

# LABOR BUILD-TO-RENT TAX POLICY WILL KICK START HOUSING COMMENCEMENTS

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The announcement by the Federal Labor Party of their support for a Build-to-Rent model through tax relief is good news, says the Urban Taskforce.

"There is a big swing to rental accommodation in Australian cities, but tenants are unable to have long term security of tenure." says Urban Taskforce CEO Chris Johnson. "In America and Britain long term rental is available through Build-to-Rent models, but this approach has not worked in Australia due to excessive taxes. The announcement by the Federal Labor Party that they will cut the managed investment trust withholding rate in half would make Build-to-Rent economically viable."

"The Build-to-Rent model works with apartment precincts that have shared amenities where residents can have a comfortable lifestyle while having the security of tenure in their own rental home. It is likely that the larger developers of apartments will be encouraged to move into this new long term rental market."

"Hopefully the current Federal Government will also support tax incentives to encourage a swing to long term rental across Australia's cities."

"There are 2.7 million renters of homes across Australia. Urban areas in Sydney have very high percentages of renters with Parramatta having 70 percent, Surry Hills 64 percent and Newtown 62 percent. It is clear that younger people in particular, are swinging towards rental accommodation in bustling inner city urban areas where they are close to amenities and work."

"With housing approvals dropping fast in Australian cities the industry will need a stimulus to boost housing supply. A viable Build-to-Rent approach will encourage the development of more homes across the country."

"The Urban Taskforce is a strong supporter of Australia having a viable long term rental approach. It is clear that many millennials are now preferring an urban lifestyle, and many prefer this to be through a rental model in apartments. This is clearly a different lifestyle to the suburban home and it needs to be supported as part of our diverse approach to how Australians want to live."