



# A Better Housing Future

February 2023



Government of South Australia



## **Acknowledgement of Country**

We acknowledge Aboriginal people as the state's first peoples, nations and Traditional Owners of South Australian land and waters. We recognise that their unique cultural heritage, customs, spiritual beliefs and relationship with the land are of ongoing importance today, and we pay our respects to Elders past, present and emerging leaders of the future.

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# Message from the Premier



**Hon Peter Malinauskas MP**  
Premier of South Australia

Every South Australian deserves to have a roof over their head and to be safe and secure in a place they call home. The Malinauskas Labor Government recognises the extraordinary pressure the current housing market is placing on vulnerable South Australians. Our plan for *A Better Housing Future* provides an immediate response to the challenges being experienced by many South Australians.

South Australia's economy has been resilient in the face of the COVID-19 pandemic. Strong population growth, including from interstate migration, has contributed to increased demand for housing which has outpaced supply.

We were elected on a platform of building and upgrading hundreds of public housing properties, and our plan further builds on our commitment to deliver more fit-for-purpose homes for those most in need. Unlike former governments which allowed public housing to be sold off to meet savings targets, our government will grow the number of public housing properties to ensure we have a safety net for the most disadvantaged and in need South Australians.

Our government is committed to ensuring that we have the right conditions and policy settings to enable a dynamic and thriving housing market.

That's why our plan includes the single largest release of residential land in the state's history, delivery of more affordable housing, and tax concessions to promote new housing opportunities.

We have a plan to help more homebuyers achieve the aspiration of home ownership, including increased support to buy a home through HomeStart loan products and increasing the supply of affordable housing. We're also reforming residential tenancies legislation and increasing support to low-income households to make sure that renters aren't left behind.

We know that regional South Australia is facing its own unique housing challenges, which is why we're establishing a dedicated Office for Regional Housing to work together with local government and other partners to deliver more housing. The first initiative to be piloted by the new Office will be a program to deliver new housing for key workers in the regions.

Our plan is expected to stimulate around \$965 million of additional housing construction activity, which will support South Australian jobs right across the state.

A handwritten signature in black ink, appearing to read 'Peter Malinauskas'. The signature is fluid and cursive, with a prominent initial 'P' and a long, sweeping underline.

# Message from the Treasurer



**Hon Stephen Mullighan MP**  
Treasurer

Whilst rising property values have been great news for homeowners, so many South Australians have seen their dream of home ownership slipping away. At the same time, it has become increasingly difficult to find affordable rental properties.

With the median house price in South Australia increasing by 36.8% over the two years since December 2019, the average weekly rent for a house in South Australia increasing by 14% over the 12 months from September 2022, and interest rates increasing by 3 percentage points in 2022, it has become very challenging for many South Australians to enter the market.

We know that one of the toughest challenges for people setting out to get on the property ladder is saving for a deposit while also paying rent that keeps going up.

This is why our plan for *A Better Housing Future* includes a number of measures to support low-income homebuyers, as well as reforms to make residential tenancy bonds more affordable, ban rent bidding, standardise rental application forms, and protect tenant information.

Our government is also acutely aware that the housing challenges faced by regional South Australia, while exacerbated by COVID-19, are long-standing and vary across regions. Our new Office for Regional Housing will work collaboratively with the regions to identify and implement solutions that work for them, and a key worker regional housing scheme will encourage greater investment in regional housing for key workers which is fit-for-purpose and well located, including for teachers, medical staff and police employed in the regions.

Our plan builds on our election commitment to deliver more public housing and to increase affordable housing through a partnership with the Commonwealth Government and other key stakeholders as part of the National Housing Accord. We are also ensuring we have sufficient residential land supply for the next two decades to enable new housing to be built to meet the community's needs.

Whilst our plan sets out important actions to address immediate housing challenges, our government understands that further initiatives will be required to continue to improve housing outcomes in the state, and respond to future challenges.

The Malinauskas Labor Government is committed to increasing the supply of affordable and appropriate housing across South Australia.

A handwritten signature in black ink, appearing to read 'S. Mullighan'. The signature is fluid and cursive, with a long horizontal line underneath it.

# SUMMARY

South Australia's housing market is experiencing significant pressures. House and rental prices have increased significantly and the number of properties available to rent is low, making it difficult to find affordable housing. The availability of housing in most South Australian regions has also been at very low levels impacting local communities, workers looking to relocate to the regions and the regions' broader economic opportunities.

The government is committed to improving the housing outcomes for people in South Australia, particularly those in need of safe, fit-for-purpose public, social and affordable housing. Appropriate housing is an important factor in creating both a strong economic environment and a thriving social community in the state.

The government's \$965 million plan for *A Better Housing Future* is intended to deliver more social and affordable houses, greater protections for those who are renting, more affordable rental opportunities and more support for people to buy a home. It will also provide more new houses in the regions and greater support for regional communities to pursue housing projects that meet their needs.

## Our plan includes:



**More public housing**



**Partnering with the Commonwealth Government to deliver more social and affordable housing**



**The single largest release of residential land in SA's history**



**More affordable residential tenancy bonds**



**Banning rent bidding**



**Protecting tenant rights and information**



**Expanding the Private Rental Assistance Program**



**Greater support for homebuyers through HomeStart products**



**Increased support for regional housing**



**Tax incentives to increase the supply of rental properties**

The government recognises that our plan provides a response to the current housing challenges, however more needs to be done to continue to support increased and well located affordable and appropriate housing in the state. The government and relevant agencies will continue to work closely to pursue initiatives that improve housing opportunities for South Australians.



