

Improving Tasmania's rental market



A MAJORITY LIBERAL GOVERNMENT WILL:

- Provide a three-year land tax holiday to encourage new long-term rentals
- To deliver 2,000 new dwellings for rent over 3 years



Land tax holiday for new long term rentals

Tasmania's property market is hotting up

There is no doubt that the attractiveness of Tasmania as a place to live and work is driving strong demand in parts of Tasmania's property market.

Since the Hodgman Liberal Government was elected, Tasmania's population has grown by more than 7,000 people, of which more than half are new arrivals to Tasmania.

The Tasmanian Government has set a target to grow Tasmania's population to 650,000 by 2050. This is an ambitious target, but it is key to underpinning Tasmania's continued economic growth.

Growing our population will deliver significant benefits for Tasmania. Higher population growth is strongly correlated with stronger economic performance, and economies with larger populations are generally able to sustain a broader range of industries and job opportunities.

However, as a Government we recognise that growing our population will require a greater supply of housing, including affordable rental accommodation.

By providing incentives to build and lease residential properties on a long-term basis, we will not only ensure that all Tasmanians can access affordable housing, but we will also support jobs growth in Tasmania's building and construction sector.

This policy builds on our comprehensive package to improve housing affordability, including:

- \$125 million Stage II of our Affordable Housing Strategy, to provide a further 1500 new affordable homes; and
- A 50% rebate on stamp duty for first home buyers up to \$400,000.

Our Targets

15. A 25% increase in people employed in the building and construction sector over the next five years.

To grow the Tasmanian population to 650,000 by 2050.

Why Tasmania Needs This

While strong demand for housing in Tasmania is welcome, a lack of available homes for rent has the potential to drive rents up to unacceptably high levels.

Key Facts

Our population increased nearly 800 persons in the June 2017 quarter to be 520,877 – this is 0.6 per cent higher than the same quarter last year.

During the previous term of government, population growth averaged only 0.28 per cent.

Hobart's rental vacancy rate is the lowest of all Australian capital cities.



Long-term Lease Land Tax Holiday

To encourage the construction of more long-term rental accommodation and ease the rental squeeze, a re-elected Hodgman majority Liberal Government will provide a 3-year land tax holiday on all newly built housing made available for long-term rental.

To be eligible, the property must be a new dwelling that has not been previously occupied, with an Occupancy Certificate issued between 8 February 2018 and 7 February 2021.

Eligible properties must be rented for a minimum lease term of 12 months, and must be substantially (allowing for some vacancy between tenancies) occupied during the relevant tax year.

The Long-term Lease Land Tax Holiday will be assessed annually during each tax year based on the above criteria, for a maximum of 3 years from the issue of the Occupancy Certificate for the property.

It is estimated that by providing a land tax incentive to build properties for long-term rental, this will support the construction of up to 2,000 properties being made available for longer term rental purposes, delivering a major impact on the supply of rental accommodation, addressing rental availability and affordability, and providing a boost to the economy (through more construction activity and jobs).

Cost

It is estimated that the cost of this policy in terms of revenue foregone over the 3 years of will be approximately \$2 million.

Labor Green Record

In response to the disastrous policies and economic management of the previous Labor-Green Government, business confidence hit record lows, economic growth went backwards and unemployment peaked at 8.6 per cent.

It's no surprise that under Labor and the Greens, our population growth stalled, and thousands of Tasmanians felt they were better off moving to the mainland. As a result, property sales stagnated and property values went backwards.

Labor's proposed "shack tax" will be a new tax burden on all households and will have little impact on the long term rental accommodation market. It is a new tax that directly impacts Tasmanians.