

# Economics

## Housing Supply, Taxes and Discourse

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# SACOSS Policies

[www.sacoss.org.au](http://www.sacoss.org.au)

- [Submission to the SA Parliament Economics and Finance Committee Inquiry on Housing Availability](#)
- [Cost of Living Updates](#) – Dec Qtr 21, June Qtr 22, Dec Qtr 22
- 3 Policy Briefs: [Public Housing](#), [Rental Affordability](#), [RTA Review](#)
- [SACOSS Submission to Senate Inquiry on Worsening Housing Crisis](#)



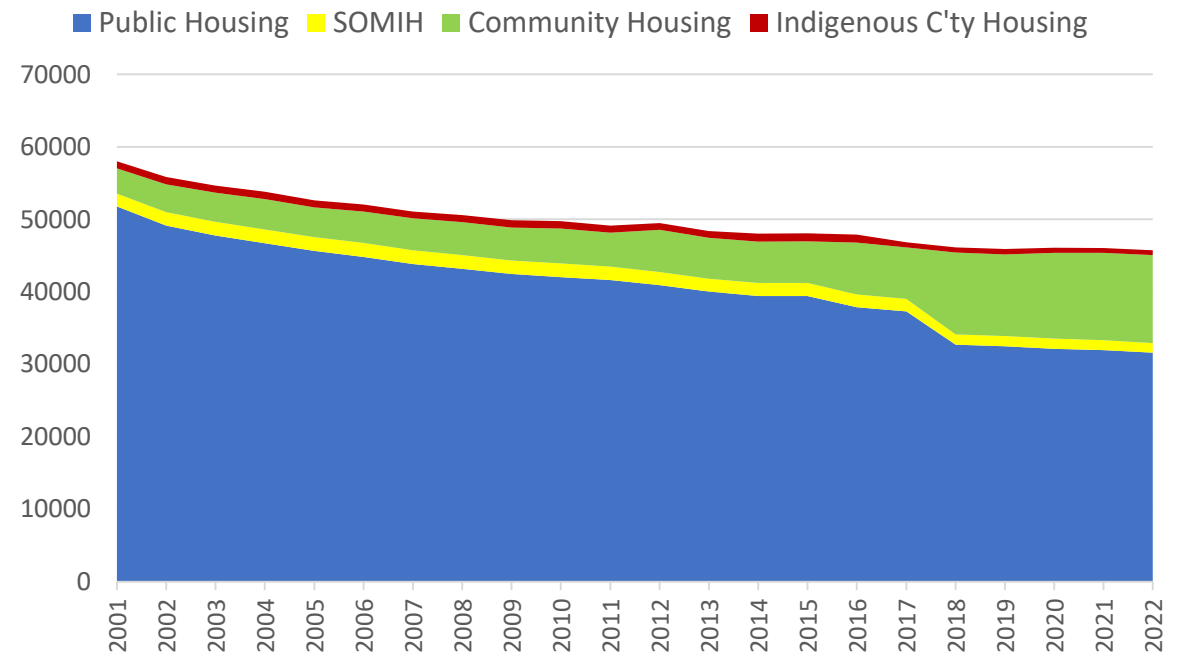
# Supply - Public Housing

Public housing is the most direct way government can increase rental housing supply, impact the broader market, and ensure that those who are most marginalized have access to appropriate housing

## The Decline

- SA once had over 60,000 public houses accounting for around 11% of the housing market
- At the 2021 census, we had 38,641 public and community housing dwellings, accounting for 5.6% of all dwellings

