

## **REINSW: HOME OWNERSHIP IS RESERVED FOR THE LUCKY AND THE RICH**

**March 24, 2023: As the people of New South Wales prepare to head to the polls tomorrow, the Real Estate Institute of NSW (REINSW) has reinforced the stark problems and critical solutions to the state's housing crisis for consumers to bear in mind.**

REINSW CEO Tim McKibbin says: "The housing market for both owner-occupiers and renters is in crisis and is deteriorating. Home ownership has been in long-term decline in New South Wales, leading to increases in the cost of housing and the cost of living.

"Unsurprisingly, housing affordability and the cost of living are at the top of the list of peoples' concerns, and these concerns are adversely impacting people's mental health.

"It is essential that we begin to reverse the decline in home ownership to ease these concerns and improve the state's bottom line through increased consumer spending, economic growth and GST revenue."

### The NSW housing market issues:

- In terms of purchasing a home, Sydney is the second least affordable city in the world, behind only Hong Kong.
- Home ownership is in long-term decline in New South Wales, which has negative impacts on the cost-of-living, security of tenure and economic growth.
- The average age of first home buyers has increased markedly over the last 30 years and has accelerated in the last 10 years. The average age of first home buyers is now 36.
- The taxes and charges applied by all three levels of Government inflate the price of new property by 40%.
- Stamp duty is a major disincentive to moving and limits the availability of homes suitable for first home buyers.
- Property is habitually used by politicians as a political tool. Short-term kneejerk policies designed purely to win votes are having a demonstrable impact in discouraging people from investing in property.
- Anti-landlord policies are driving investors from the market, driving rents up and reducing the supply of rental accommodation. Tenants are suffering from a lack of choice and it's getting worse.
- Demonising landlords and agents, and allowing people to pay the property tax instead of stamp duty, does not put any additional property into the market.
- The politicisation of housing must stop. The cost of living and housing affordability are of higher concern to people than issues such as health, climate change, economic growth, and crime. To use peoples' right to shelter as an electioneering tool is unconscionable.
- Government talks "affordability" but acts with "tax".
- The time it takes the average household to save for a deposit is ridiculous. Paying rent while saving makes the task impossible for many.

### What must be done:

- Property as an asset class shoulders a disproportionate amount of the tax burden. Those who purchase shares, for instance, pay no tax to do so. Real property tax reform is essential.
- More homes must be built. The approval process can take longer than the construction process when it comes to new supply. Local Governments must be held to account.
- We know that supply is the only answer. A 10% increase in supply improves affordability by 25%.
- Property taxation is in need of urgent reform. The NSW Government currently collects around \$15 billion in stamp duty revenue each year, yet many NSW citizens are unable to afford a home.
- We know that reducing the rate of stamp duty drives increased transactions. Treasury should be instructed to model the optimal outcome for all stakeholders.

- It is Government's job to provide affordable housing for people. It must get on with the job.

Mr McKibbin says: "We need the NSW Government to cease politicalising housing and attempting to divert the community's attention away from its failure to adequately respond to the supply crisis, including the lack of affordable housing.

"NSW simply needs more property and that means building more homes. Until Government directs its attention exclusively to supply, the housing market will remain in crisis.

"A place to call home should be within the grasp of everyone," he says.

**ENDS**

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**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](http://reinsw.com.au).