**Experiencing Homelessness**



**Crisis Accommodation**



**Transitional Accommodation**



**Social Housing**



**Affordable Housing**



**Private Rental**



**Home Ownership**

# STATE OF THE HOUSING MARKET

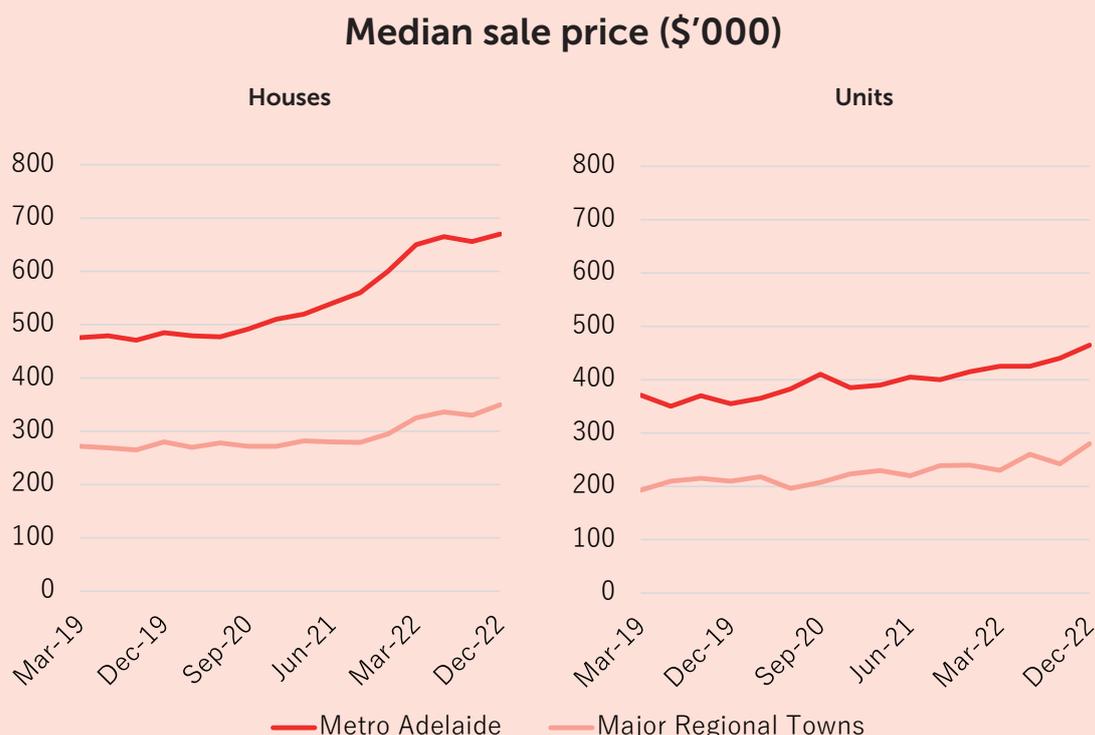
South Australia's economy has been performing well and our population has been growing more strongly in recent years, with more people moving to South Australia from other states. This has contributed to strong demand for housing across all sectors and in both the metropolitan area and regional towns.

Residential vacancy rates remain at historically low levels. The supply shortage of rental properties is one of several factors that have caused rents to increase substantially, and created an environment where renters are struggling to find rental properties in an increasingly competitive market.

As a consequence of rent price increases, renters of even moderately priced housing are now required to provide a six-week rental bond (rather than four-weeks), a significant challenge for those looking for affordable housing.

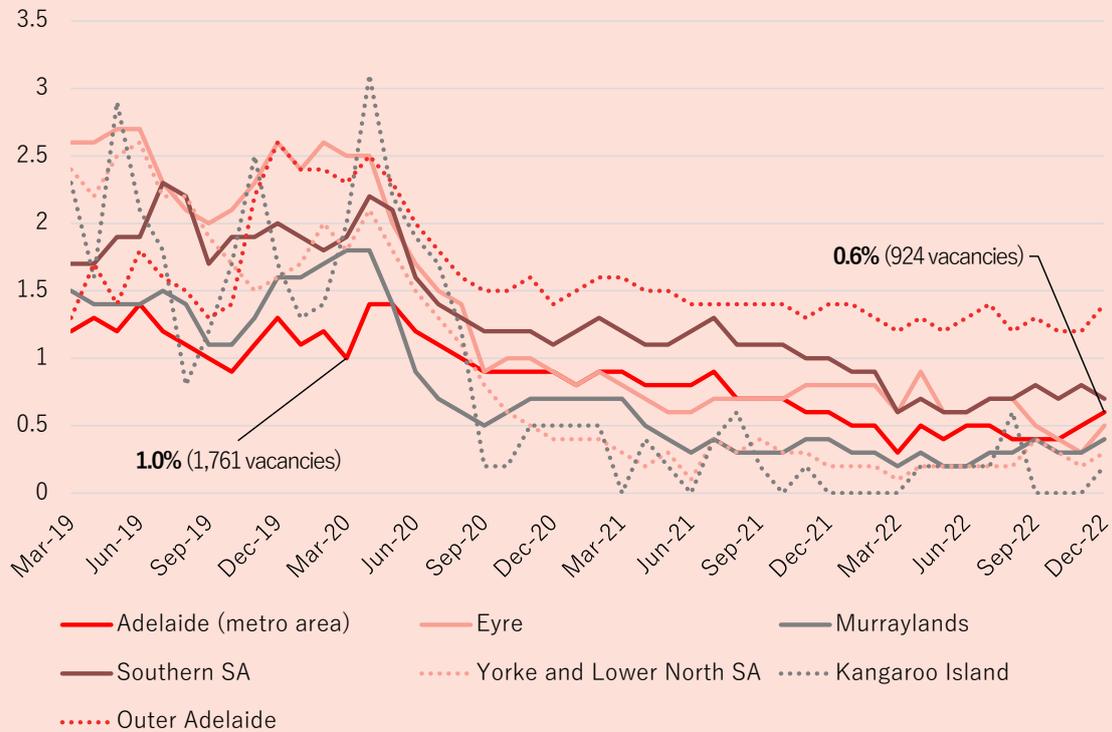
The shortage of rental properties has also led to rent bidding and requests for tenancy information that exceeds what a tenant would reasonably be expected to provide.

While house prices are starting to moderate, the median house price in South Australia increased to \$595,000 in the December 2022 quarter, an increase of 36.8% since the December 2019 quarter. Similarly for metropolitan Adelaide, the median house price has increased 38.1% over the same period, reaching \$670,000 in the December 2022 quarter. CoreLogic's Home Value Index shows Adelaide overtook Perth in July 2020. The increase in house prices has made it more challenging for those looking to buy a home.



