

REIA's 7-Point Election Commitments

A Home for all Australians



This document outlines actionable commitments to address Australia's housing crisis and support our members in the Real Estate sector while delivering tangible benefits for the government, industry, and most importantly, the public.

We kindly request that you respond to the proposed commitments by **4 March 2025**. A response form is provided in Appendix A. For additional background please see Federal Election Briefing: A home for all Australians in Appendix B.

Party responses will be disseminated to all State and Territory Real Estate Institutes and their members as part of REIA's election campaign. Across Australia, we represent 44,000 Australian real estate agencies Australia wide with 99% of these being small businesses, employing over 200,000 workers in the sector.

1. Increase Housing Supply

Commitments:

- Fast-track the implementation of the National Housing and Homelessness Plan to address Australia's critical housing shortfall.
- Deliver on the National Housing Accord goal to build 1.2 million new well located homes over 5 years from mid-2024.
- Offer concessions, such as reduced stamp duty, for downsizers to encourage turnover of larger homes freeing them for younger families.

Impacts:

- Address housing supply imbalances in urban, regional, and rural areas.
- Reduces housing costs and increases access to affordable homes.
- Frees up family-sized and freestanding housing stock for new buyers.

NHSAC Projection

The National Housing Supply and Affordability Council's forecasting model predicts by 2028–29 new supply will still be 39,000 dwellings short of new demand

2. Incentives for First Home Buyers

Commitments:

- Expand Commonwealth Government deposit assistance schemes.
- Adjust lending criteria including a reduction of buffer requirements and risk weighting for first-home buyers.
- Allow voluntary and flexible use of compulsory superannuation to offset mortgage costs.

Impacts:

- Encourages homeownership among young Australians and renters.

Housing Australia

Nearly 9 in 10 (88 per cent) of all available Home Guarantee Scheme places were taken up in 2023–24, supporting regional area growth and key workers.

3. Build-to-Rent (BTR) as a Supplement to the Rental Market

Commitments:

- Retain current taxation settings to encourage Build-to-Rent (BTR) investments.
- Prioritize partnerships with institutional investors to fund larger-scale BTR projects in high-demand urban areas.

Impacts:

- Addresses rental shortages, particularly in capital cities by increasing rental availability, both private and social.
- Supports investors in providing stable, long-term rental options, fostering housing security.

REIA BTR REPORT

Build-to-Rent (BTR) developments represent a mere 3.0 per cent of the existing rental stock within Australia's eastern cities.

4. Tax Stability and Investment Incentives

Commitments:

- Retain current Capital Gains Tax (CGT) and Negative Gearing tax settings.

Impacts:

- Ensures investor confidence, maintaining a steady flow of rental properties.
- Ensures rental market stability and moderates rent increases.

REIA Negative Gearing

Phasing out negative gearing is bad for renters. REIA's SQM research shows that residential market rents will increase 7 – 12% as new building commencements will reduce by a further 10,000 – 42,000 dwellings.

5. Phased Stamp Duty Removal

Commitments:

- Undertake a Commonwealth inquiry into the impacts of state and territory property taxation frameworks (i.e. Stamp Duty and Land Tax) and its impacts on housing supply and affordability, with a view to phasing out stamp duty and considering more efficient taxation options.

Impacts:

- The removal of stamp duty would introduce additional listings into the market and encourages housing mobility which leads to efficient use of housing stock.

REIA's Axe the Tax Campaign

Stamp Duty adds about four per cent to the median house price of a home and adds on average \$30,000 to the typical property purchased in Australia.

6. Supporting Small businesses in Minimising Regulatory Burden

Commitments:

- Maintain the small business exemption under the *Privacy Act 1988*
- Collaborate with industry stakeholders to assist small businesses in meeting AML/CTF obligations to encourage compliance without excessive administrative burdens.
- Provide direct business offsets or subsidies to support administrative and implementation costs of the incoming AML/CTF obligations.

Impacts:

- Encourages compliance without overburdening small businesses.

Impact Analysis on AML/CTF regime

The Attorney-General's own Impact Analysis highlights the significant cost burden these changes will impose on the real estate sector. The upfront cost is estimated at \$989 million, with the total burden over 10 years, in net present value terms, reaching nearly \$6 billion. This equates to approximately 3% of the sector's turnover—a substantial impost, particularly for small agencies, which may find their viability under threat.

7. Workforce Capability

Commitments:

- Prioritise the real estate and property services as a primary regulatory focus for the Australian Skills Quality Authority.
- Inclusion of property managers in the priority Skilled Occupation List to attract skilled migrants into the workforce.
- Include property manager qualifications in the Australian Apprenticeships Incentive System Priority List.

