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MEDIA RELEASE

Property industry warns against new taxes in next week's State Budget

Victoria's peak property bodies are calling for a State Budget that delivers a decisive plan to restore confidence, unlock housing supply and attract investment as the state risks falling further behind on new home delivery.

The Property Council of Australia and the Urban Development Institute of Australia, Victoria (UDIA) said next week's Budget is a critical opportunity for the Victorian Government to back the industry responsible for delivering the homes the state urgently needs.

State Government's reliance on property taxes to fund its budget has risen over the past decade from 18 per cent of total state taxation revenue to 46 per cent; a burden that its hurting investment and housing affordability.

Property Council Victorian Executive Director Cath Evans said the sector was already under intense pressure and could not absorb additional taxes.

"The sector is buckling under the weight of an over-taxed system. Our policy settings are driving investors away," Ms Evans said.

UDIA Victoria CEO Linda Allison said the development industry is in desperate need of an assurance by Government further costs will not be imposed by way of new or increased taxes.

"Inflationary pressures, the fuel supply crisis and consumer confidence are undermining industry's ability to deliver homes that Victorians can afford. More taxes will scare away investors, slow supply and drive up the cost of a new home," Ms Allison said.

The Property Council of Australia noted that last year alone, Victoria fell more than 25,000 homes short of the Government's own 80,000-home annual target.

"Next week's budget is a critical moment to restore industry confidence and send a clear signal that Victoria is open for business," said Ms Evans.

UDIA Victoria urged the Government to introduce measures aimed at delivering a secure pipeline of new homes and supporting one of the largest employers in the state.

"We need practical measures to support housing delivery, including real tax relief and a further commitment to regulatory reform to drive greater efficiency across all housing markets.

The Property Council of Australia and UDIA Victoria are united in calling for an end to the over-reliance on property taxes in Victoria.

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Media contacts:

Alexandra Keefe | 0488 525 288| akeefe@propertycouncil.com.au

Linda Allison | 0484 386 190 | ceo@udiavic.com.au