

SUMMARY OF CONSULTATION

Real Estate Institute of the ACT

Date of consultation:	24 August 2017
Group consulted with:	Real Estate Institute of the ACT (REIACT)
Number of attendees:	7
Name of organisations:	REIACT, Bolton and Co Real Estate, First National Capital, Luton Properties

Key themes arising from the consultation

- Incentives need to be provided to encourage participation from landlords in the affordable rental market.
- Planning and building codes restrict the development of affordable products in established suburbs – there needs to be some flexibility built in to allow people to downsize, or start small and build equity before buying a product that ‘has everything.’
- Better information can be provided to homeowners and landlords about what they can do on their blocks, especially in relation to providing affordable housing, e.g., development potential, incentives and ongoing management options such as ‘Company Title’ instead of standard unit title.

Key quotes

- “Current body corporate arrangements limit people from wanting to invest, especially downsizers – they might want to be part of a small development (such as a dual occupancy or four-pack) but don’t want the issues associated with a body corporate or unit title.”
- “Young people don’t always want everything (6 star) in their first home – they want something so they can get into the market, build some wealth and buy something better later.”
- “There are so few housing choices available for people, and little information about what choices are out there.”

What is working well?

- National Rental Affordability Scheme works well for students
- ACT examples to note: Novar Street multi-dwellings in Narrabundah.

What could be improved?

- Allowance for group housing and rental as well as built form controls that can allow these to be managed more effectively.
- Planning and building code flexibility to allow underutilized buildings to be re-purposed for affordable housing.
- LVC is an inhibitor to developing dwellings – especially with the increase to \$30k per dwelling.
- Better ongoing monitoring, reporting, compliance and audit of affordable products would ensure that properties are being managed appropriately, are looked after by property managers and would provide certainty to landlords.
- Access to advice and information in what prospective purchasers as well as current homeowners can do on blocks. It is difficult to get meaningful advice about planning from Government.
- Unit Titles are disincentives to purchasers. Different types of titles could be explored such as ‘Company Titles’ and ‘Community Titles’.
- Allow for different products that would be suitable for different groups within Q1 and Q2, e.g., singles or couples who would look to use their first home to grow wealth, or extend later in life as well as downsizers.

New ideas

- Incentives for private landlords to rent properties to lower income households could include: Rates remit or holidays; Land Tax exemptions; LVC remits; Property Condition Guarantees; Reduced fees for audit, management; and Special consideration of depreciation schedules
- Repurposing low cost accommodation such as backpackers/hostels etc. be repurposed, or can the same conditions be applied for the provision of affordable housing, especially rentals?
- For affordable rentals – ensure that they are managed by a qualified agent and that properties are ‘de-risked’ for landlords. Real Estate agents may be better off registering as a not-for-profit to ensure they have access to Government incentives.
- Rebates for the provisions of affordable products and accessible products would encourage the development of more products.

- Change in planning rules around plot ratios would encourage more dual occupancies, e.g., increase from 35% for dual occupancies to 50% in RZ2 or higher if affordable products are being built.
- Identify target areas where plot ratios can be increased and there is a willingness to develop dual occupancies (for homeowners and to reduce impact of community backlash).
- Consider affordable living requirements and whether people will want to add on 'efficiencies' as they build wealth.