



## MEDIA RELEASE

April, 2022

### Federal Election – Housing Royal Commission

**The Australian Landlords Association is calling for a Royal Commission into housing. National President Andrew Kent says “Housing is too important to be left to politics. Across Australia housing costs account for approximately one third of household income and represents most of Australian’s individual wealth across all sociodemographic and adult age brackets. It is not something to be toyed with for short-term political gain or avoided for fear of political backlash. The Australian Landlords Association is calling on all political parties to commit to supporting a federal royal commission or white paper into housing to provide a compass for future housing policies.”**

Kent went on to say “Housing is an important and complex issue that needs a comprehensive and holistic review. It is too easy for politicians and lobbyists to push for simplistic solutions that often have unintended consequences. There are also several false assumptions being presented as fact. There are over two million landlords in Australia the vast majority of whom own a single property. Approximately half of all landlords make a loss in any given year. Residential property investment is often critical to trades peoples retirement plans – with many of those in physical jobs needing to retire well before the official retirement age. Most tenants choose to move within one to two years.

It is also important to recognize that the rental market plays a significant role in facilitating social and workforce mobility. This was clearly visible during the pandemic with capital city tenants taking advantage of their mobility to relocate to regions or other states. While it is less visible at other times, there will always be a requirement for rental accommodation for people who relocate for study or work. It is also helps to explain why a significant number of landlords are also tenants.

Housing is too important to Australians and Australia’s economy to be used as a political weapon or to generate headlines. The long-term impact of policies needs to be taken into consideration for they all have consequences. Whether it is first-home buyer grants, capping rent increases, increasing property tax and/or stamp duty – the long-term implications of these policies need to be thought through and assessed against a holistic framework.

Just because houses don’t move does not mean they should be a target for taxation. The Australian housing market has always been fluid, with changes in demand resulting in changes in supply. An example of this is that the average new house is now three times larger than it was 50 years ago. Should the shift in population from capital cities to regional areas continue post COVID then the housing market will adjust accordingly. Population and preference remain the key drivers



of property prices, government intervention may distort this, but this remains the underlying principle.

Any investigation into housing should also incorporate local factors as the housing issues are very different in the Northern Territory, major capital cities, regional areas and mining communities. We should also learn from what has been tried in other countries and understand their success and failures before experimenting with new policies in Australia.

There are also lessons to be learned from the varied and mixed approach taken to housing for people in defence force, social housing, special needs, and emergency housing. Five of the top ten costs of providing rental accommodation are set by government policy. Nine of the top ten costs are set to rise this year.

The implications of changes to Victoria's rental legislation and stamp duty that have been hostile to landlords are starting to flow through to the market with a reduction in rental availability. It is wrong to assume that the displaced renters are now homeowners. Some of these same policies are now being rolled out in Queensland and considered in other states.

Politicians have a bad habit of creating policy on the fly, particularly in election years. The Victorian Greens lobbying for a cap on rental increases without considering the broader implications of the market is an example of this. The strong temptation for state treasurers to try and prop up state budgets by increasing property tax and stamp duty further highlights the urgency for a national investigation and report into Australian housing. Housing is too important to be left to politics.

For further information or media enquiries please contact:

**Australian Landlords Association**

Level 40, 140 William Street,

Melbourne, VIC, 3000

Ph: +61 3 9098 8711

[admin@australianlandlords.com.au](mailto:admin@australianlandlords.com.au)

[www.australianlandlords.com.au](http://www.australianlandlords.com.au)