Impacts:

- Promote quality education and training to uphold integrity and best practices within the real estate sector.
- Builds a skilled and resilient workforce capable of overseeing a substantial \$3 trillion in rental assets.

REIA's Axe the Tax Campaign

Real estate agents are the stewards of \$11.1 trillion of residential real estate assets in Australia, it is imperative that the Australian Government commits to properly regulating RTOs providing industry training to ensure consumer protection. The industry continues to be plagued by bad-faith operators gouging government funding through engaging in grossly shortened course work and facilitative academic cheating.

Appendix A: Response Form



| REIA'S ELECTION COMMITMENT REQUEST | COMMITMENT INDICATION | WHAT ACTIONS WILL YOUR PARTY UNDERTAKE TO FULFILL THIS COMMITMENT? |
|--|--------------------------|--|
| 1. Increase Housing Supply | YES NO OTHER | |
| <ul style="list-style-type: none"> Fast-track the implementation of the National Housing and Homelessness Plan to address Australia's critical housing shortfall. | <input type="checkbox"/> | |
| <ul style="list-style-type: none"> Deliver on the National Housing Accord goal to build 1.2 million new well located homes over 5 years from mid-2024. | <input type="checkbox"/> | |
| <ul style="list-style-type: none"> Offer concessions, such as reduced stamp duty, for downsizers to encourage turnover of larger homes freeing them for younger families. | <input type="checkbox"/> | |
| 2. Incentives for First Home Buyers | YES NO OTHER | |
| <ul style="list-style-type: none"> Expand Commonwealth Government deposit assistance schemes. | <input type="checkbox"/> | |
| <ul style="list-style-type: none"> Adjust lending criteria including a reduction of buffer requirements and risk weighting for first-home buyers. | <input type="checkbox"/> | |
| <ul style="list-style-type: none"> Allow voluntary and flexible use of compulsory superannuation to offset mortgage costs. | <input type="checkbox"/> | |

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| 3. BTR as a Supplement to the Rental Market <ul style="list-style-type: none">• Retain current taxation settings to encourage Build-to-Rent (BTR) investments.• Prioritize partnerships with institutional investors to fund larger-scale BTR projects in high-demand urban areas. | YES NO OTHER <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | |
| 4. Tax Stability and Investment Incentives <ul style="list-style-type: none">• Retain current Capital Gains Tax (CGT) and Negative Gearing tax settings. | YES NO OTHER <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | |

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| 6. Supporting Small businesses in minimising regulatory burden <ul style="list-style-type: none">Maintain the small business exemption under the Privacy Act 1988.Collaborate with industry stakeholders to assist small businesses in meeting AML/CTF obligations to encourage compliance without excessive administrative burdens.Provide direct business offsets or subsidies to support administrative and implementation costs of the incoming AML/CTF obligations. | YES <input type="radio"/> NO <input type="radio"/> OTHER <input type="radio"/> | |
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| | YES <input type="checkbox"/> NO <input type="checkbox"/> OTHER <input type="checkbox"/> | |
| | YES <input type="checkbox"/> NO <input type="checkbox"/> OTHER <input type="checkbox"/> | |



A HOME FOR ALL AUSTRALIANS

REIA Federal Election Primer 2024-2025

A sector in crisis

- There is no bigger issue that confronts Australians today than housing.
- The REIA Housing Affordability Report shows that housing is the least affordable it has ever been since 1996.
- This affects Australia's 6.2 million homeowners (67% – [2.9 million without a mortgage and 3.3 million with a mortgage] and 2.9 million renters (31%).
- Political parties – major and minor – as well as independents must get their housing policies right in the lead into the next Federal Election



Good policy but no action

- The National Housing and Homelessness Plan and the next National Housing and Homelessness Agreement is crucial in addressing housing supply imbalance and helping more Australians into homes.
- Yet these initiatives remain in their infancy with little shovels on ground action occurring.



Voters are the biggest losers



| Affordability Challenges | Supply Shortfalls | Yields and Investment Dynamics |
|--|--|--|
| Mortgage Stress: Housing affordability in Australia has declined to the lowest point since REIA monitoring began in 1996. The average loan repayment nationally now amounts to 48.6% of the median family income. | Decline in Building Approvals: November's ABS total dwellings approved fell by 3.6% | Yields on Housing: Declining returns on investment in major markets (particularly Sydney and Melbourne). |
| Rental Strain: Rental affordability has also declined as the proportion of income required to meet median rents is now 24.9%. | Falling Dwelling Commencements: Shortfall of one-third compared to targets set by the national cabinet points to serious lag in new housing coming onto the market. | Stronger Segment in Smaller Dwellings: 2-bedroom dwellings have stronger yields but points to possible misalignment as development focus may not match demand for family homes. |

A challenge to be met

5 key challenges

- Construction costs, availability of materials and skills shortages
- Planning Approvals
- Access to Capital
- NetZero for the Built Environment
- Population Growth & Immigration

1 Cohort we need to engage

It is Private Sector Investment that is the key to growing housing and rental supply by incentivizing investors directly.





