

Media Release

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Tax Concessions a welcome step in boosting buyer confidence

The Urban Development Institute of Australia (Victoria) today welcomed the State Government's announcement to expand off-the-plan stamp duty concessions, aimed at incentivising new apartments and townhouse development.

UDIA Victoria CEO Linda Allison said the reforms were a much needed step to help return investors and consumers to the housing market.

"Victoria's property taxes have been a barrier to homeownership and homebuilding; today's announcement to expand off the plan concessions is a positive step" said Ms Allison.

UDIA has advocated strongly for property tax reform to build more homes and ease the housing crisis - particularly since the release of the Government's *Housing Statement*.

"While we recognise the challenging budgetary position for the Victorian Government at present, tax reform is key to reducing the cost of housing and giving consumers and investors confidence to buy an apartment or townhouse in Victoria. These expanded concessions are a good start," she said.

A recent report prepared by Urbis for UDIA showed that the Victorian Government has collected almost \$1 billion less in stamp duty revenue over the last ten years as a result of taxes and other interventions.

"The Urbis study demonstrated that taxes are putting a handbrake on new apartment developments. This announcement today is recognition by the Government that it has heard industry's concerns, and is responding," said Ms Allison.

UDIA has called for a review of other property taxes including additional duties aimed at curbing foreign investment and Windfall Gains Tax, introduced in 2021.

"Victoria is a global destination; to ensure we have a variety of housing options, we need to be welcoming global investment – not putting up barriers by way of punitive taxes.

"We welcome today's announcement by the Victorian Government, but recommend the measures are extended beyond 12 months to give buyers time to save, search and sign up for their new home," said Ms Allison.

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Download Urbis report: <https://udiavic.com.au/research/melbourne-apartment-market-conditions/>

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