

Australia's property industry

Creating for Generations

Committee Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: economics.sen@aph.gov.au

5 November 2018

Dear Mr Fitt

Treasury Laws Amendment (Making Sure Foreign Investors Pay Their Fair Share of Tax and Other Measures) Bill 2018; Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2018; Income Tax Rates Amendment (Sovereign Entities) Bill 2018

The Property Council of Australia thanks the Senate Standing Committee on Economics for the opportunity to appear before the Committee on 31 October 2018.

We have set out below information on the development of Build-to-Rent housing in the United Kingdom which we took on notice to provide.

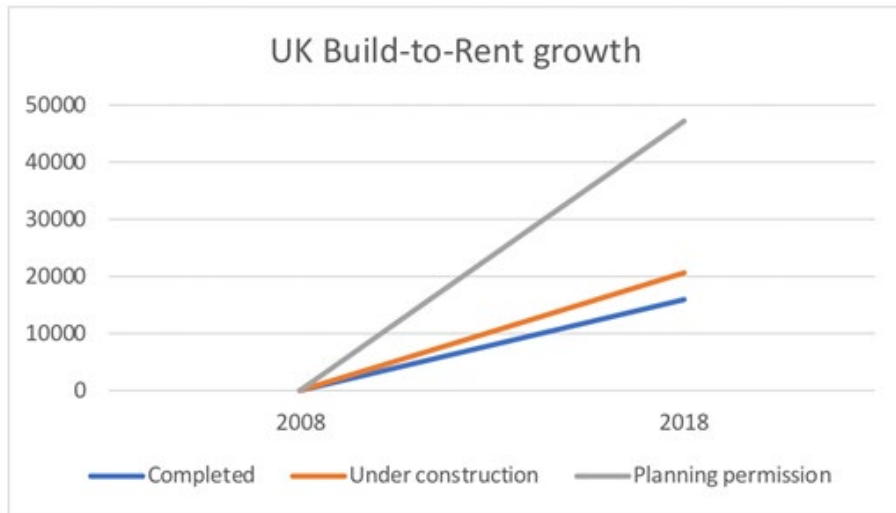
Development of Build-to-Rent in the UK

The UK embraced the concept of Build-to-Rent following the global financial crisis which had the effect of making renting unaffordable for key workers like teachers, police and nurses. The UK Government were particularly attracted to the ability of this to provide an additional volume of housing supply delivered to its undersupplied markets.

Strong support by the UK Government has encouraged Build-to-Rent over the last decade, with this national leadership now paying dividends for the tens of thousands of people benefitting from living in Build-to-Rent developments.

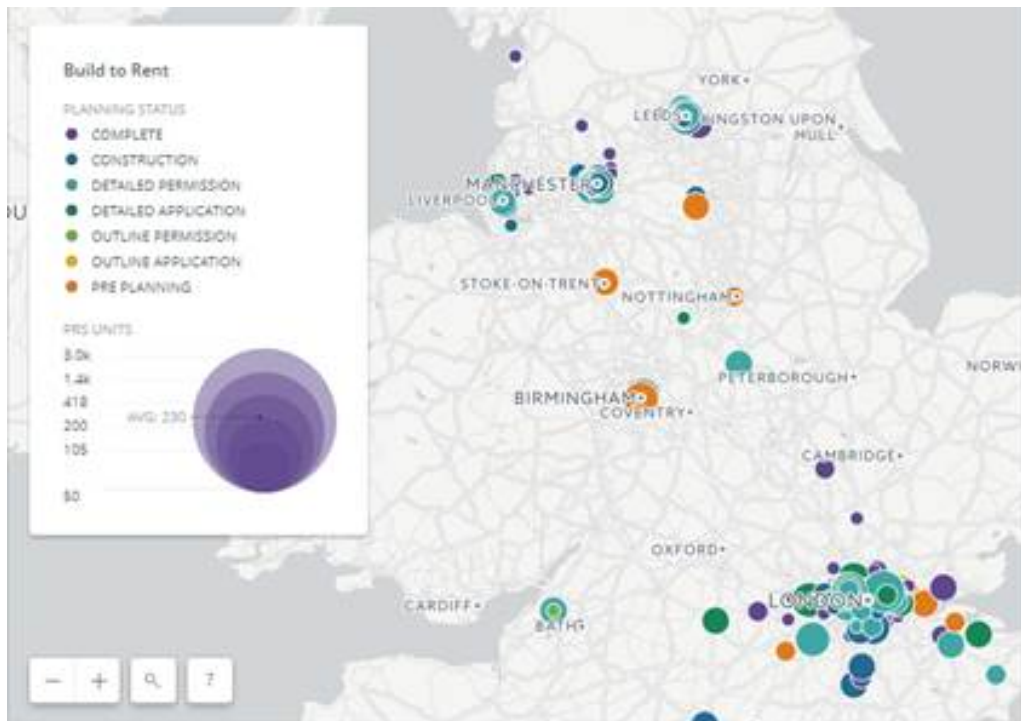
The sector has promptly delivered an unprecedented injection of new, more secure rental housing in areas of the UK, including in London where need is particularly acute.

The UK's Build-to-Rent sector has grown strongly over the past ten years, with 117,893 homes complete, under construction and in planning (see chart below). This growth has been driven by a combination of strong leadership from the UK government, supportive policy settings, community demand, private sector expertise and global capital.



Source: British Property Federation, 2018

The scale and locational diversity of new housing supply as a result of Build-to-Rent can be fully appreciated through the British Property Federation’s interactive supply map:



<http://www.bpf.org.uk/what-we-do/bpf-build-rent-map-uk>

Case study - Greenford Green

Greystar’s Greenford Green will be one of the UK’s largest purpose-designed Build-to-Rent developments, comprising almost 2000 homes, 75% of which will be available to rent.

It will transform a derelict site on the banks of London’s Grand Union canal into a vibrant mixed-use neighbourhood featuring schools, shops, restaurants, healthcare, curated outdoor

spaces and new transport connections. Apartments and homes will be offered, with resident amenities including courtyard gardens, gyms, roof terraces and resident lounges.

In addition, it is predicted about 1200 onsite jobs will be created beyond construction.

In the UK, Build-to-Rent housing is being delivered in regional cities, London's suburban town centres as well as central London.

With the great population debate resurfacing in Australia, Build-to-Rent provides an opportunity to ensure our cities remain liveable and growth is properly managed.

The recent release of the Creating Great Australian Cities project by the Property Council included several recommendations on how Australian cities could prosper in the 'metropolitan century.'

There are plenty of lessons to be learned from around the world – not least the UK - on how to deliver good growth for the economic and social benefit of all Australians.

Please do not hesitate to contact Belinda Ngo on [REDACTED] should you wish to discuss this submission.

Yours sincerely



Ken Morrison
Chief Executive