineering, and development industry bodies.

f. the benefits of a steady pipeline of social housing investment for the development of Australia's modern construction industry;

A steady and visible pipeline of social housing investment will give builders, manufacturers, financiers, community housing providers, real estate professionals, and training providers greater confidence to invest in capacity. It will also reduce the inefficiency created by short funding cycles and stop-start procurement.

The National Housing Accord has an overall objective of delivering 1.2 million new, well-located homes over five years from mid-2024. The pipeline should clearly distinguish between market, affordable, and social housing so industry and government can plan investment and workforce requirements against each stream.

REIA recommends that the Commonwealth publish and regularly update a clear forward pipeline for social and affordable housing. The pipeline should provide, where available, indicative information about project locations, dwelling types, delivery timeframes, land and infrastructure status, and proposed procurement approaches. The pipeline should also remain sufficiently flexible to reflect changing population projections, market conditions, construction capacity, and jurisdictional housing needs.

g. opportunities for further investment in public and community housing, including consideration of direct public spending along with different delivery and investment models in Australia and internationally;

Australia requires a mix of delivery models. Public housing should remain a core component of the system, particularly for households with the greatest needs and where long-term public ownership is the most appropriate model.

Community housing providers are critical delivery partners, although their capacity and financial position differ between jurisdictions. Governments should also enable capable private, institutional, and not-for-profit participants to contribute, provided projects meet clear requirements relating to affordability, security of tenure, quality, accountability, and public value.

Build-to-rent can provide a complementary channel for additional long-term rental supply, including where planning arrangements, availability payments, land contributions, or partnerships secure affordable housing outcomes. It is not a substitute for public and community housing but can form part of a diversified delivery system.

Progressive Residential Affordability Development Solution

REIA supports national consideration and co-design of the Progressive Residential Affordability Development Solution, or PRADS. PRADS is a proposed, but not yet operational, digital framework through which affordable housing commitments associated with individual properties could be recorded, monitored, and verified.

A nationally consistent register could improve visibility of the duration of affordability commitments, household eligibility, rent-setting arrangements, occupancy, government and planning contributions, and compliance obligations. It could also provide a framework through which appropriately qualified real estate agents and property managers participate in the management of affordable housing, while specialist housing and support providers continue to undertake roles requiring social housing expertise or services for tenants with complex needs.

REIA recommends a national co-design and pilot process involving governments, housing providers, tenant representatives, the property sector, land titles registries, and technology and privacy specialists. This work should address legal enforceability, governance, interoperability, privacy, regulatory oversight, consumer protection, and the relationship between PRADS and existing social and community housing systems.

h. appropriate governance and administrative arrangements to deliver social housing at a scale to meet current and future need;

The Commonwealth should exercise a clear national stewardship role, which includes setting national objectives, co-funding delivery, publishing comparable data, monitoring outcomes, and holding all levels of government accountable.

Building more social housing is essential, but governments must also make better use of the stock already available. Social housing tenancies often extend over many years, during which tenants' incomes, household composition, accessibility requirements, and broader housing needs may change.

Arrangements differ between jurisdictions, but the active management of social housing tenancies remains uneven. Without regular reviews, there is a risk that subsidised housing will not remain appropriately matched to tenant needs, while households experiencing homelessness, family violence, or other acute circumstances remain on waiting lists.

REIA recommends that the Commonwealth establish nationally consistent expectations for active tenancy management through federal housing agreements and reporting requirements. State and territory authorities should regularly review tenant eligibility, rent, household needs, and occupancy; support voluntary moves to more suitable dwellings; and assist tenants who can reasonably transition to private rental accommodation or home ownership.

Outcomes should be publicly reported, with all reviews subject to procedural fairness, reasonable transition periods, and appropriate protections for vulnerable tenants.

REIA also recommends an annual public scorecard to track progress against established national and jurisdictional targets. This scorecard should cover metrics related to social and affordable housing supply, as well as overall housing availability, and should be disaggregated by state and territory.

It is also essential to include transparent measures such as the amount of funding committed, the number of homes approved, homes under construction, homes completed, homes occupied, net stock growth, maintenance expenditure and dwelling condition, tenancy outcomes, and the proximity of these homes to jobs, transport, and essential services.

