



24 November 2020

Record investment in housing, infrastructure and planning in State Budget

Record investment in housing and infrastructure, and funding to modernise the planning system, will supercharge the economy and elevate Victoria's position as an attractive place to live, work and invest, says the Urban Development Institute of Australia, Victorian Division (UDIA Victoria).

"This budget will get more people into their new homes and guarantee Victoria's livability for generations to come. It's a shot in the arm for the housing industry and will lock-in economic activity and secure Victorian jobs," said CEO of UDIA Victoria Danni Hunter.

The Government's announcement to waive 50 per cent of stamp duty costs for residential property transactions of up to \$1 million, up to 30 June 2021, has been applauded.

"UDIA Victoria pitched the idea to halve stamp duty as a budget-neutral measure that would stimulate economic activity. The Government's decision to do just that, is a win-win for Government and homebuyers. It will help buyers into the market, stimulating economic activity and jobs, while delivering Government revenue that pays for community services and infrastructure investment."

Taxes on property now represent approximately 44 per cent of the State Government's taxation revenue and 14 per cent of its total revenue.

"With this Budget, Victoria's building, development and construction industry will continue delivering the housing, communities and economic contribution that our state needs," she said.

The Government's flagship Big Housing Build package includes a record \$6 billion for investment in social and affordable housing, a \$500 million fund to contribute to the purchase price of a home in exchange for equity interest to accelerate Victorians into home ownership, a 50 per cent land tax discount for parts of the build-to-rent sector, over \$110 million for planning and an extension to the \$20,000 First Home Owners Grant for regional Victorians.

"The Government has put its money where its mouth is and announced a once-in-a-generation housing sector stimulus that will deliver jobs, investment and economic activity as we build our recovery from COVID-19," said Ms Hunter.

According to the 2020/21 Victoria State Budget Papers, the state's population growth over 2020-21 is now expected to be just 0.2 per cent, compared with an average of 2.3 per cent over the past five years. As international borders re-open, and confidence in the economic outlook improves population growth is expected to slowly pick up to be 1.1 per cent in 2022-23 and 1.7 per cent by the end of 2023-24. However, international student inflows are not expected to resume until 2022.

"The pandemic has not given us a reason to slow down. It has given us a chance to play catchup on the infrastructure and housing we need, so we can finally be on the front-foot when population growth returns. The Victorian Government must do everything it can to bring international students back sooner, and restart population growth as soon as it is safe to do so," said Ms Hunter.

UDIA (Victoria) Media Release

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ABOUT

Urban Development Institute of Australia (UDIA)

The Urban Development Institute of Australia (UDIA) is a nationally recognised peak body that advocates for Australia’s urban development industry. In Victoria, UDIA informs and engages government and industry members, enabling better policy and better business decisions.

The UDIA Victorian Division represents over 350 member companies across Victoria involved in the business of urban development and includes developers and builders, government agencies, local councils, utility authorities, planners, financiers, consultants and engineers.

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