

Help to Buy (Commonwealth Powers) Bill 2024

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Help to Buy (Commonwealth Powers) Bill 2024

The Property Council of Australia thanks the State Government for the opportunity to provide feedback on the Help to Buy (Commonwealth Powers) Bill 2024 (the Bill).

The Property Council is the leading advocate for Australia's property industry, here in Queensland, we are proud to have over 400 member companies from across the property industry, including residential, community housing providers, builders, town planners, project managers, and legal professionals to name a few.

The Property Council commends the Queensland Government's commitment to assist Queenslanders buy their first home by being the first state to roll out the Help to Buy scheme to support home buyers to enter the market.

We support the Bill, including the 'text-based' referral of power but we must ensure the scheme is responsible and sets prospective homeowners up for long-term success and prosperity.

Many Queenslanders seeking to enter the property market are grappling with the dual challenge of cost-of-living pressures and ever escalating purchase prices. In order to make housing more affordable, we need to ensure the Government understands how the housing crisis is affecting Queenslanders.

Brisbane's median house price has skyrocketed to \$848,757 with median unit prices reaching \$495,143. This price point is largely prohibitive for first home buyers. With little new housing supply set to come online in the constrained construction market it will be imperative to explore new options to allow first home buyers to enter the housing market.

Rapid escalation in Queensland's construction market has pushed the price of building a new two bedroom apartment in Brisbane to over \$1 million.

This poses a major barrier for first home buyers as apartments were traditionally viewed as a more affordable housing option. Given the enormous pipeline of health, transport, energy and Games-related infrastructure in Queensland, there is no end in sight to these cost pressures.

As such, it is imperative for Government to find new innovative solutions to allow first home buyers to enter the housing market. This includes exploring new typologies and enabling greater mobility for existing homeowners in order to free up housing stock for first time purchasers.

The Property Council believe that the Government should explore the following ideas to assist more first home buyers who wish to own their first home.

1. Support first home buyers by expanding the first homeowner (FHO) grant. The Property Council proposes an extension of the existing FHO grant to reflect the steep increase in median house prices, by increasing the ceiling to \$1,000,000. **It is important that the Grant remains focused on new products, including townhouses, modular homes and dwellings purchased off-the-plan. Grants for existing dwellings will only stimulate further demand for the limited pool of established homes.**
2. Introduce a government-backed lending pathway reflecting on models such as [Keystart](#) in Western Australia or [Homestart](#) in South Australia, it is notable that the Queensland Government does not offer shared equity or government-backed funding pathways, other than for existing social housing tenants seeking to purchase a publicly-owned home from the Government. A government-backed funding model that provides affordable pathways, focused on low entry costs, low deposits and no lender mortgage insurance, is desperately needed in the market.
3. Introduce a “rightsizing grant” to be made available to eligible right sizers who purchase either a newly completed apartment, off the plan apartment or any type of purpose-built seniors’ housing (retirement villages). While not directly targeting first home buyers, the grant would free-up existing family dwellings in established suburbs and direct investment towards fit-for-purpose assets and new supply.

Initiatives such as the Help to Buy scheme are welcomed, however we wish to reiterate that boosting housing supply is an imperative factor that requires utmost priority to support this scheme. With finer details of the scheme yet to be formally announced, we look forward to working with the Queensland Government to ensure the Help to Buy scheme works for Queenslanders.

The Property Council would welcome the opportunity to discuss this feedback in further detail. Please do not hesitate to contact me on [REDACTED] or [REDACTED] if you have any further questions.

Yours sincerely,



Jess Caire
Queensland Executive Director