



30 September 2022

The Hon. Anastacia Palaszczuk MP
Premier of Queensland,
Department of the Premier and Cabinet,
1 William Street,
Brisbane QLD 4002

By Email: housingsummit@premiers.qld.gov.au

RE: QUEENSLAND HOUSING SUMMIT

The Real Estate Institute of Queensland (“REIQ”) is pleased to be invited to participate in the Housing Summit established by the Palaszczuk Government to address multiple housing issues in Queensland. We appreciate the opportunity to make a brief submission in connection with the Housing Summit.

The REIQ is 104 years old and represents some 50,000 industry professionals in Queensland – the second highest industry employer in the state. Our sector includes sales professionals, property managers, commercial agents, buyers’ agents, auctioneers, and business brokers.

The real estate sector has historically been in the top 2 contributors to State Revenue and in the 2022 financial year, the sector contributed nearly \$9bn to the state government.

The REIQ is supportive of housing policies that:

- encourage investment in Queensland property;
- provide fair and balance residential tenancy frameworks;
- support home-ownership pathways;
- provide flexible and diverse housing choices;
- are innovative and respond to current and emerging issues.

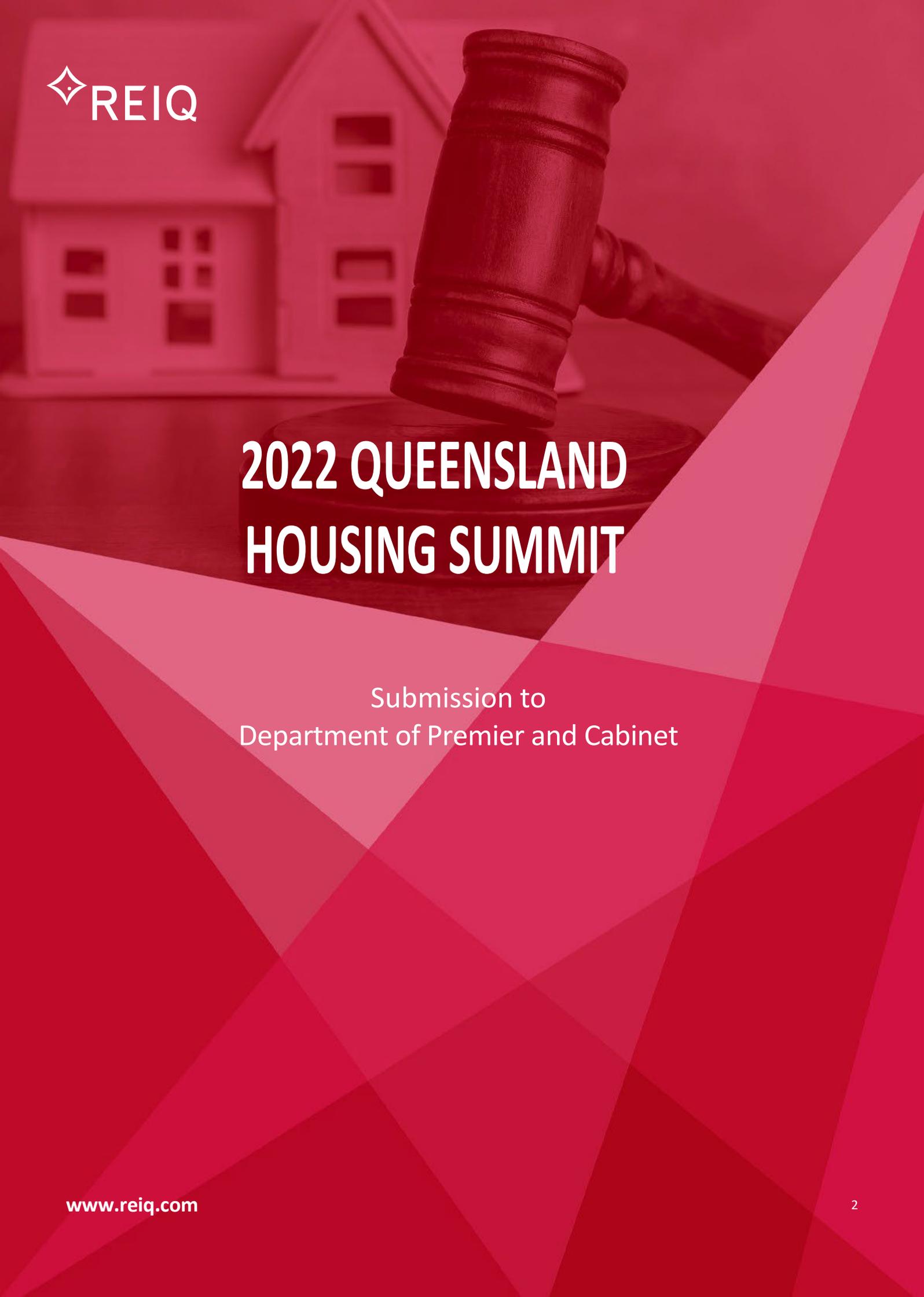
We look forward to the opportunity to discuss our recommendations in greater detail with the Minister for Communities and Housing at our scheduled meeting relating to the Housing Summit. Additionally, we look forward to our participation in the Summit and the opportunity to expand on the recommended policy considerations and initiatives at that time.

