

REINSW RESPONDS TO RELEASE OF HOUSING AFFORDABILITY INQUIRY REPORT

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Real Estate Institute of NSW (REINSW) CEO Tim McKibbin responds to the Report of the Federal Inquiry into Housing Affordability and Supply released today:

“Solving the affordability crisis requires coordinated actions across all levels of Government and while there is no single solution, increasing the supply of property is the most important action with the potential to have the greatest impact,” Mr McKibbin says.

“The Report’s recommendations for incentivising high quality, higher density living close to public transport, particularly under-utilised public transport, is a no-brainer. But the planning process stands in the way of an appropriate development response.

“The planning system in NSW is nothing short of atrocious. It is typical for it to take longer to be granted development approval than it takes to complete the construction phase of the project.

“Other recommendations around property tax reform, and replacing stamp duty with land tax, are not new. Stamp duty is clearly an enormous barrier to affordability but all three levels of Government are overly dependent on property tax.

“The combination of this dependency adds over 40% to the cost of new property paid by the purchaser. Replacing stamp duty with an annual property tax does not remove Government’s dependency on property tax. It is essentially a rebranding exercise.

“Ultimately, the reforms need to target the needs of first home buyers. Enabling first home buyers to access more money merely increases the debt they will have to service. Instead, alleviating the tax burden on this cohort will make property more affordable, help them service a more appropriate loan for them, while not inflating prices.

“This latest Inquiry into housing affordability is not the first and findings of past inquiries remain unaddressed or have focused on demand strategies, which will not solve a supply problem.

“Let’s hope this time, that recommendations around supply translate to real actions and Government recognises the need to wean itself of property taxes,” he says.

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For further information contact:

Tim McKibbin, Chief Executive Officer, REINSW

Mobile: 0415 931 013

tmckibbin@reinsw.com.au

About REINSW

The Real Estate Institute of New South Wales (REINSW) is the peak industry body for real estate agents and property professionals in NSW. It represents more than 2000 agencies across residential sales, property management, commercial, strata management, buyers’ agency, agency services and auctioneering. Established in 1910, REINSW works to improve the standards, professionalism and expertise of its members to continually evolve and innovate the industry. It lobbies the government and industry on behalf of members, develops new products and services to benefit agencies and professionals, and offers training and ongoing professional development. For more information, visit reinsw.com.au.