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Australia's Housing Famine

24 June 2026

Introduction

Food and shelter are two of the most fundamental necessities.

If there was a food shortage, would people treat food as an investment asset? Would they take out huge loans to buy food and hoard it to sell it later for a profit while others starve? For housing, this is exactly what has been happening.

There are material and moral parallels between a famine and the housing shortage. The similarities point the way to a solution for the housing shortage.

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A Solution for the Housing Shortage

Major Strategy: Implement a Tax on Empty Residences

This strategy is designed to make ownership of empty residences prohibitively expensive.

A tax would be levied on empty residences as a percentage of the property value.

If a residence is neither anybody's principal place of residence nor used for most of the time as temporary accommodation then the empty residence tax will be applicable to it.

An owner of an empty residence will have to choose between paying the tax or selling the residence or renting out the residence or using the residence as a residence.

The result will be that eventually nearly all privately-owned residences will be owned either by owner-occupiers or by investors who rent out their properties.

With many owners disposing of empty residences to avoid paying the tax, property prices will fall. Some empty residences will become available as long-term rentals, which will solve the rental shortage. Residences will become more available and more affordable for owner-occupiers. With property prices falling and with more rentals becoming available, rents will fall.

This strategy would take a year or two to gradually solve the housing shortage.

The only other strategy that could have a similar impact would be to dramatically increase the rate of housing construction, which is not a realistic option.

It is shown later in this article that there are at least half a million residences in Australia that are empty for most of the time. If all the unused and underused residences had people living in them then there wouldn't be a housing shortage.

Most residences that are not used as residences are owned by people who have bought a second residence to use as a holiday home.

Many residences that are not used as residences are short-term rentals.

Some empty residences are owned by speculators and investors who have borrowed money to buy property at interest rates that are lower than the rate of property price appreciation. They avoid the hassles that landlords sometimes experience with tenants, while still hoping to make a profit. In recent years, due to steeply rising property prices, some investors have made enormous capital gains by just sitting on empty properties.

Some empty residences are owned by people who reside overseas. Some of these owners are Australian citizens and some are not. Many have never lived in Australia. They own property in Australia for a variety of reasons such as for investments and such as for occasional use when they visit Australia.

It is inevitable that property prices will fall as a result of this new tax, which is of course one of the reasons for implementing it.

There are many alternative ways to structure the tax.

An empty residence tax has the potential to crash the property market. To prevent this from happening, the new tax will have to be implemented gradually. The progression of the tax rate can be designed to ensure that the property market is able to absorb the inflow of properties, with prices falling gradually rather than steeply.

For example, the tax rate could initially be set at close to zero for the first year of operation and then raised annually in 1% increments. Alternatively, it could start at zero and increase by, for example, 0.25% each quarter.

It might be preferable for 500,000 empty residences to hit the market gradually over five years, rather than quickly over two years.

High-value residences being put onto the market do not help much to reduce the housing shortage because relatively few people can afford to buy them. A tiered tax rate corresponding to different valuation brackets would prevent a disproportionately high number of higher-value properties from being dumped onto the market. The higher the property value, the lower the tax rate. Alternatively, there could be a cap on the tax payable for each empty residence

Unlike most taxes, where the tax rate for the coming year is known well in advance, this is a tax that may require some adjustment to the tax rate during the year. So, if residences were coming onto the market too quickly to be absorbed, then the tax rate could be reduced at short notice. To ensure that taxpayers are able to plan their finances, any intra-year adjustments to the tax rate can only be in a downwards direction.

Another advantage of a gradual implementation of the new tax is that it would give owners of empty residences plenty of time to weigh up their options and adapt.

Taxing empty residences is analogous to discouraging the hoarding of food during a famine.

An eventual tax rate of four or five per cent of the property value might be enough to make ownership of an empty residence so financially painful that it would deter most people from buying a residence with the intention of not using it as a residence.

A tax on empty residences allows people who are very wealthy to continue to own holiday homes if they wish, but only if they are willing to pay a hefty tax for the privilege.