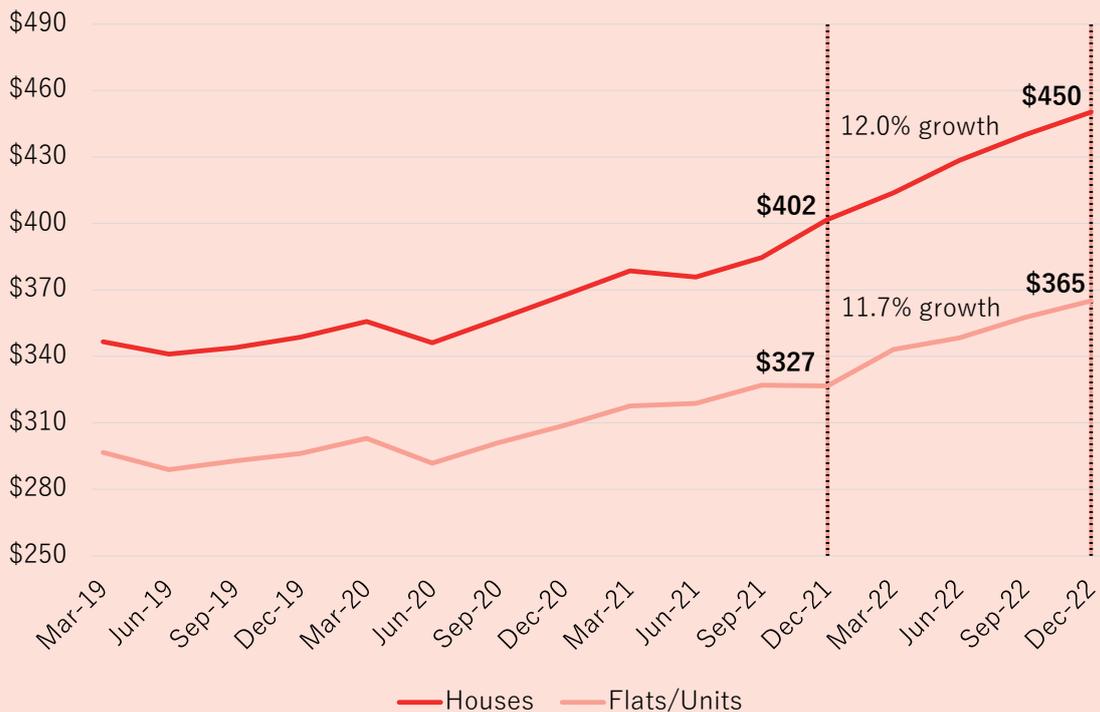
Source: SA Valuer-General

## Residential vacancy rates (%)



Source: SQM Research

## Average weekly rent



Source: Consumer and Business Services

# MORE PUBLIC HOUSING

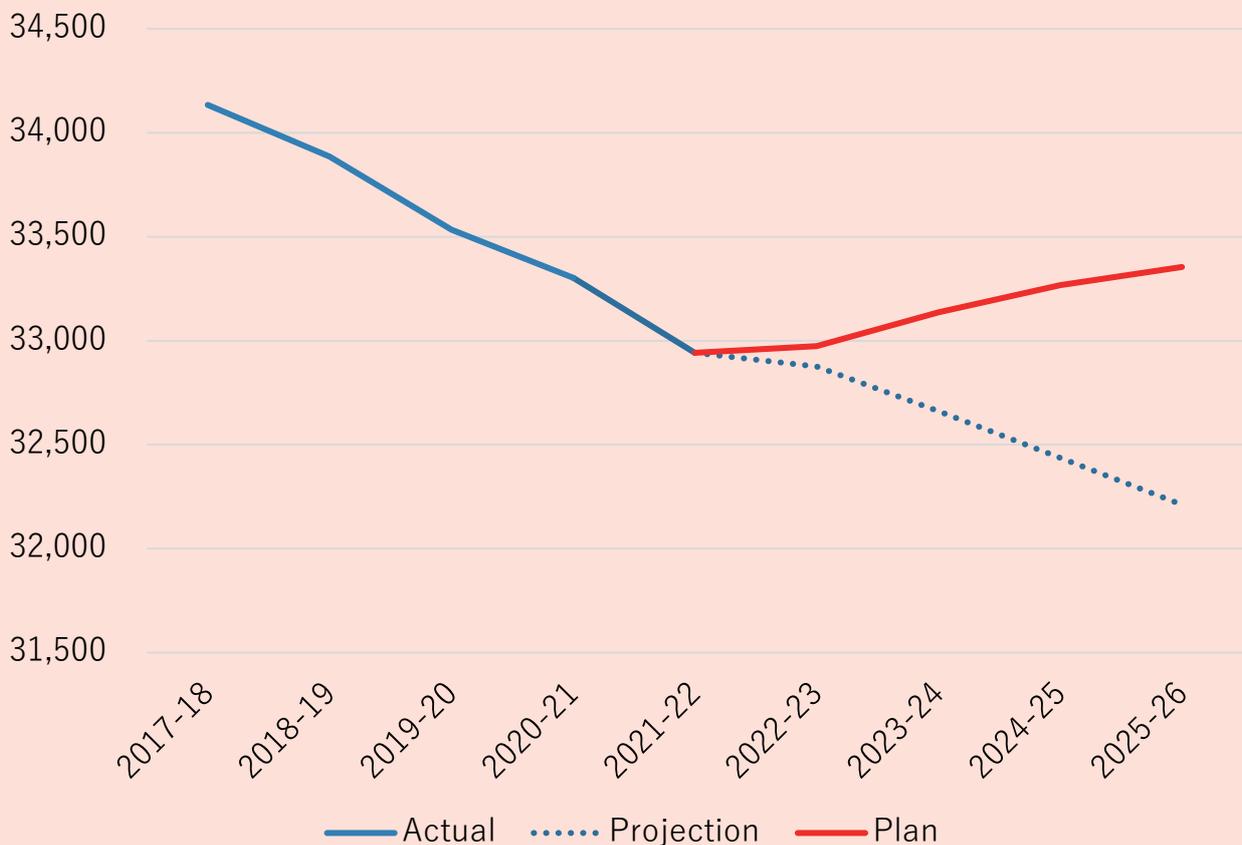
During the 2022 election campaign, the government committed to invest in public housing and build 400 extra new homes, undertake major upgrades on 350 empty properties so they can be homes again for people in need, and update a further 3,000 homes in a maintenance blitz.

For too long, former governments have allowed the amount of public housing to gradually decline, resulting in longer waiting times for people who need help.

The Malinauskas Labor Government has reversed this trend and is committed to delivering the first substantial increase to public housing in a generation.

The government is committed to stopping the reduction in public housing - and then adding extra new homes - so that an additional 1,144 households live in public housing by 30 June 2026 compared to what would have been under the previous government. This includes \$232.7 million of additional investment in public housing, which will deliver 564 new homes.

### Public housing properties



Source: SA Housing Authority



## **Public Housing Improvement Program**

As part of its election commitment to invest an extra \$177.5 million in public housing, the government committed to build 400 new homes, including 250 in metropolitan Adelaide and 150 in regional South Australia. An additional 37 houses will now be delivered through the efficient delivery of this project, bringing the total new public housing delivered to 437.

## **Minimising public housing asset sales**

As a result of decisions taken by the former government, the SA Housing Authority planned to sell off public housing properties to meet its savings requirements. The government has reversed this policy and will halt the sale of 580 public housing properties over the four years to 30 June 2026.

## **Additional investment in public housing**

The government is committing an additional \$15 million per annum to renew and maintain public housing properties. This funding will enable an additional 127 houses to be built by 30 June 2026.

# INCREASING AFFORDABLE HOUSING

Many of the current housing challenges are as a result of housing supply failing to keep up with higher demand, especially for affordable properties. Our government will work closely with the Commonwealth Government and other partners to increase the supply of affordable housing for purchase and rental.

One of the first collaborative projects to be announced nationally by the Commonwealth Government is a \$70 million build-to-rent project at Park Court, on Greenhill Road at Eastwood. This project will deliver 130-plus apartments, including between 30 and 50 social housing homes that will help people with the greatest needs and the lowest incomes, while also providing affordable rentals for key workers so they can live closer to where they work.



*Artist impression of an affordable housing outcome in Bowden.*

## National Housing Accord

The Malinauskas Labor Government is partnering with the Commonwealth Government to deliver the National Housing Accord which was announced in the 2022-23 Commonwealth Budget.

The Housing Accord provides a commitment between State and Territory Governments and the Commonwealth Government to deliver up to 50,000 new social and affordable homes nationally over five years from 2024. The Housing Accord is intended to deliver well located, affordable housing for key workers. The Malinauskas Labor Government will work closely with Housing Australia, local councils and community housing providers to deliver this significant housing investment.

## Priority housing projects

The SA Government is committed to establishing a pipeline of affordable housing projects under the Housing Accord, providing land for developments, offering the expertise of Renewal SA, if and where required, and partnering with community housing providers, developers and builders.

