State Budget Analysis 2026-27 – Housing Highlights

By Dr Sherman Chan, Chief Economist

Australian Capital Territory

Demand-side measures	Supply-side measures	API commentary
• Full exemption of stamp duty for first home buyers, pensioners, eligible NDIS participants and all home buyers who have not owned a property in the last five years (effective 1 July 2026) • Stamp duty concession for off-the-plan purchases by owner-occupiers to be made permanent • Commercial stamp duty tax-free threshold to increase to $2.1 million	• $364 million for 450 public housing dwellings • $183 million for public housing repairs and maintenance, returning existing vacant stock to the public housing pool • $90 million in capital funding for 1,000 property renewals and 400 more public housing by June 2027 (Growing and Renewing Public Housing program and Social Housing Accelerator Program) • $1 million to commission the Canberra House Pattern Book to deal with shortages in the missing middle housing types (e.g. dual occupancy, terraces and townhouses) • Temporary 50% remission of the Lease Variation Charge for developments in specific zones to support uptake of missing middle housing developments	• Stamp duty is an important revenue source for state and territory governments. However, it is commonly regarded by the market as a tax that hampers the effective allocation of properties (e.g. it discourages downsizing as the new purchase will incur stamp duty). A survey conducted by the Australian Property Institute has also found that the stamp duty is considered the policy most in need of a review by government to improve economic conditions. • The ACT will be the first jurisdiction in Australia to abolish stamp duty for all first home buyers, with no price cap and no requirement to purchase new dwellings as part of a wider program to eventually convert all stamp duty to land tax/rates. This will support first home purchases. However, it is the expanded exemptions that will serve as an experiment to test the impact of stamp duty removal on market activity. For example, would it result in people more readily moving to the dwellings that most suit their needs?

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New South Wales

Demand-side measures	Supply-side measures	API commentary
• No new policy measures that would materially influence housing demand • First Home Owner Grant of $10,000 and transfer duty exemptions/concessions for eligible first home buyers to continue	• Establishment of a Modern Methods of Construction facility to manufacture prefabricated housing components that can lower overall build costs and accelerate housing delivery • Expansion of the Pre-Sale Finance Guarantee with an extra $80 million for community housing development projects • Establishment of the Development Coordination Authority to coordinate cross-agency advice in the development assessment process and serve as the key point of contact for planning matters (effective 1 July 2026)	• The Australian Property Institute estimates that for the first 18 months of the National Housing Accord's five-year target, NSW has only delivered 61% of its share of the housing target (pro rata), representing a shortfall of 44,000 new dwellings. Without appropriate efforts to fast-track housing delivery, the shortfall will continue to grow. Therefore, the NSW Government's focus on accelerating housing supply in the Budget is a welcome approach. • However, the overall focus on housing is not sufficiently strong in this Budget. Not only was the word "housing" not mentioned at all in the NSW Treasurer's Budget Speech, there were very few housing-related measures in the Budget. Those announced are on the right track, with the Development Coordination Authority streamlining the development assessment process and the Modern Methods of Construction facility aimed at lowering construction time and cost. However, they are enabling reforms with long lead times that do not address the binding constraint on delivery, which is project feasibility (construction cost, interest rates and finance), so they remain moderate against the magnitude of the housing shortage. More government efforts are required, e.g. providing incentives to stimulate private investment (property development) to accelerate housing supply.

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Northern Territory

Demand-side measures	Supply-side measures	API commentary
• HomeGrown Territory grant (up to $50,000 for eligible first home buyers purchasing or building a new home) extended to 30 September 2027 • Freshstart grant (up to $30,000 for buyers of new homes) extended to 30 September 2027 • Headlining a record $1.7 billion package to improve public order and community safety	• $100 million for the Flood Recovery Fund and $30.5 million Roads Repair Package to rebuild critical infrastructure and support disaster recovery • $782 million for new and upgraded housing (both remote and urban), infrastructure to support land release and improved community amenities	• Although the NT Budget has placed a strong focus on law and order, the extension of the HomeGrown Territory grant and Freshstart grant indicate that the NT Government is mindful of the ongoing need to boost housing supply. The grants are designed to stimulate demand for new builds. • A key supply-side measure from the NT Budget is to support the rebuild of critical infrastructure, as severe weather events in the past year have caused extensive damage to remote housing and infrastructure. This is a welcome move in terms of supporting disaster recovery and construction activity, but the rebuild of damaged housing will not increase the overall housing supply. More still needs to be done, e.g. attracting private investment in property development and growing the local construction workforce.

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Queensland

Demand-side measures	Supply-side measures	API commentary
• Abolishment of stamp duty on new homes for first home buyers • First Home Owner Grant of the boosted $30,000 for building or purchasing new homes to continue for another four years • Boost to Buy home ownership scheme to continue, allowing a lower deposit and government equity contributions • Record cost-of-living relief package in Queensland's history, which includes 'Permanent 50 Cent Fares'	• Round 2 of the Residential Activation Fund to be doubled to $1 billion to unlock 'thousands of new homes' • Investment of $5.725 billion over four years to build new social and community homes (with a commitment of 53,500 social and community homes by 2044)	• For housing, the Queensland Budget shows a strong focus on government investment and delivery. While the government's commitment to housing delivery is welcome, there is scope to accelerate housing supply by facilitating private investment. • The abolishment of stamp duty on new homes for first home buyers coupled with the First Home Owner Grant and the availability of the Boost to Buy scheme will support first home buyers. However, it remains to be seen whether these first home buyers will find themselves competing with property investors following the recent changes to the Capital Gains Tax and negative gearing announced by the Federal Government (which encourage purchases of new builds for greater tax benefits).