Although raising revenue is not one of the main aims of the tax, the tax might raise a substantial amount of revenue in its early years. The proceeds could be used for such things as shelters for the homeless and expediting the construction of new residences for owner-occupiers.

Minor Strategy: Reduce Immigration

A high rate of immigration increases the demand for residences, fuelling the housing shortage and pushing up prices.

Reducing immigration would help to prevent the housing shortage from getting worse and it would help to prevent a chronic shortage of housing from recurring in the future. However, for housing, it is not the magic bullet that many people seem to think it is.

Reducing immigration cannot solve the housing shortage.

If immigration was completely halted then there would be neither a reduction in the size of the population nor an increase in the availability of residences. The demand for housing and the supply of housing would both be unchanged.

The housing shortage would still persist until the rate of housing construction catches up with excess demand. This could take many years, or possibly decades.

Apart from the housing shortage, there are many other reasons why some think that immigration should be reduced, related to the availability of essential infrastructure and services, and related to cultural issues. A policy of reducing immigration has already been adopted to varying degrees by most political parties.

Some immigrants arrive as asylum seekers.

International agreements relating to asylum seekers were developed after the second world war when the world was a very different place from today.

Many think that the current asylum seeker system is no longer appropriate for the modern world and ought to be replaced with a system that abolishes Australia's asylum seeker obligations and gives Australia a free hand to detain and deport asylum seekers who arrive without prior approval.

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About Short-Term Rentals and Holiday Homes

Short-stay rentals began as a way to rent out spare rooms. The short-term rental market soon evolved into renting out whole residences.

The number of short-term rentals is still growing. There appears to be more of them than what is actually needed. Some of them appear to be empty for much of the time.

Operating a short-term rental business is attractive to investors because it can generate higher returns than long-term rentals. It also gives owners more flexibility about how they use their property. Also, owners are not bound by laws that protect the rights of long-term tenants and there is less risk of suffering the sort of financial losses that a bad tenant can cause.

Converting a long-term rental into a short-term rental may be wonderful for property investors, but it frays the fabric of society because it reduces the number of long-term rentals that are available.

Increasingly, some local councils are using zoning systems and licence fees to regulate the number of short-term rental properties. Councils may do this to prevent the number of long-term rentals from being reduced. Sometimes, councils regulate short-stay rentals because of sociological issues that they can cause.

At a national level, policies should be aimed at short-term rentals that are empty for much of the time, so that there would be more residences that are actually used as residences.

Short-term rentals that are run as a genuine business provide a useful service to society. The empty residence tax should be constructed so as not to adversely impact the owners of short-term rentals that are rented out most of the time and that are genuinely available to rent all the time.

For example, because it is not always possible for a genuine short-term rental to be occupied all of the time, there would have to be a realistic allowance for empty time.

For short-term rentals that are empty for much of the time, the empty residence tax would be applied in proportion to the amount of time that the property is empty, and there would be no allowance for empty time.

According to a 2014 research report from Roy Morgan Research, one in forty Australians owns a holiday home.

Although this information is a bit out-of-date, it gives an indication of what the numbers are today, which are probably higher. Based on Australia's current population of about 28,000,000 people, there would be about 700,000 holiday homes.

An ABC (Australian Broadcasting Corporation) news report about census data in September 2022 indicated that more than 346,000 residences were being operated as short-term rentals. This figure appears to include some holiday homes as well as residences that are dedicated to short-term stays.

From this information it can be deduced that at least half of holiday homes are never rented out at all. Of the holiday homes that are sometimes rented out, many are rented out for only a few weeks per year. So overall, there are probably at least 500,000 holiday homes that are empty for most of the time.

Some owners of holiday homes offer their properties as short-term rentals or holiday rentals to generate some income.

There used to be substantial tax advantages from renting out a holiday home for just a few weeks per year. This has recently changed. A holiday home that is not genuinely available for rent at all times, including during peak holiday periods, is now classified by the tax office as a leisure facility, and tax deductions are no longer allowed for it except for costs that have been directly incurred in renting out the property.

If the tax office classifies a residence as a leisure facility, and if it is not anybody's principal place of residence, then the empty residence tax would be applied to it in proportion to the amount of time that the property is not rented out.

