

## MEDIA RELEASE

22 March 2025

### **Federal Government support for prefabricated home industry and “Help to Buy” welcome**

Urban Taskforce Australia CEO, Tom Forrest, today welcomed two significant steps from the Federal Government to boost housing supply and housing affordability.

#### **Prefabricated or off-site manufactured homes**

The additional \$54 million, to be confirmed on Tuesday in the budget, in support for the prefabricated or modular home construction industry is a big step towards bringing Australian home construction into the twenty first century.

Today's announcement revealed that almost \$5 million will be dedicated to creating a national certification process for offsite construction, which the government says will streamline approvals for prefabricated houses.

\$49.3 million will go towards supporting state and territory governments to supercharge prefabricated and modular home construction.

With the National Productivity Commission lambasting the over regulation of the home and apartment construction sector, along with the woeful state of industrial practises in the industry, a boost for manufactured homes is a step in the right direction for turning productivity in the construction sector around.

The entire western world (and much of the eastern world too) has adopted and embraced prefabricated construction. But here in Australia, we have been slow on the uptake. Overly cautious regulators and the iron grip of the unions have prevented Australians embracing this productivity boosting approach.

Worse, in NSW the planning system has set up rules that ban land leasing in the entire Greater Sydney basin. Leased land owned by one owner is an effective policy partner to high quality prefabricated or off-site home construction. This housing type represents a significant contributor to housing supply in South East Queensland and also the North Coast of NSW – but it is banned in Sydney.

Urban Taskforce has been calling for the NSW Government to reverse this ban for years, but today's announcement from the Federal Government should give this push a significant boost. The ball is now in the Minns government's court.

#### **Changes to the Help to Buy scheme**

Urban Taskforce Australia members also support the federal government's announcement today to expand the eligibility criteria with an additional \$800 million investment in the

The comments and analysis above can be attributed to **Tom Forrest**, CEO, Urban Taskforce.

*The Urban Taskforce Australia is a property development industry group, representing Australia's most prominent property developers and equity financiers.*

“Help To Buy” scheme, where the government takes an equity stake of up to 40 per cent in newly built properties bought by lower (and now higher) income first-home buyers.

Today’s announcement lifts the annual income threshold for access to the scheme from \$90,000 to \$100,000 for individuals, and from \$120,000 to \$160,000 for couples and single parents.

Housing Minister Clare O’Neil has also announced a lifting of the maximum value of properties that can be purchased under the scheme has also been boosted.

While the caps change from city to city, in Sydney the new price cap for eligible properties will be \$1.3 million, making the scheme far more relevant. The total number of homes to be funded remains at 10,000, but the lifting of the limits puts the scheme within the reach of many more first home buyers and that is very welcome indeed.

These announcements will have a direct impact on housing supply too. Investors can be more confident that there will be a market for housing supply that can afford to costs of construction we face. With a direct focus on productivity improvement through support for off-site prefabrication, these announcements are pointing the industry in the right direction.

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