Reporting should distinguish between announcements, contractual commitments, construction activity, completed dwellings, and homes that are available for occupation. This will reduce the risk of the same dwelling being counted at multiple stages of delivery.

i. the efficacy of rent to buy schemes; and

Rent-to-buy and shared-equity models may assist a limited cohort of households with stable incomes to progress towards home ownership. They are not a primary solution for people with very low incomes, insecure employment, or complex support needs, for whom social housing will remain necessary.

Any rent-to-buy scheme should include transparent consumer safeguards, clear pricing, independent financial and legal advice, fair treatment of missed payments, and protection against the inappropriate transfer of risk to vulnerable households. Schemes should also be independently evaluated against comparable forms of housing assistance, including their cost, completion rates, consumer outcomes, and the extent to which they generate additional housing supply.

j. any other related matters**Rental affordability and rental-market pressure**

Australia's private rental market remains under considerable pressure from low vacancies, rising rents, and a shortage of available dwellings.

The scale of demand for rental assistance further demonstrates the pressure on lower-income renters. In June 2026, 1,423,840 families or individuals were receiving Commonwealth Rent Assistance, an increase of 46,185 over the year. Despite this growth in recipients, the maximum assistance available to a family with two children covered only 19.8 per cent of the weighted capital-city median rent for a three-bedroom house, down from 20.1 per cent a year earlier.²

These figures reinforce that income support alone cannot compensate for a persistent shortage of suitable and affordable rental housing. Commonwealth Rent Assistance remains important immediate support, but sustained additions to social, affordable, and private rental supply are required to improve housing outcomes over the longer term.

The interaction between vacancy rates, rents, and social housing availability is important. Low private rental vacancies increase competition for available properties and place upward pressure on rents. This makes it particularly difficult for low-income and vulnerable households to secure a home and increases demand for social housing, rental assistance, and homelessness services.

Social housing investment will assist households that cannot access or sustain market housing, but it must operate alongside measures that increase overall housing and rental supply. Planning certainty, enabling infrastructure, construction productivity, and policy settings that support continued investment in rental housing are all necessary.

The broader policy settings affecting private housing investment also need to be considered alongside direct social housing investment. Updated independent modelling commissioned by REIA, Master Builders Australia, the Housing Industry Association and the Property Council of Australia estimates that the combined 2026–27 Federal Budget housing measures could result in approximately 10,700 fewer new dwelling starts between 2026–27 and 2029–30, increase rents by 1.69 per cent by 2029–30, reduce cumulative GDP by approximately \$1.05 billion and reduce construction employment by approximately 4,740 full-time-equivalent years.⁶

These findings reinforce the importance of ensuring social housing policy is part of a broader supply strategy that supports, rather than displaces or discourages, the private investment and construction activity needed to expand Australia’s overall housing stock.

Location and liveability

Housing outcomes should not be measured solely by dwelling numbers. Social and affordable homes must be well located and connected to employment, transport, education, health services, and community facilities.

Homes should also be accessible, climate-resilient, energy-efficient, appropriately maintained, and suitable for diverse household types. Location and quality requirements should be incorporated into project assessment and public reporting rather than treated as secondary considerations after numerical targets have been met.

⁶ Qaive and Tulipwood Economics, *2026/27 The Impact of Changes to Residential Property Investments for Self-Managed Super Funds (Supplementary Modelling Brief)*, 2026

Conclusion

REIA supports decisive and sustained action to expand social housing and relieve pressure across Australia's housing and rental system.

The central requirement is a credible national delivery framework grounded in population growth, independently assessed need, and clearly defined numbers of net additional social homes. This framework should be backed by practical jurisdictional delivery plans, durable funding, Commonwealth stewardship, and transparent annual accountability.

Expanding supply should be accompanied by more active management of the existing social housing portfolio. Regular eligibility, rent, occupancy, and household-needs reviews will help ensure that available dwellings remain appropriately allocated and that tenants whose circumstances have materially improved are supported to transition to other suitable housing options. Better utilisation of existing stock is not a substitute for new construction, but it is an essential component of responsible stewardship and can make more homes available to people in the greatest need.

A percentage of total housing stock may provide a useful supporting indicator, but the principal measure of success should be the number of net additional social homes completed and made available for occupation, alongside transparent reporting of stock renewal and replacement.

Australia's social housing response must also form part of a broader effort to increase overall housing supply. Without sufficient market, rental, affordable, and social housing construction, pressures will continue across the housing system, leaving more households exposed to rental stress, insecurity, and homelessness.



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