When they go on holiday, holidaymakers who no longer own a holiday home will have to lease a holiday rental or stay in a short-term rental or stay in a hotel or go camping or maybe buy a caravan with some of the money they receive from selling the holiday home.

A reduction in the number of holiday homes will create an opportunity for some holiday homes to be converted into profitable short-term rentals or holiday rentals to meet the increased demand. This should mean that there will be plenty of accommodation options for holidaymakers to choose from.

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Economic Issues

There will be Economic Knock-On Effects

It is inevitable that there will be winners and losers as a result of any change.

As has been observed following the recent budget, there will be howls of outrage from vested interests.

Much economic modelling is required before any practical new taxation policy can be optimised, including an analysis of possible economic knock-on effects. Otherwise, new problems may be created that probably could be avoided with careful forethought.

For example, if a particular housing policy resulted in a substantial reduction in bank lending for property purchases, then the profitability of the banks would be impacted, which would have knock-on effects on shareholders including retirees and superannuation funds, which in turn could have knock-on effects on the number of people who depend on welfare benefits such as the means-tested age pension.

The risk that bank profits might fall could be used as an excuse for not making any reforms. If stamp duty revenue falls then state governments might disappear into financial black holes.

The reforms described in this article will lead to lower property prices, but because empty properties will be forced onto the market the number of sales should rise as there is an excess of demand over supply.

A Thriving Rental Market Must be Preserved

It is important to ensure that a thriving rental market is maintained. Taxation policies should be framed so as to not discourage property investors from operating a business of renting their properties to long-term tenants.

It must remain feasible for an investor to be able to operate a profitable rental business. Otherwise the availability of long-term rental properties will shrink.

One of the reasons why rents have risen so high is that demand for rentals is higher than the available supply. This is elementary economics. At the moment, the supply of rental properties needs to be increased.

So, although it may seem counter-intuitive to some people, until the housing shortage has been resolved there is a sound economic argument that tax incentives may be justifiable for properties that are used as long-term rentals.

At the same time, it must not become so profitable to own rental properties that investors drive up property prices and push owner-occupiers out of the market.

Alternative Strategies - Restrictions on Borrowing or Buying

Here are two minor alternative strategies that could be implemented quite quickly, to be used in the interim until the empty residence tax can be implemented.

A minor method of helping to prevent the current housing shortage from getting worse would be to restrict the borrowing of money to buy a residence. A residential property loan would be approved only if a residence is either intended to be an owner-occupied residence or is intended to be a long-term rental.

This strategy would not solve the housing shortage. But it would prevent some residences from being removed from the housing stock by being turned into holiday homes.

Cash buyers would still be able to buy properties and then do whatever they like with them. To completely prevent any residences from being turned into holiday homes, there would need to be an outright prohibition on buying a residence unless the residence is either intended to be an owner-occupied residence or is intended to be a long-term rental.

If either of the above methods of restriction is adopted then, in many cases when a holiday home is put onto the market and sold, it would automatically be compelled to become a residence that somebody lives in.

An Alternative Strategy - Reform of the RBA

Another strategy that would reduce house prices would be to reform some aspects of the operations of the RBA (Reserve Bank of Australia).

For example, 2% is the inflation target for some countries that are comparable with Australia. Lowering the RBA's inflation target from its current 3% to 2%, which would be a relative change of 50%, would result in structurally higher interest rates which in turn would depress property prices. Inflation would also be lower.

Another possible reform would be reducing the emphasis given to unemployment by the RBA when setting interest rates. Some think that unemployment is a complex issue that is potentially influenced more by political policies than by interest rates. Some even think that compelling the RBA to make unemployment a main component of their deliberations is just a strategy designed to keep interest rates low.

Higher interest rates would be extremely unpopular with borrowers and media commentators. Media coverage of interest rates generally concentrates on the effects on borrowers rather than on savers. Commentators habitually treat mortgage holders as a protected species.