Policy Initiatives: The Do Now's

Planning reforms



Planning Reforms:

National 'Right of Way' system for small home projects



Support for Local Governments:

Financial assistance and expertise to overcome planning backlogs



Homes to unlock:

REIA estimates that this could unlock up 50,000 homes Australia wide immediately.

Delivering Policy Certainty to Attract Household Capital into Real Estate

1

Continued Support for Current Capital Gains Tax (CGT) and Negative Gearing Settings

2

Attracting Household Capital into Housing with Additional Incentives

3

Exploring Innovative Incentives

8 Key Points to Streamlining Planning Systems



Rapid Resolution of Backlogs



30-Day Approval Process



Minimum Service Standards



Criteria-Based Approval



Financial Incentives



Financial Solutions



Certification Flexibility



Support for Key Workers

Investor Incentives



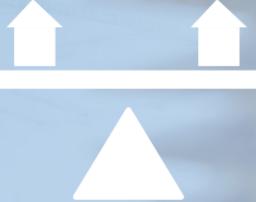
TAX STABILITY:

Continued support for Capital Gains Tax (CGT) and Negative Gearing settings



ATTRACTING HOUSEHOLD CAPITAL:

Incentives like stamp duty relief and targeted taxation benefits



IMPACT:

Stability in rental rates and increased investor confidence



Enhancing Housing Investment & Homeownership

1

Boosting Investment in Housing

- **Stamp Duty Relief & Tax Incentives:** Lowering entry barriers for property investors, especially in high-demand areas.
- **Priority Housing Precincts:** Incentives for small investors in key economic zones, with rate relief and state subsidies.

2

Supporting Homeownership

- **Tenant Homeownership Incentives:** Stamp duty exemptions to help tenants transition to homeownership.
- **First-Time Buyers & Downsizers:** Waivers and incentives to make homeownership more accessible and efficient.



Ensuring Market Stability & Economic Growth

1

Maintaining Rental Market Supply

- **Supporting long-term leasing models:** Ensuring properties remain in the rental market to address housing shortages.
- **Enhanced Access to Capital:** Adjusted lending criteria to support homeowners, investors, and SMSFs.

2

Expected Outcomes

- **Increased Housing Supply:** Attracting investment to expand rental and homeownership options.
- **Economic & Regional Development:** Targeted incentives to foster sustainable growth in key areas, balancing market needs with affordability.



Mid-Term Policy Initiatives: Housing Development

Boutique Build-to-Rent (BTR) Development

Objective:

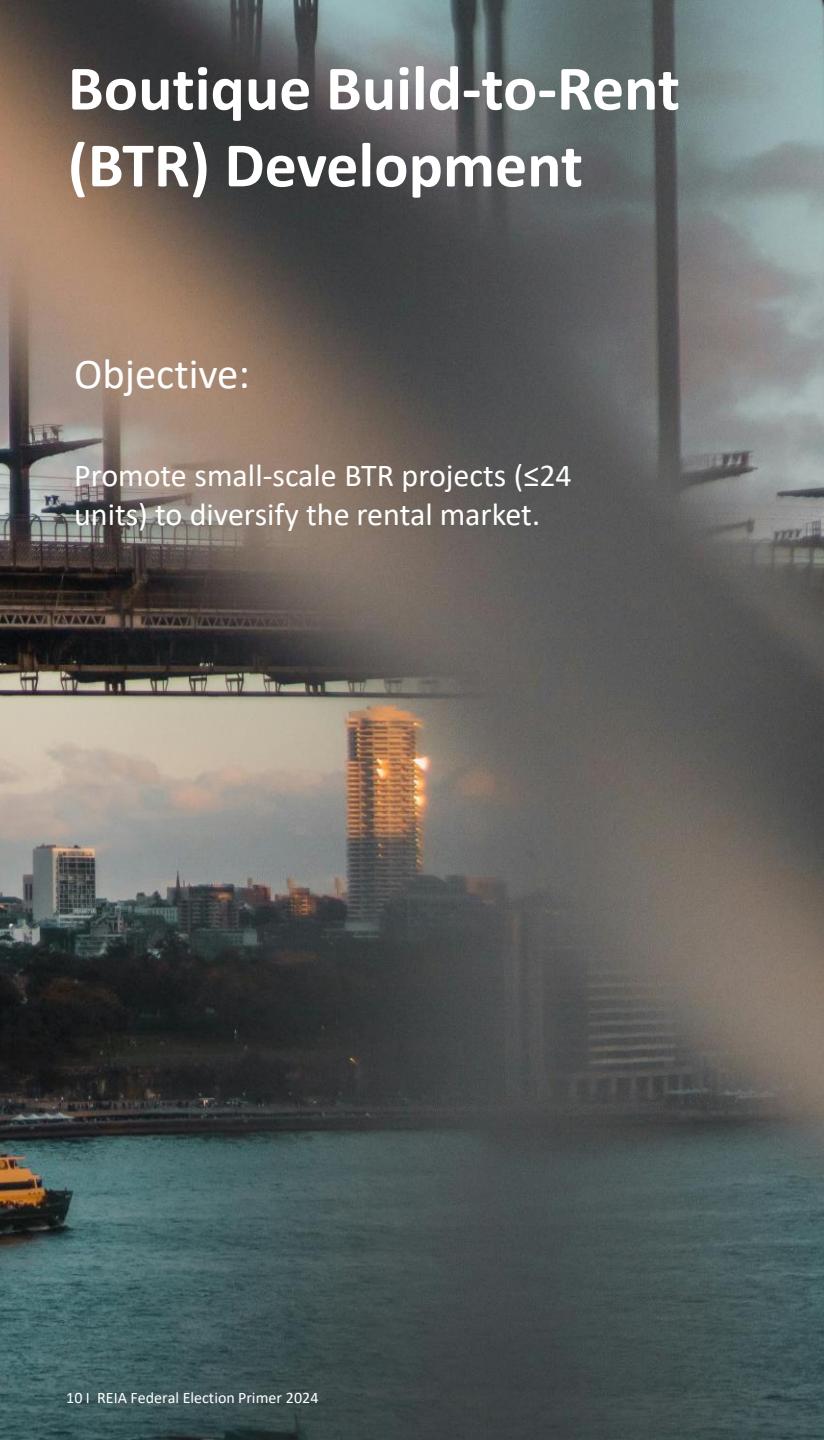
Promote small-scale BTR projects (≤ 24 units) to diversify the rental market.

Key supports

- **Local Government:** Fast-tracked approvals, infrastructure charge reductions, 10-year rate relief.
- **State Government:** Stamp duty reductions, land tax relief for 10 years.
- **Federal Government:** GST deferment, special tax classification for 10 years

Expected outcomes:

Increase rental supply, stimulate local investment, and provide diverse rental options.



Investigate Commercial Properties for Residential Use

Objective:

Convert underutilized commercial properties into residential units.



Key strategy

- **Property Identification:** Assess suitability for conversion.
- **Incentives:** Land tax exemption, stamp duty waiver, streamlined regulations.
- **Support:** Feasibility studies, regulatory adjustments.

Expected outcomes:

Enhance housing supply, revitalize urban areas, and lower barriers for conversion projects.

Utilizing Underutilized Land and Airspace for Housing

Objective:

Transform non-traditional spaces (e.g., carparks, above railway lines) into housing.



Key actions

- **Innovative Projects:** Develop residential units on existing structures and airspace.
- **Government Land Use:** Identify and develop government-owned land and airspace.
- **Investor Engagement:** Encourage exploration of airspace development by institutional investors.

Expected outcomes:

Enhance housing supply, revitalize urban areas, and lower barriers for conversion projects.



Long-Term Policy Initiatives: Housing Reform

Phasing Out Stamp Duty



- **Objective:** Gradual elimination to reduce transaction costs and enhance housing market mobility.

- **Impact:**

- Potentially increase market supply by ~434,000 dwellings.
- Boost property turnover and stabilize prices.

- **Benefits:**

- Greater homeownership access.
- Increased economic activity from frequent transactions.

- **Implementation:**

- Structured, gradual removal based on property value, buyer type, and location.
- Expert analysis and stakeholder engagement for smooth transition.

Holistic Taxation Reform



- **Objective:** Reform current tax system to encourage investment and stabilize the rental market.

- **Key Areas:**

- **Property Taxes:** Reassess stamp duty and related barriers.
- **Capital Gains Tax:** Adjust to encourage long-term investment.
- **Negative Gearing:** Realign to prevent market overheating.

- **Strategic Approach:**

- Phased implementation to manage economic impact.
- Extensive stakeholder consultation to refine and support reforms.

- **Expected Outcomes:**

- Improved tax efficiency.
- Enhanced housing affordability and market stability.