The SA Government is working closely with the Commonwealth Government to progress the following projects, which will include a mix of affordable and market housing:

- Playford Alive (Newton Boulevard) - 249 new homes, including 25 affordable rental properties
- Bowden (Second Street) - 36 new affordable rental properties
- Bowden (Third Street) - 60 new affordable rental properties
- Prospect (Churchill / Regency Roads) - 72 new affordable rental properties

The projects are early priorities identified under the Housing Accord, with more set to be identified in due course in conjunction with the Commonwealth Government and community housing providers.

## 1,000 Affordable Homes Initiative

The government is committed to delivering the SA Housing Authority's program to develop 1,000 new affordable homes over the next four years. Already 124 homes have been purchased by homebuyers with approximately 200 expected to be available to homebuyers in 2022-23.



# RESIDENTIAL LAND SUPPLY

The Malinauskas Government is fast tracking what will be the single largest release of residential land in the state's history – set to deliver at least 23,700 more homes for South Australians.

We have already started, with the rezoning of 235 hectares of land at Hackham – creating the capacity for at least 2,000 new homes.

In addition, the following sites have been identified for rezoning for residential use:

- 10,000 homes at Dry Creek
- 10,000 homes at Concordia
- 1,700 homes at Sellicks Beach

This land release would be more than double the number of allotments released in Mount Barker in 2011 and four times the number of allotments released at Mawson Lakes in the early 2000s.

Master planning for the first of these sites will begin this year. It is anticipated construction on the first homes could begin next year with at least 15% earmarked for affordable housing.

The additional supply is expected to open the door for more than 50,000 people.

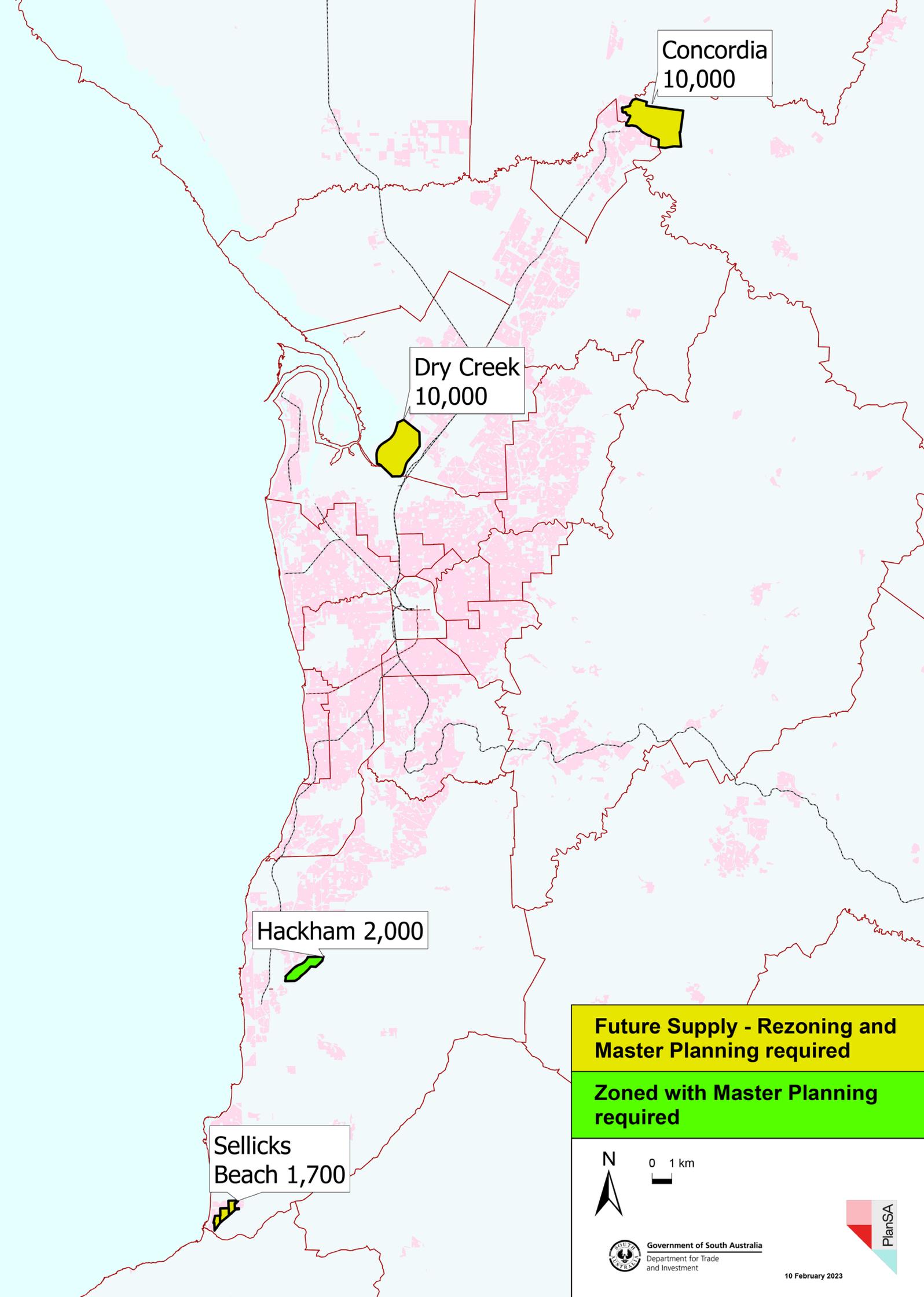
Planning deeds outlining important infrastructure and community facilities must be in place prior to land being rezoned for residential development.

Increasing residential land supply in the right places, at the right time, will support the property market and create more diverse and affordable housing to meet the needs of our growing population.

## Infrastructure Planning and Development Unit

The government is establishing an Infrastructure Planning and Development Unit to help drive residential developments and coordinate infrastructure investment.

The Unit will be staffed by five full-time equivalent employees and will be charged with coordinating the provision of utilities such as electricity, water and sewerage, and public infrastructure such as roads and schools.



