

# NSW push to boost Build to Rent housing

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Build to Rent developments in Australia have been hampered by tax and has gained less enthusiasm from developers as it has been easier to sell apartments off plan.

Land tax in NSW applies to investment properties with an underlying land value above \$734,000. The main hinderance to increasing Build to Rent developments has been this state land tax – as a single owner would face a large bill but investors who own one or two apartments wouldn't.

Planning Minister Rob Stokes said he is “determined to increase the availability and viability of the Build to Rent market in NSW” – as it provides more security for tenants and gives developers incentives to ensure quality construction. In the coming months, he will set up a taskforce to identify roadblocks in the state planning system and “advocate for changes to state and federal tax law”.

Treasurer Dominic Perrottet has indicated he would like to replace stamp duty with a broader-based land tax. He will consider proposals on land tax from Rob Stokes' taskforce and recommendations of the Federal Financial Relations Review. The review – due at the end of this month – will put forward tax reform options for NSW in the context of federal funding.

The NSW government is moving forward with its own Build to Rent project on Elizabeth Street in Redfern – plans which are with the City of Sydney. The scheme will have a mix of private rented housing, social and affordable housing – totalling 400 homes.

“It’s a positive thing for the Australian housing system to have a new product to widen choice. Ultimately if it takes off, it would create a more stable housing system.”

Hal Pawson, Associate Director, UNSW City Futures Research Centre

Build to Rent scheme at Sydney Olympic Park

Australia’s first Build to Rent scheme at Sydney Olympic Park was recently completed by Mirvac. Named Liv Indigo, it has 315 Build to Rent apartments – a mix of studio, one, two and three bedrooms. A two-bedroom apartment starts at \$615 a week. Amenities include gym facilities, yoga classes, co-working and meeting spaces, pet grooming and neighbourhood events.

The project is backed by the Clean Energy Finance Corporation – one of the first in Australia – and Mirvac has more in the pipeline, including three in Melbourne.

“[Tenants at] Liv Indigo development at Olympic Park would start moving in this month and could stay as long as they like if they met the conditions of their lease. The agreements give tenants the right to renew on a rolling one-year basis.

“You can paint walls, you can hang pictures up, you can make it your own apartment, and we’re fully pet friendly.”

Adam Hirst, General Manager of Build to Rent, Mirvac