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South Australia

Demand-side measures	Supply-side measures	API commentary
• Stamp duty relief for downsizers aged 60 and over who buy a new home valued up to $2 million • Increased income thresholds for HomeStart Finance's Advantage Loan and Starter Loan products • Expanded HomeStart Finance's shared equity loan scheme to include multi-storey apartment purchases • Extending HomeStart Graduate Loan to more occupational fields • First Home Owner Grant of $15,000 for new home to continue	"$2.5 billion housing package" • $1.3 billion Rent-to-Own program with 2,000 new homes for tenants to lease at 75% of market rent for up to two years, with the option to purchase the property by the end of the term • $500 million Housing Fast-Track Fund to secure and sell strategic land for housing development • $500 million Apartment Fast-Track Fund to provide pre-sale guarantee for apartment developments • $50 million for enabling infrastructure to accelerate the delivery of 400 homes for first home buyers by the end of 2027 • $30 million over five years to upgrade 300 vacant South Australian Housing Trust homes • $500,000 over two years to create a housing pattern book to reduce design costs, fast-track approvals and reduce delivery risks for builders	• The South Australian Government's housing measures can be neatly classified into one of two streams: (1) to boost housing supply and (2) to facilitate home ownership. Although the policy goals are clear, it is unclear as to whether South Australia will meet its share of the National Housing Accord target. According to Australian Property Institute's estimates, South Australia's share of the National Housing Accord target equates to over 16,000 new homes per annum. However, the South Australian Government has set its own annual housing target at 13,500 as specified in the Budget. • The requirement that downsizers must purchase a new build to qualify for the stamp duty relief will restrict the options available to downsizers and potentially limit the effectiveness of the initiative as a result.

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Tasmania

Demand-side measures	Supply-side measures	API commentary
• First Home Owner Grant of $20,000 ($10,000 base plus $10,000 additional) to support Tasmanians building a new home (Note: the grant amount of $20,000 is a reduction from the previously boosted $30,000 but nevertheless above the base of $10,000) • Expansion of the MyHome Shared Equity Program that allows eligible Tasmanians to buy a home with a minimum of 2% deposit (for property valued up to $800,000)	• Unlocking land at Dowsing Point (small former defence site near Glenorchy, about 10km from the Hobart CBD) to deliver at least 1,000 new homes	• Tasmania's share of the National Housing Accord target is approximately 26,000 new homes over five years. The Australian Property Institute estimates that for the first 18 months, Tasmania has delivered less than 4,000 new dwellings. Therefore, while it is encouraging that the Tasmanian Government is unlocking land for more new homes, the quantity may not be sufficient. • There also appears to be an over-reliance on using demand-side measures to stimulate new housing supply. There is scope to further explore supply-side measures (e.g. fast-tracking approval processes and dealing with the ongoing skilled labour shortage) to accelerate housing delivery.

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Victoria

Demand-side measures	Supply-side measures	API commentary
• Stamp duty concessions for buying off-the-plan extended to 21April 2027 • First Home Owner Grant of $10,000 and stamp duty exemptions/reductions for eligible first home buyers to continue • Headline priorities are predominately related to cost-of-living relief, which includes half-priced public transport until 1 January 2027 and a 20% vehicle registration rebate	• $860 million over five years for the Social Housing Growth Fund to deliver over 7,000 more social housing homes in the next decade • $16 million to continue with the 10-year plan (announced in 2024) for Melbourne's greenfields to unlock 180,000 new homes	• Victoria's broad mix of property-related taxes have been weighing on local market confidence. National research conducted by the Australian Property Institute has found Victoria to have one of the lowest (if not the lowest) scores for market sentiment compared to other states in recent months. • While Victoria has been one of the better performers with regards to the National Housing Accord target (i.e. with a relatively smaller housing delivery shortfall compared to other states), the recent weakness in investor confidence is a risk to the future pipeline of new homes. • Although no new property tax was announced in the latest Budget, the lack of intention to review the current taxes represents a missed opportunity to restore market confidence and revive market activity.

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Western Australia

Demand-side measures	Supply-side measures	API commentary
• Increased thresholds for first home buyers' stamp duty exemption/concession for established properties and vacant land • Increased price cap on First Home Owner Grant • Off-the-plan transfer duty concession extended for two years, with the exemption/ concession threshold increased, and the program expanded to include survey strata developments (aiming to benefit first home buyers and seniors looking to downsize) • Keystart Low Deposit Home Loan and Shared Equity Home Loan to continue, with the property price limit increased	• $1.3 billion investment in land development and enabling infrastructure to unlock land supply • $48 million for two new Housing and Infrastructure Advanced Manufacturing Facilities to support the delivery of apartments and non-residential infrastructure • $250 million Pre-sale Guarantee to help developers meet pre-sale thresholds, with the condition of at least 30% affordable dwellings • $51 million investment to grow the construction workforce, which includes 330 additional places under the GTO Wage Subsidy Program, 1,100 additional places under the Construction Visa Subsidy Program and Build a Life in WA incentive, and extension of Fee-Free TAFE into 2027 for the training of construction workers	• The supply-side measures announced by the Western Australian Government have addressed some of the key opportunities or barriers to housing delivery. However, it is important to bear in mind that it is going to take time for the results of these measures to be seen. • Meanwhile, some of the demand-side measures which primarily aim to support home ownership (instead of strictly encouraging new builds) are likely to have a more immediate impact on housing demand. Which implies that the gap between demand and supply of housing is unlikely to narrow (if not widen) in the near term.