Concordia  
10,000

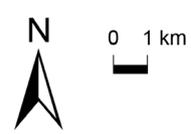
Dry Creek  
10,000

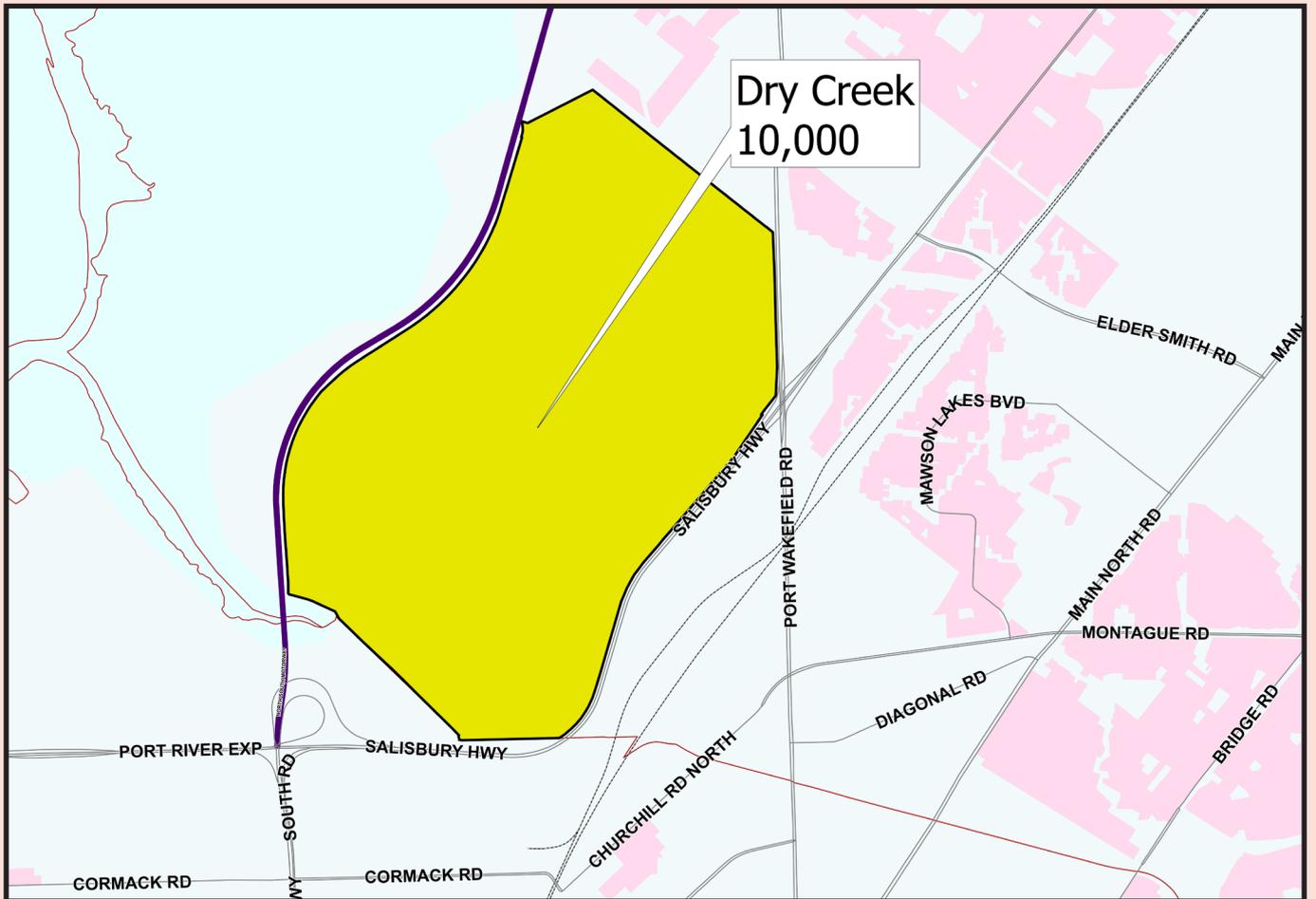
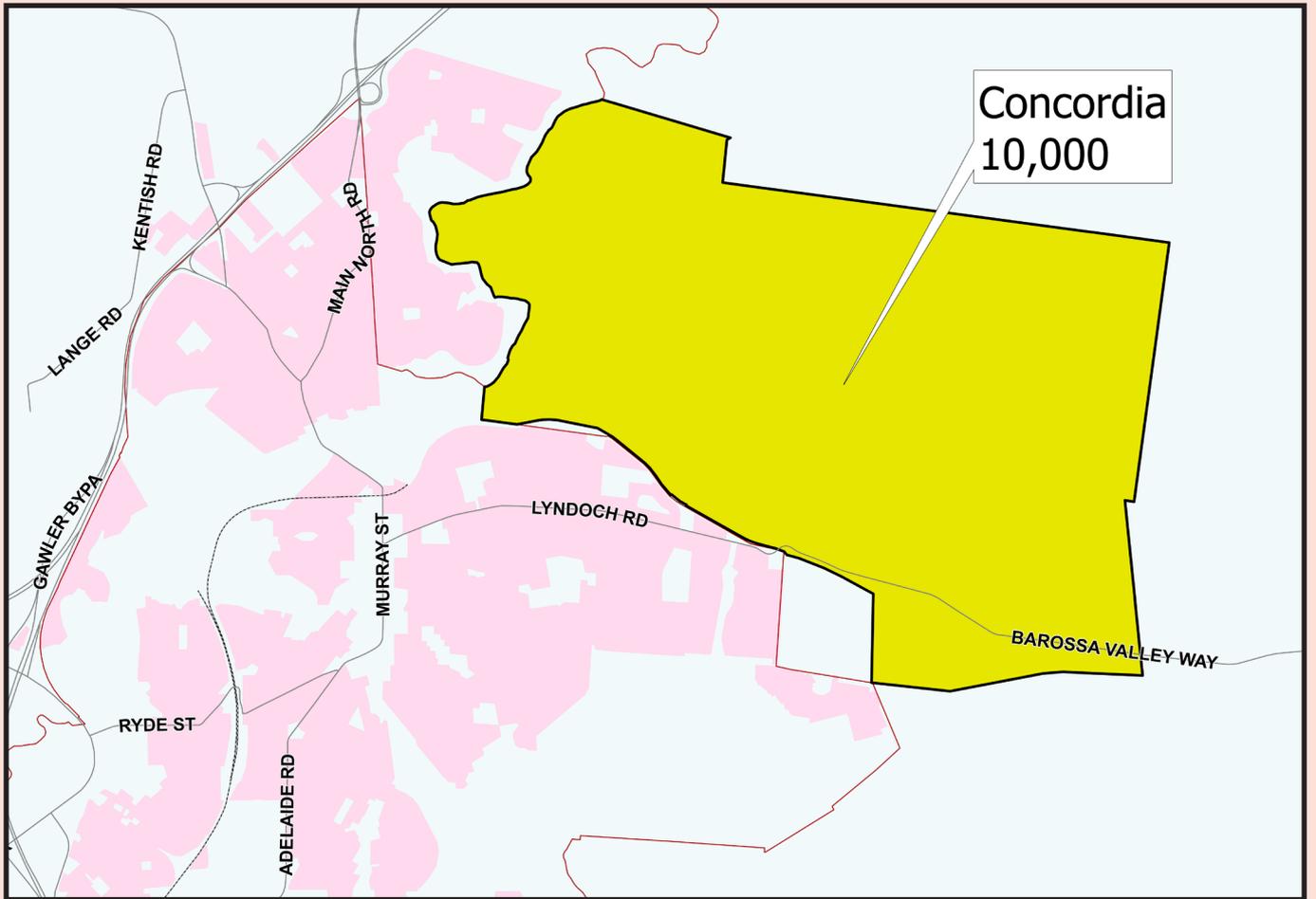
Hackham 2,000