The media backlash and propaganda fallout from any reforms that would lead to higher interest rates would be so severe that it would probably mean death at the polls for any political party that announced that this was one of its policies. Any government could of course reform the RBA just after they have won an election, and then hope that the reforms would be forgotten with the passage of time before the next election.

Greed is Aspirational

Probably the biggest freeloaders in Australia are wealthy people who go to extremes to avoid paying taxes. It appears that one of their tricks is to flood the media with misinformation in the hope of swaying public opinion and influencing politicians.

Taxation changes in the recent budget mean that an investor's capital gains will no longer be subsidised from taxes on other peoples' wages. It seems hard to believe, but many commentators have expressed outrage about this attempt to bring greater fairness to the taxation system. The changes have even been branded as anti-aspirational.

Several pundits have claimed that the changes will have a major impact on investment choices. Their logic is flawed.

Apart from investments in existing residences that are now much less attractive than before, and apart from investments in new residences that are still nearly as attractive as before, all capital investments are equally less attractive than before the budget. So, there is no reason to change investment choices.

Comments made by aggrieved investors about mounting an investment strike are irrational. Investors with money to invest will still invest it somewhere, unless they are planning to hide their money under the mattress. Even a term deposit is an investment, although it is not taxed as an investment asset. In any case, a term deposit may be channelled through the banking system to some other investor.

Several comments have been made about companies choosing to invest overseas rather than in Australia. But the corporate tax rate has not changed, so what on earth are they talking about?

At an individual level, investing money overseas does not change the personal tax rates that Australian residents have to pay.

It is claimed that there are some innovative Australian entrepreneurs who may emigrate to countries that have lower taxes than Australia. But most businesses are not built on things that are internationally portable, such as intellectual property, so most businesses don't have the option of moving overseas.

In summary, despite all the economic misinformation that appears in news bulletins and TV programs and investment websites, it is highly likely that investment choices will not change much because of the recent budget taxation changes. Except for property investors, who will now definitely be less likely to buy existing residences.

By reducing the attractiveness of property investing, the recent budget encourages property investors to instead invest their wealth into assets that might actually generate new wealth for the economy.

Aspiring tycoons who leave Australia will be helping to solve the housing shortage. Each one that leaves frees up a residence for somebody else to live in. And maybe they will sell their holiday homes as well.

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Taxation Issues

An empty residence tax is likely to be vigorously opposed by those with vested interests. Extraordinary measures are likely to be used to try and circumvent it.

Penalties for infringements may need to be draconian to deter evasion of the tax.

Legislators often pander to special interest groups who clamour for dispensations, exemptions, special cases and carve-outs. Quite apart from undermining the fundamental purpose of the legislation, the more exceptions that are included then the greater will be the scope for finding tax avoidance loopholes.

Definitions Will Need to be Precise

An empty residence tax would be groundbreaking. Considerable thought must be applied to defining the central concepts.

The three most important definitions will be for:
- "residence".
- "principal place of residence".
- "empty residence".

The definition of a "residence" for the purposes of this tax may differ slightly from other usages of the word. It would probably be necessary to restrict its meaning to buildings that are categorised under the building codes as being either class 1 or class 2 residences, and that are fit for habitation.

Empty blocks of land, blocks of land that have only a caravan or a class 10 structure (such as a shed or a garage), class 3 buildings (such as hostels and hotels) and class 9 buildings (such as aged care facilities) would not be included.

Unapproved dwellings could not be included because otherwise the tax would be levied on an empty dwelling that is illegal to be used as a dwelling. Local councils have responsibility for unapproved dwellings.

The definition of "principal place of residence" already exists in tax law, from the capital gains tax exemption that applies to a property owner's home.

The concept of a person's "principal place of residence" is at the heart of what makes this tax reform practical. It is a very specific thing that is determined by a person's circumstances. It is practical because it is verifiable.

A data item for a person's "principal place of residence" will need to be added to individuals' tax returns.

Residential landlords will be required to obtain the tax file numbers of each of their lessees and tenants and supply them to the tax office. Using data matching, the tax office will then be able to detect when a person rents a residence and uses it, for example, as a holiday home.