If you have any queries in respect of this submission, please do not hesitate to contact me on (07) 3249 7325 or via email ceo@reiq.com.au.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Antonia", written over a light blue horizontal line.

Antonia Mercorella
Chief Executive Officer

The background of the cover is a deep red color with a geometric pattern of overlapping triangles. In the upper left, there is a faint, semi-transparent image of a wooden gavel resting on a wooden block, with a house visible in the background behind it.

2022 QUEENSLAND HOUSING SUMMIT

Submission to
Department of Premier and Cabinet

Current State of the Queensland Real Estate Market

A brief overview of the current state of the Queensland residential market is as follows:

- Queensland currently has the tightest rental market in history with 0.5% vacancy rate across the state. The regional centres are particularly facing duress with Sunshine Coast (0.6%), Gold Coast (0.5%), Cairns (0.5%), Bundaberg (0.4%) Toowoomba (0.3%) all at record lows (*source REIQ Rental Vacancy Report June 2022*).
- Private rentals comprise 34% of all housing across the state (*source ABS Census 2021*).
- During the 2 years of the pandemic 160,000 rental properties have been removed from the rental market and 45% of investors have sold a property in Queensland – the highest in the country (*source PIPA 2022 report*).
- Rental listings have dropped 61.5% since the start of the pandemic in Brisbane (*source SQM research*). Since 2016, rental listings have halved across the entire country (*source Propertyology Report August 2022*).
- These properties have been sold to the interstate diaspora and Queenslanders changing their living situation (*source ABS 2021 Census*).
- 19% of investors intend to sell in the next 12 months with Queensland Land Tax amendments being the number one reason (*source PIPA 2022 report*).
- Over a 10-year period average rent in Brisbane have risen at 2.94% per annum (*source Residential Tenancies Authority using 3-bedroom house as a base*).
- The CEO of Housing Australia has intimated that macro factors will curb new housing supply. This will be further exacerbated by the return to increased overseas migration.
- Since December 2021, Owner Occupier activity has declined by 27% and investor activity by 26%. First home buyer activity has declined by 31% over that period. (*Source ABS lending indicators July 2022*)

Executive Summary

As requested, we have outlined a summary of our recommendations categorised by immediate and longer-term solutions.

SOLUTION	TIMEFRAME	BLOCKERS	Outcome
Remove stamp duty for over 55's on purchase of home to encourage downsizing	Immediate	Stamp Duty	Rebalance dwelling sizes to allow more young families and first home buyers into the market. Encourage older Queenslanders to downsize and move to more age appropriate housing.
Stamp duty relief for long term investors (reduced stamp duty in exchange for minimum commitment to permanent rental market)	Immediate	Stamp Duty	Bring investors and supply back to market.
Repeal multi jurisdiction land tax	Immediate	Land tax	Restore confidence to the investment and commercial markets.
Rezone unused commercial properties	Immediate	Regulations	Increase supply.
In line with granny flat amendments – encourage homeowners to rent extra rooms	Immediate	Regulations	Increase supply ensuring property owners comply with all regulations.
Incentivise owners of holiday homes to offer properties on permanent rental market	Immediate	Lifestyle factors and Regulation	Increase long term rental supplies
Extend First Home Owners' Grant to established properties	Immediate	Legislation	Expand choice for first home buyers and provide financial assistance to enter the market. Decrease pressure on rental markets.
Establish a collaborative housing stakeholder group including the federal, state, and local governments and key property stakeholder groups	Immediate	None	Permanent long term planning focus ensuring a pipeline of affordable supply.
Establish Housing Innovation Forum to encourage the exploration of new and innovative housing solutions and concepts such as co- ownership and rent to own initiatives	Immediate	None	Address emerging areas of concern and create solutions to affordability issues and financial barriers.
Establish loan deposit guarantee scheme for first home buyers and key workers	Immediate	None	Allow First Home Buyers and key workers to enter the property market.

Encourage Build to Rent developments	Long term	Tax and Regulation	Relieve pressure from rental market and encourage large scale investment in rentals.
Develop satellite cities	Long Term	Regulation	Increase supply.
Increase supply and improve funding for social housing (in line with Q Shelter's position)	Long Term	Regulation	Reduce social housing waiting list.
State-wide housing standard	Long term	Regulation	Expedite planning timeframes.
Transition from current stamp duty to alternative model	Long term	Stamp duty	Transition to long term smoothed land tax model alleviating significant, upfront financial barriers.
Encourage local prefabricated housing manufacturing	Long term	Regulatory and tax	Affordability and supply.
QIC to ensure 20% of their loans are low interest home loans to first home buyers, Queenslanders with disabilities and regional Queenslanders.	Long term	Regulatory	Access to funding for those in society who may not have access to the market.