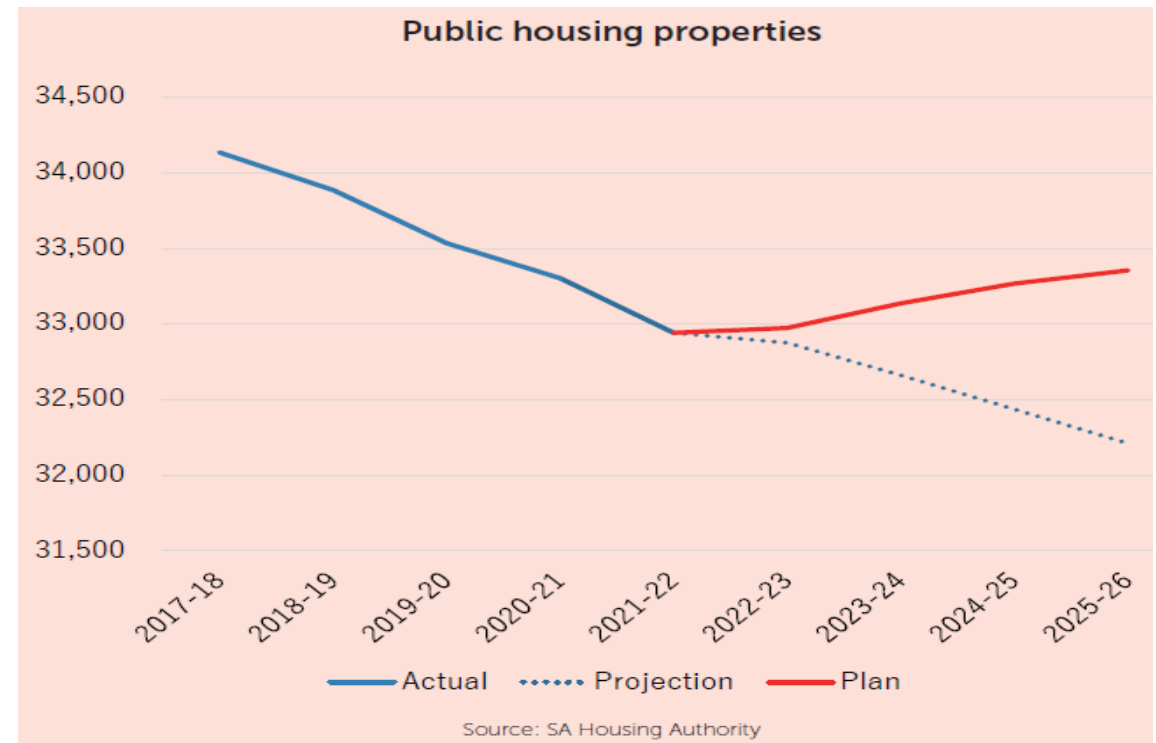
Total Number of Social Housing Dwellings



# Public Housing

## The Resurrection?

- SA government's *Better Housing Future* plan promises 564 net new public houses over the next 4 years
- The Federal Government's \$2bn national *Social Housing Accelerator Program* will see 300-400 new public houses built in SA in the next few years
- Together, these new investments won't cover population growth!
- **We need around 1,000 dwellings per year** to begin to rebuild public housing and put downward pressure on rent prices in the private market
- Between 1950 and 1967, SA built an average of 3,250 public houses and flats each year



# Tax Policy

## Federal Taxes

- Negative gearing – ability to deduct housing “losses” from other income
- Capital gains tax discount – income tax on only 50% of capital gain

## State Taxes

- Replacing stamp duty with annual land tax
  - Efficient and removes a barrier to getting appropriate housing
  - Fairer, because currently renters pay land tax (indirectly), homeowners don't
  - Needs safeguards for low income households
- Vacancy tax – on empty buildings and short-stay rentals



# The Landlord Myth

## The Issue

Recent SA parliamentary debate showed much opposition to rental reform was a concern it would drive landlords from the market and reduce the availability of rental properties

## The Reality

- AHURI finds little evidence that changes to renters' rights impact on landlords decisions to enter or leave the market
- Most landlords do not build new houses, they simply buy existing properties
- If landlords sell their houses, they will either be bought by another landlord, or a new home buyer (one less renter) - the net impact on housing supply is zero