With the exception of short-term rentals and other types of temporary accommodation, the essential elements of the definition of an "empty residence" would be that the residence is not the owner's principal place of residence, and it is not anybody else's principal place of residence.

For example, a holiday home that is not a short-term rental would be an empty residence because it is never occupied by anybody as their principal place of residence.

For the purposes of this tax, legislation will have to define the proportion of time that a property has to be empty to be classified as empty. Another temporal issue is whether the tax would be applied on an annual, quarterly or monthly basis.

The set of definitions relating to an "empty residence" must recognise that some residences that are not anybody's principal place of residence are used as genuine short-stay rental businesses. Short-stay rental properties that are rented out for most of the time would not be classified as empty residences. Short-stay rental properties that are rented out occasionally would pay the empty residence tax in proportion to the amount of time that they are empty.

Trusts and Charities

Many trusts and charities own residences.

It is unlikely that there would ever be a good reason in the public interest why a trust or a charity would own a residence that is intentionally kept empty for most of the time.

The most common reason for establishing a trust is tax avoidance, although changes in the recent budget will have reduced the attractiveness of trusts whose main purpose is tax avoidance. The main purpose of a few charities also appears to be tax avoidance.

Legislation for a tax on empty residences must ensure that there are no exemptions for trusts or not-for-profits or charities. Otherwise there will be a mushroom explosion of empty residences being transferred to them.

Examples of Details to Consider

Developing a foolproof tax will require consideration of a multitude of factors. Care must be taken to ensure that the devil does not get into the detail.

Here are a few examples of the types of questions that must be considered.

One of the purposes of including these examples here is to demonstrate that an empty residence tax is a perfectly viable and practical tax that could be administered efficiently. It would genuinely be feasible.

Q.
If the owner of a holiday home rents the residence that they live in and does not own any residence other than their holiday home, then wouldn't it be fair if they were exempted from paying the empty residence tax on their holiday home?

A.
No, the tax would apply to all residences that are empty. An exemption such as allowing each person to own one empty residence free of tax would undermine the purpose of the tax. The owner of the holiday home is not a special case. The owner could choose to sell the holiday home and use the proceeds to buy a residence to live in.

Q.
What happens if somebody takes out a lease on a rental property and then leaves it empty for most of the time?

A.
The empty property tax would apply to all residences that are empty for most of the time. In this example, the tax would be payable by the renter. The tax office will be able to detect when a person rents a residence that is not used as their principal place of residence. To avoid the tax, the renter would be required to show that the residence is not an empty residence, for example if it had been sublet.

Q.
If a couple own their residence and also own a holiday home elsewhere, can one of them claim that the holiday home is their principal place of residence to avoid paying the empty residence tax on it?

A.
No, the empty residence tax would be payable on the holiday home because it is empty for most of the time. A claimed principal place of residence must be genuine. The tax office will be able to detect many fraudulent assertions about principal places of residence from the information that they possess about people's employments.

Q.
If the owner of their principal place of residence goes overseas to live, leaving the residence vacant, would the empty residence tax be payable on the residence?

A.
Yes, the tax would be payable. In this example, the property becomes an empty residence and it would no longer be the owner's principal place of residence. To avoid paying the empty residence tax, Australians who go overseas to live will either have to sell their residence or rent it out. Alternatively, if the property is not actually empty, for example if a family member or a friend lives there while the owner is away, then the empty property tax would not be applicable. The property would have become the principal place of residence of whoever is living in it.

Q.
Will the empty residence tax act as a deterrent to new builds, because some new residences might not be sold until some time after they have been completed, and also there may be a delay before the first owner moves in?

A.
No, the tax would not deter new builds. A reasonable amount of time would be allowed for new residences to remain empty until they are sold and until they become occupied.

Q.
There are many normal reasons why a residence may become empty for a while. For example, renovations, illness, death, change of job, moving house, house for sale, temporary postings, etc. Will the tax be applicable during these times?

A.
For most of these example reasons, the residence will still be somebody's principal place of residence, so the tax will not be applicable. If the residence is nobody's principal place of residence, for example while renovations are being carried out before a new owner or tenant moves in, then temporary exemptions for reasonable purposes will be granted on request.