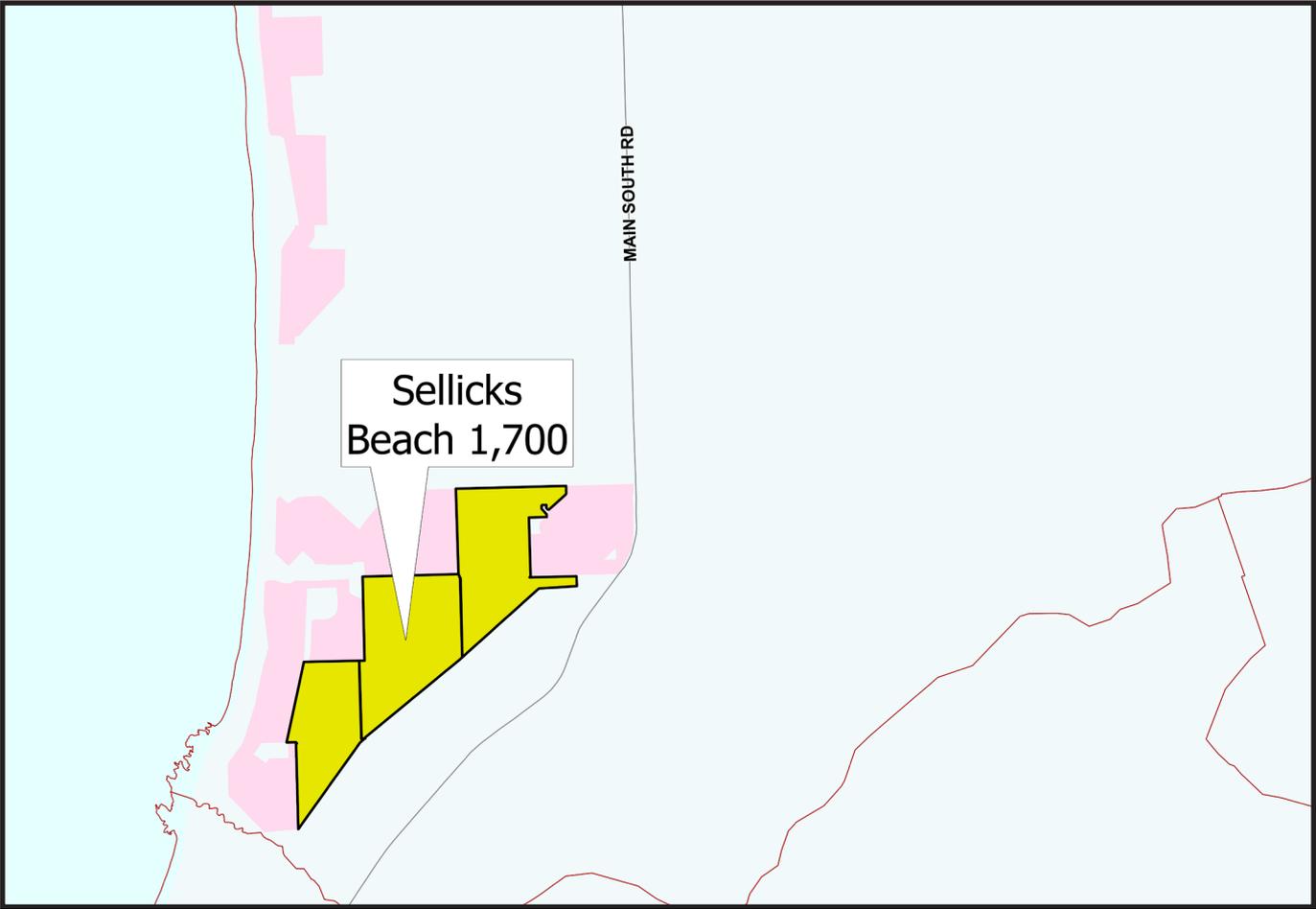
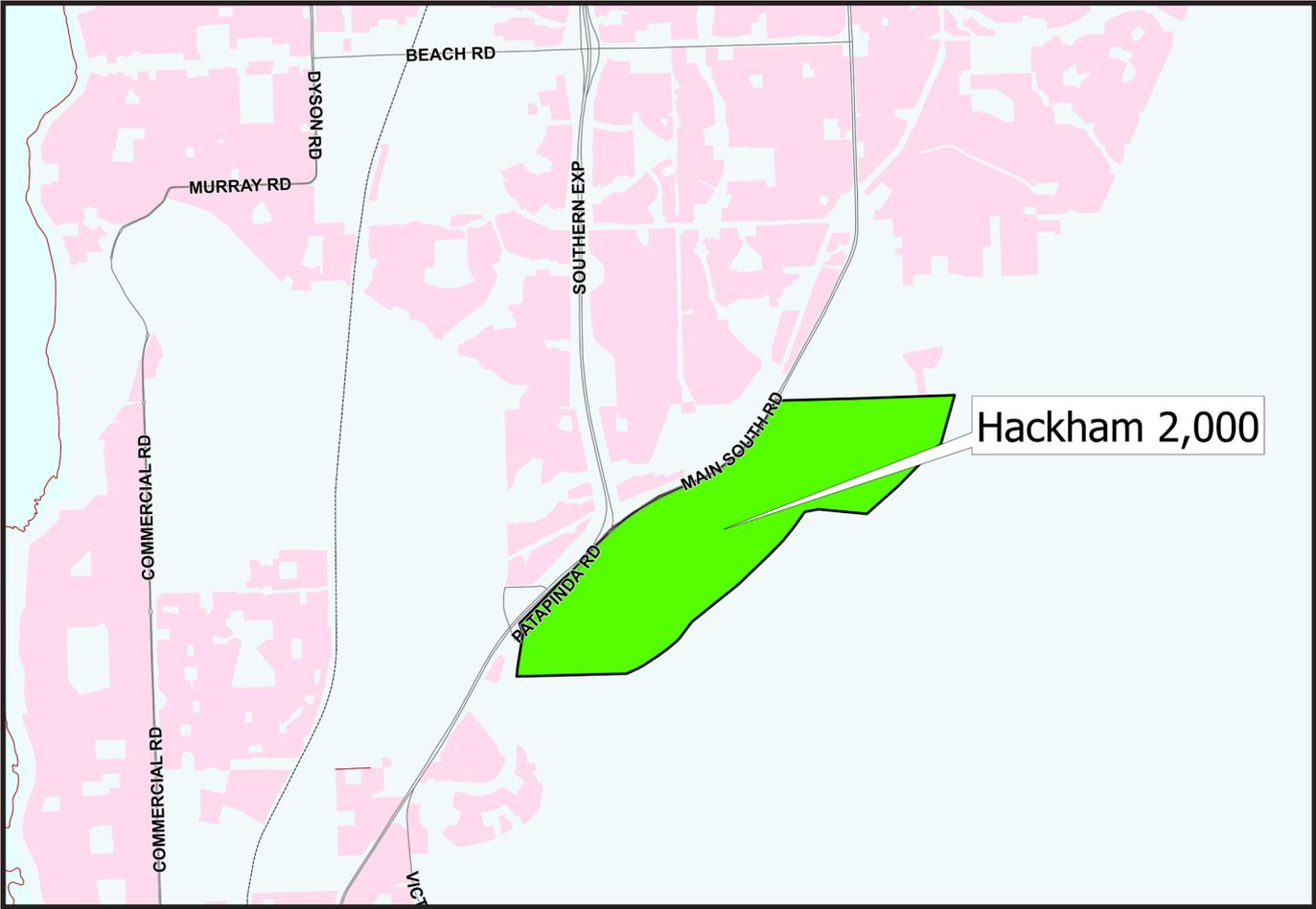
Sellicks  
Beach 1,700

**Future Supply - Rezoning and  
Master Planning required**

**Zoned with Master Planning  
required**









# RESIDENTIAL TENANCIES REFORM

The government is reforming the *Residential Tenancies Act 1995* to better meet the needs of today’s rental housing market, improve protections for renters and ensure landlords can continue to manage properties effectively. Rental reforms have been initiated in all Australian jurisdictions and the Malinauskas Labor Government will ensure that South Australian tenants aren’t left behind by implementing regulatory safeguards that protect households.

