



## LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

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### SELECT COMMITTEE ON ESTIMATES 2022-2023

Mr James Milligan MLA (Chair), Mr Andrew Braddock MLA (Deputy Chair),  
Dr Marisa Paterson MLA

### ANSWER TO QUESTION ON NOTICE

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Mark Parton MLA: To ask the Minister for Housing and Suburban Development

**Ref: Budget Statement G – Housing ACT – Build to Rent**

In relation to the Build to Rent Initiative:

1. Can you please concisely provide an update on your initiatives to encourage Build-to-Rent in the ACT?
  - a. What incentives or concessions will you provide to an investor who wishes to build to rent on their own land i.e., not land the government sells for the purposes of BTR?
  - b. Will there be any mechanisms in place to prevent a BTR project that receives government concessions to be strata-titled and sold off individually at some point in the future?

**Ms Yvette Berry MLA: The answer to the Member's question is as follows: –  
This matter falls within the responsibilities of the Treasurer. I have consulted with the Minister and can advise that:**

Up-to-date information on initiatives to encourage Build-to-Rent in the ACT can be found in the Build-to-Rent prospectus at <https://www.treasury.act.gov.au/infrastructure-finance-and-reform/build-to-rent>.

1 (a) In November 2022, the Government will invite expressions of interest for Build-to-Rent developments that include an affordable rental component of at least 15 per cent. Incentives will only be offered for developments with an affordable component.

What the Government provides will in part depend on what the market requests, however examples include the following financial incentives over the life of the program – a land tax concession, a deferral of payment of a Lease Variation Charge (LVC), or a direct subsidy that contributes to the cost of providing the affordable rental component. Ongoing financial assistance will be preferred to ensure continued provision of the affordable rental.

The Government may also contemplate some upfront financial assistance such as an LVC concession, or a grant to assist with development costs, although this would be dependent on the project meeting delivery milestones and demonstrating the achievement of the Government's objectives and requirements over time.

The Government will not consider a concession on General Rates or the Foreign Ownership Land Tax Surcharge.

An LVC discount can also be requested for developments with an affordable rental component managed by a registered Community Housing Provider.

1 (b) Government incentives will be offered for the delivery of affordable rental over a fixed time period. It is not envisaged that there will be ongoing requirements after that.

For Build-to-Rent developments on land released by the Government, the crown lease will require any development to have no unit titling on the residential dwellings. This will significantly reduce ongoing property tax liability and support long-term rental operation of the residential dwellings.

Projects on land not released by the Government, will be assessed on their individual merits. The timing of government assistance will align as much as possible with the delivery of the affordable rental over the specified time period.

Approved for circulation to the Select Committee on Estimates 2022-2023

Signature:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned over the signature line.

Date: 15/09/22

By the Minister for Housing and Suburban Development, Ms Yvette Berry MLA