Q.
What happens if a natural disaster causes some residences to sit empty for a significant amount of time?

A.
Exemptions would be granted where force majeure can be demonstrated or where a

residence is not fit for habitation.

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Political Issues

Feasibility of Getting Elected to Implement the Tax

According to various media reports, approximately one third of Australians live in homes that are owned outright, one third live in homes with a mortgage and one third live in rentals. These figures are probably not very accurate, but will be used here as a rough guide.

According to other media reports, one third of young people now have no prospect of ever being able to afford to own a home. Presumably the parents of these people would be from homes in all of the three groups mentioned in the previous paragraph.

These figures can be used to generate an approximate estimate of how many people might vote for a political party if it adopted a policy of implementing a tax on empty residences.

The one in forty Australians who own a holiday home can be ruled out straightaway, but that is only 2.5% of the population. Many of them will have families, so the 2.5% expands to, at a guess, 10% of voters who would strongly oppose a tax on empty residences because of a vested interest.

Most renters would probably approve of the tax. So, at a guess, maybe up to 30% of voters.

That leaves 60% (100% - 10% - 30%) of voters whose votes cannot be predicted by this analysis. Safe to say that many of these 60% would oppose the tax. But only 21% of the 60%, about one third, would need to support the tax to push the supporters of the tax into a majority.

A majority is not beyond reach. For example, many of the young people whose parents own their own homes or are paying off mortgages are among the one third of young people who are shut out of the property market.

These ballpark figures demonstrate that there is, at the very least, a large untapped potential for a political party to capture a lot of votes if they adopted a policy of a tax on empty residences.

Which Party Could Implement the Tax?

The reaction to the recent budget has demonstrated that a political party that increases taxes on the wealthy, even if it is done in a fair manner, will be comprehensively savaged by the media. From this it can be predicted that an empty residence tax will be treated similarly. Economic misinformation will flood the airwaves and the internet.

As a generalisation, it seems unlikely that many people who are wealthy would support an empty residence tax.

It has become part of Australian culture that residences should be treated primarily as investment assets rather than as places where people live. Also, for many Australians, owning a holiday home is considered to be a perfectly reasonable aspiration, if not an absolute birthright. It is likely that many voters will stick with political parties that oppose the tax.

It is thought that many of the leading lights of the main political parties may own holiday homes. For example, realestate.com.au reported on 6 November 2024 that the prime minister bought a *"$4.3 million clifftop mansion ... on NSW's Central Coast"*. It seems unlikely that this would be his principal place of residence because he has an official residence in Canberra where he must spend most of his time while working in his job as prime minister. Perhaps the mansion will become his principal place of residence when he retires.

If ownership of holiday homes is common among senior politicians generally, then the probability of any of the main political parties supporting an empty residence tax would be close to absolute zero.

Liberal/National Parties and One Nation

Senior figures in the Liberal/National and One Nation parties have made comments about rolling back the reforms in Labor's recent budget. Their comments suggest that they have a substantial bias in favour of wealthier people to the detriment of poorer people.

Their promises to roll back Labor's budget reforms indicate that all of the right-wing parties would automatically oppose an empty residence tax.

Labor Party

Labor's recent budget changes create an impression that the Labor party understands that distortions of the property market are not good governance. However, one of the biggest distortions of the property market was the recent introduction by Labor of the 5% first home buyer deposit scheme.

Before implementing this scheme, the government used taxpayers' money to commission an economic study that conveniently concluded that the scheme would have only a minor impact on property prices. Even Blind Freddy could see that this was nonsense and that the impact on property prices would be substantial, which indeed turned out to be the case.

Even before the scheme began, property prices rose substantially in anticipation. The effect of the scheme on property prices has been a huge distortion. First home owners now have much bigger mortgages. This was not the only distortion that the scheme caused.

Senior Labor figures proclaimed that the scheme would enable first home buyers to own their first home years sooner than otherwise. Which is indeed true. What they didn't bother to mention was that the scheme did not just make it less feasible for property investors to compete against first home buyers for entry-level properties. Homeseekers who had previously owned a home, but no longer did so, found that they could not compete with first home buyers either.

