

Media Release



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UDIA Victoria calls for targeted measures to bolster housing supply in Victoria

The Urban Development Institute of Australia, Victoria (UDIA) is urging the Victorian Government to prioritise housing supply in the 2026-27 State Budget.

With Victoria at an 11-year low for building completions and on track to fall 200,000 homes short of its target of delivering 800,000 new homes over 10-years, the recommendations in UDIA's pre-budget submission aim to restore Victoria's reputation as a premier investment destination through comprehensive property tax reform, simpler planning and more land supply, better infrastructure for high growth regions, and stronger investment in a workforce capable of delivering homes at scale.

UDIA's budget recommendations include:

1. Reduce reliance on property and development taxes, including the review or abolition of Windfall Gains Tax, review of stamp duty and no new property taxes.
2. Restore confidence by making Victoria competitive for investment and talent
3. Bring certainty to land supply and fast-track planning
4. Deliver growth area infrastructure where Victorians are choosing to live
5. Build the workforce needed to deliver more homes
6. Better support regional Victoria to deliver more housing and jobs

Of the recommendations, UDIA views a comprehensive review of Windfall Gains Tax as a particularly achievable solution that presents significant upside for residential development. A separate [report](#) released by UDIA this week shows the structure of the tax has made it difficult for developers to accurately assess land value, secure finance or commit capital to residential projects, while only collecting around \$15 million annually in tax revenue.

Linda Allison, CEO UDIA Victoria, said the state's reliance on the property and development sector for half of its tax revenue was unhealthy and unsustainable when new homes are urgently needed.

"Victoria cannot tax its way to housing affordability. We acknowledge there are serious budget pressures, but the reality is that punitive taxes like the Windfall Gains Tax are putting the handbrake on housing and driving up costs. In an acute housing crisis, an effective tax system is one that encourages the delivery of homes, rather than penalising those building them."

"Victorians need access to affordable homes more than ever, yet failure to meet housing targets is threatening our long-term prosperity. Communities across Victoria, who are already

UDIA Victoria

Address: Level 1 the Commons, 55 Collins Street Melbourne VIC 3000

Email: info@udiavic.com.au | **Phone:** 03 9832 9600

udiavic.com.au

struggling with cost-of-living and now fuel and material supply challenges, are desperate for accessible housing and infrastructure that underpins Victoria's prized liveability," said Ms Allison.

Ms Allison added that the 2026 Victorian State Election was a critical opportunity for the next government to reset housing policy settings.

"Beyond this budget, we want the next Victorian Government to bring investment back to Victoria's residential property sector. Building more homes means giving our development sector long-term clarity and confidence that they can undertake projects in this state without the tax burden, roadblocks, red tape, or construction pressures we see today."

UDIA's recommendations are informed by the perspectives of its 10,000 members and wider industry network, which include developers, town planners, researchers, financiers, builders, educational institutions and consultants. UDIA has a long history working with all levels of government and key stakeholders to deliver improved housing outcomes for all Victorians.

UDIA Victoria's pre-budget submission can be found at: <https://udiavic.com.au/policy-submissions/>

UDIA Victoria's discussion paper on reforming Windfall Gains Tax can be found at: <https://udiavic.com.au/policy-submissions/>

UDIA Victoria's 2026 election platform can be found at: <https://udiavic.com.au/election-platform-2026-2/>

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Media contacts and request for interview

Name: Sam Sinclair
Six O'Clock Advisory
Phone: 0415 515 233
Email: s.sinclair@sixoclock.com.au

Name: Linda Allison
CEO, UDIA Victoria
Phone: 0484 386 190
Email: ceo@udiavic.com.au