The reforms below are the government’s immediate priorities, with further consultation underway on broader reforms to be considered by Parliament later this year.

## More affordable residential tenancy bonds

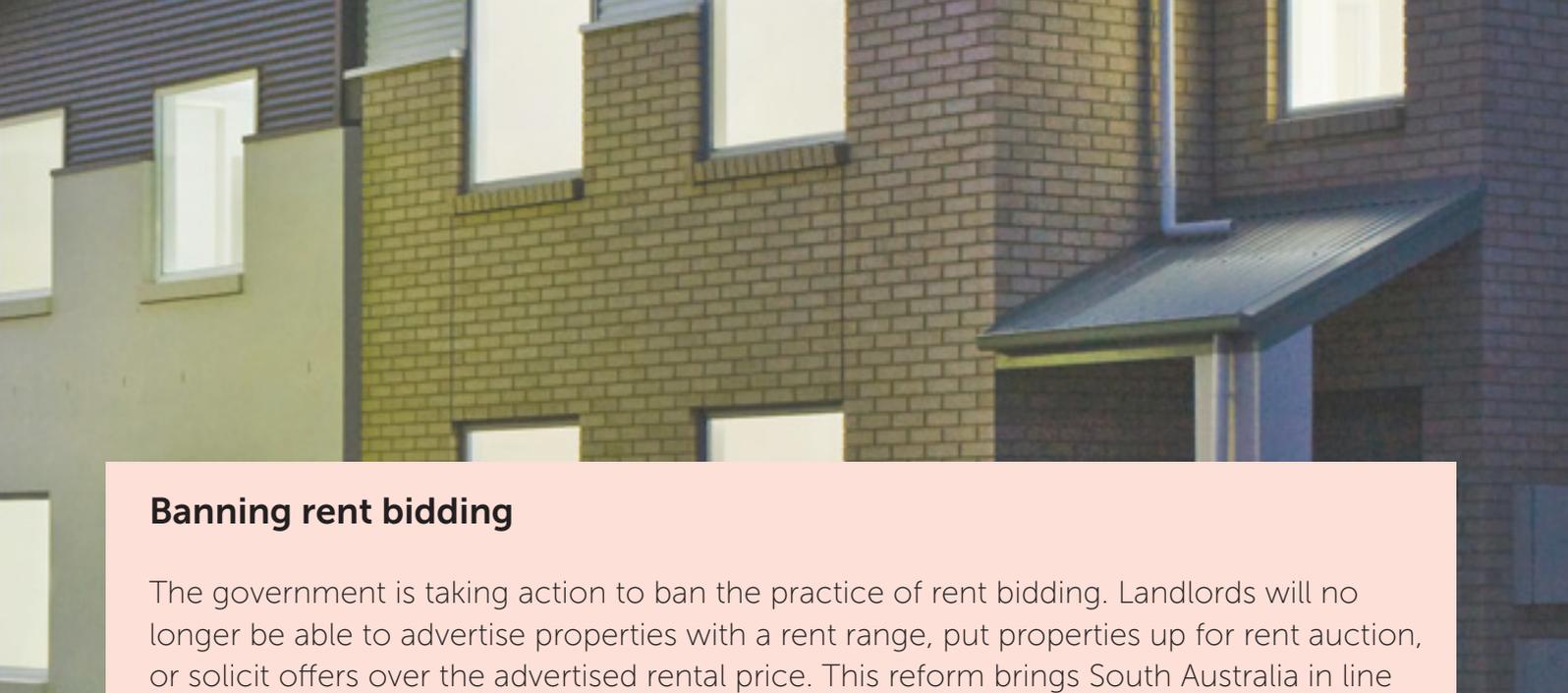
Currently landlords are able to claim residential bonds equivalent to a maximum six-weeks’ rent when the weekly rent is \$250 or greater, with only a four-week bond entitled to be claimed for properties falling below that threshold. Increasingly fewer properties fall below this threshold. The bond threshold will now be raised to \$800 to ensure that for the majority of rental properties in South Australia, only a four-week bond will be required.

This change will reduce the amount of upfront costs for tenants by between \$500 and \$1,600, depending on the amount of rent they are paying.

The following table shows the bond savings for the median house and unit:

	Unit			House		
	Current	New	Saving	Current	New	Saving
<b>Metro Adelaide</b>	\$2,130	\$1,420	\$710	\$2,790	\$1,860	\$930
<b>Regional SA</b>	\$1,590	\$1,060	\$530	\$2,100	\$1,400	\$700

Source: Consumer and Business Services (September 2022)



## **Banning rent bidding**

The government is taking action to ban the practice of rent bidding. Landlords will no longer be able to advertise properties with a rent range, put properties up for rent auction, or solicit offers over the advertised rental price. This reform brings South Australia in line with other Australian jurisdictions which have introduced restrictions on rent bidding.

Additionally, where a third party is facilitating tenancy applications, any rating or assessment of a prospective tenant must not be based on an offer of higher rent.

## **Rental application forms**

As a first step towards standardising rental application forms, landlords will be prohibited from requesting prescribed information from potential tenants. Further consultation will be undertaken to define what information will not be allowed to be requested, however will be informed by other jurisdictions, such as Victoria's model where landlords are prohibited from seeking:

- information on whether or not the applicant has previously taken legal action or had a dispute with a rental provider,
- the applicant's rental bond history,
- a statement from a credit or bank account containing daily transactions; and
- any information about the applicant that relates to a protected attribute under equal opportunity legislation.

## **Protecting tenant information**

For successful tenant applications, information provided for the purposes of applying to enter into a tenancy agreement will need to be destroyed within 3 years of the tenancy ending.

Prospective tenants' information may only be kept for 30 days after the tenancy agreement is entered into (by the successful applicant) or up to 6 months with the prospective tenants' consent for the purposes of continuing to assist with applying for a tenancy. This will apply to landlords, agents or third parties facilitating tenancy applications.



## PRIVATE RENTAL

## ASSISTANCE PROGRAM

The Private Rental Assistance Program provides financial assistance to eligible customers who either have difficulty meeting the upfront costs associated with renting privately, or need help to maintain their accommodation. Assistance is provided through bond guarantees and rent assistance for up to four weeks' rent over a two-year period.