What the distortions caused by the first home buyer deposit scheme reveal is that many Labor politicians appear to have a poor grasp of economics. Otherwise they might not have supported the scheme. A poor understanding of economics would also explain why so few Labor politicians seem to get actively involved in economic debate, such as the debate about the recent budget changes.

Therefore, it can be expected that the Labor party will blindly follow whatever economic policies are adopted by its leadership. It is not too difficult to predict what the Labor leadership's views would be about an empty residence tax.

The Greens

According to website greens.org.au, the Greens' housing policy is:
- Stop unlimited rent increases.
- Bring down mortgages.
- Phase out tax handouts going to wealthy property investors with more than one investment property.
- Build public & affordable homes.
- Establish a National Renters Protection Authority.

Nothing about a tax on empty residences there. However, the Greens have not totally ignored the issue. In the same website, the Queensland Greens have a housing wishlist that has a policy about vacant dwellings near the end of the list at item number 27.

27. Use financial disincentives such as targeted rates categories, levies or land taxes to discourage investment property owners from leaving dwellings vacant for more than six months.

Item 27 shows that the Queensland Greens already support a tax on empty residences, although they have identified less than an outer shell of the concept. Being near the bottom of their housing wishlist, it is probably not one of their most important housing priorities. They don't seem to have realised just how effective an empty residence tax could be.

There is insufficient detail in item 27 to see how the Greens would operate the tax, or even how they would know when a residence is not being used as a residence. This is typical of Greens' policies. The Greens' lengthy wishlists are full of Utopian idealistic dreams, but lacking in practical details about how to implement anything in the real world.

It is of particular concern that if the Greens were to achieve even only half of their housing aims, the number of private sector rentals would probably fall dramatically. Idealists don't seem to be able to understand the concept of "action and reaction". If they did, then they probably wouldn't be idealists.

The Greens' policies are so full of impractical ideological fantasies that it seems unlikely that the Greens would ever be capable of putting together a viable roadmap for implementing any tax. However, it is conceivable that the Greens might vote in favour of an empty residence tax if another party introduced it.

There is a risk that the Greens might attempt to hijack what is a realistic and practical reform and superimpose their unrealistic and impractical ideologies onto it. A green version of an empty residence tax would probably be unworkable.

There is also a risk that some wealthy owners of holiday homes may be influential in the Greens party. This is an unknown. There must be some reason why the Greens have never developed more than an empty half-shell of a policy about empty residences.

An Empty Residence Tax Would Need a New Party

The door is wide open for anybody to seize the opportunity to fill the political vacuum that exists because of the absence of a realistic plan for solving the housing shortage.

There will be an unusually strong political differentiation between the party that introduces an empty residence tax and most of the other parties. All the other main parties, with the probable exception of the Greens, can be expected to oppose the tax.

The prospect of an empty residence tax is sufficiently divisive to cause many voters to switch parties in one direction or the other.

If some reformers of social injustice were to set up a new party with a central policy of implementing an empty residence tax, then there could be a political earthquake that would be bigger than if One Nation wins the next election.

The above voting analysis, albeit simplistic, indicates that if a political party promised to implement an empty residence tax then that party would have a good chance of winning seats. To improve the odds, a new party could borrow other policies that have already been proven to be popular. No party has a monopoly on policies.

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Summary and Conclusions

The only thing that can solve the housing shortage is more houses. Although reducing immigration would help to prevent the housing shortage from getting worse, it would not increase the availability of houses.

Implementing a tax on empty residences is the standout strategy that would solve the housing shortage. It would make upwards of 500,000 empty residences available to be used as residences.

An empty residence tax can be implemented only if the government buries the concept that residences are primarily investment assets rather than places where people live. Owning an empty residence must become financially toxic.

None of the main political parties has a plan that can solve the housing shortage in a reasonable timeframe.

There is a political vacuum waiting to be filled. The door is wide open.

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contact@oldtreeland.com
(If a reply is not received then please check your junk mail folder.)