The eligibility criteria has been reviewed to enable more households to access this support, including:

- Increasing the household cash assets test limit from \$5,000 to \$62,150 per household. This will allow customers on lower incomes to retain their cash reserves (potentially allowing them to be used for home ownership).
- Increasing the weekly rent limit from \$450 to \$600 per week.

Rent in advance payments will also be increased from one week to two weeks' rent for low-income households, as well as an increase in the availability of rent in arrears payments, provided other eligibility criteria are met.

It is estimated that around 400 additional households will become eligible for the program as a result of these changes, which will assist more low-income households to meet the upfront costs of rental housing.

# SUPPORT FOR HOMEBUYERS

HomeStart helps South Australians get into their own home sooner by offering a range of innovative loans that can reduce upfront costs and increase borrowing power for prospective homebuyers. Changes have been made to a number of HomeStart's loans to increase their availability, helping even more households enter the property market.

## Greater access to interest free loans

HomeStart's Starter Loan assists households to cover the upfront costs of buying or building a home, such as stamp duty. It is an interest free loan for eligible borrowers that can be combined with other HomeStart products. Eligibility for the Starter Loan is being expanded, with the annual income cap increasing from \$65,000 to \$75,000 for singles, and from \$90,000 to \$100,000 for couples. The loan repayment term is also being extended from five to seven years. This is expected to assist around 60 additional customers per year and contribute to an additional \$3.2 million of investment in housing construction per annum (indexed).

## Advantage Loan increase

HomeStart's Advantage Loan is combined with another loan to boost borrowing power so homebuyers can live where they want sooner without increasing monthly repayments, with the size of the loan dependent on income. The maximum amount of the loan has been increased from \$50,000 to \$70,000, with the greatest benefit aimed at households earning less than \$40,000 per annum.

**Greater support  
for homebuyers  
through HomeStart  
products**



## Greater access to finance in the regions

HomeStart will no longer require higher upfront deposits for people purchasing homes in regional areas, and the Graduate Loan will now be more widely available across regional South Australia. Eligible borrowers will now only be required to have a minimum 5% deposit for HomeStart's standard home loan and 2% for the Graduate Loan.

## 2% deposit Graduate Loan

The minimum deposit required to secure a Graduate Loan has been reduced from 3% to 2% when buying an established home, increasing opportunities for graduate homebuyers. The Graduate Loan is available to eligible homebuyers with a Certificate III or higher qualification.

## 3% Low Deposit Loan

HomeStart is working on options to implement the government's election commitment to introduce a 3% Low Deposit Loan product for first homebuyers purchasing a newly constructed home or building a new home.



# REGIONAL HOUSING

Our government recognises that regional South Australia faces some unique housing challenges. The Malinauskas Labor Government is committed to supporting regional South Australia and will continue to work to ensure that housing is not a barrier to unlocking the economic potential of the regions.

## Office for Regional Housing

A new Office for Regional Housing has been created within Renewal SA to tackle the unique housing challenges facing regional South Australia by:

- Facilitating the development of new key worker rental housing in regional South Australia through the Regional Key Worker Housing Scheme; and
- Supporting the planning and implementation of housing projects through advice and assistance.

The Office will, where possible, help to facilitate housing projects identified by local governments, regional employers, the development industry and other peak bodies that provide strategic affordable and key worker housing in the regions.

Further information on the Office for Regional Housing can be found at [officeregionalhousing.sa.gov.au](http://officeregionalhousing.sa.gov.au).

**OFFICE FOR  
REGIONAL  
HOUSING**

RenewalSA



## **Regional Key Worker Housing Scheme**

The Regional Key Worker Housing Scheme is intended to encourage greater investment in fit-for-purpose, well located rental housing for workers in regional South Australia.

A pilot program is expected to deliver approximately 30 new homes for police, teachers and healthcare workers in the Copper Coast, Riverland, Mount Gambier, Port Augusta and Ceduna, helping to support quality government services and reduce pressure on the private rental market.

The Office for Regional Housing will work in collaboration with local councils, regional businesses, builders, investors and other government departments to deliver this new, long-term housing.

Should the pilot prove successful, the Regional Key Worker Housing Scheme will be expanded to include other regions and be available to organisations seeking to secure long-term access to new, fit-for-purpose housing for their workers.

## **Strategic regional housing projects**

In addition to the Regional Key Worker Housing Scheme, where required, the Office for Regional Housing will help facilitate housing projects that contribute to key strategic and economic objectives of the regions.

The Office will work with entities such as local governments, regional employers, the development community and other stakeholder groups who have identified strategic housing projects but may require some form of assistance or coordination to proceed.

# TAX CONCESSIONS TO PROMOTE NEW HOUSING OPPORTUNITIES

Our government recognises that we need to work together with the private and non-profit sectors if we want to solve the housing challenges facing our state. That's why we are offering tax incentives to encourage more affordable housing, including more options for renters.

## **Build-to-rent land tax concession**

A 50% land tax discount will be introduced for eligible new build-to-rent housing projects. The discount will reduce the land value for land tax purposes by 50% to the 2039-40 land tax year.

The reduction in land tax is designed to support the uptake of scale investment in residential rental housing, increasing the supply of housing and creating more opportunities for renters.

## **Affordable Community Housing Land Tax Exemption**

The Affordable Community Housing Land Tax Exemption Pilot provides eligible property owners with ex-gratia relief, equivalent to a land tax exemption for property they rent through a participating community housing provider for affordable housing purposes.

The program is running for 5 years from 1 March 2020 and is limited to 100 properties.

## **Affordable housing land tax concession**

An affordable housing land tax concession was introduced as part of the 2019-20 Mid-Year Budget Review which provides eligible property developers with an ex-gratia concession where land being used to develop affordable housing has been aggregated for land tax with other land they own.

The ex-gratia relief is limited to one financial year for each property.



## NEXT STEPS

Our plan for *A Better Housing Future* responds to a number of challenges facing the current housing market. These initiatives take important steps to address immediate housing challenges. Going forward, further initiatives will be considered to continue to improve housing outcomes in the state. The government is committed to continuing to increase affordable and appropriate housing.

An immediate priority for the SA Government is to work closely with the Commonwealth Government to maximise appropriate affordable housing outcomes delivered under the National Housing Accord.

Latest projections for South Australia indicate the need for between 95,000 and 115,000 additional dwellings in the state by 2032, to accommodate the projected growth in population.

Our government knows that we need to work with industry if we are to achieve this target. We recognise that we will need to overcome trade and skills shortages in the construction industry, which is why we are funding TAFE SA to deliver courses where industry has reported shortages. We have also committed to fee-free TAFE and vocational education for 12,500 training places to make it more accessible and affordable for people to train, retrain and upskill in key industries, including construction, with fee-free places available in building and construction, bricklaying, civil and electrical engineering.

We are also funding the Master Builders Association to run an outreach program in schools to encourage students to consider taking up a building trade as a future career path.

We will continue to ensure our government supports arrangements, tenancy legislation and conditions, planning requirements and land releases to enable a dynamic and responsive housing sector.





# A Better Housing Future

February 2023

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