



Policy costing

Build-to-rent	
Party:	Australian Labor Party
Summary of proposal: This proposal would amend the rules on investments in build-to-rent housing by managed investment trusts. Currently, the managed investment trust withholding tax rate on distributions attributable to these investments is 30 per cent (with the exception of investments in affordable housing). This proposal would introduce a concessional managed investment trust withholding tax rate on these distributions of 15 per cent (consistent with the treatment of affordable housing). The proposal would commence on 1 July 2019.	

Costing overview

This proposal would be expected to have a small but unquantifiable impact on the fiscal and underlying cash balances over the 2019-20 Budget forward estimates period. The proposal would be expected to have an ongoing small but unquantifiable impact beyond the 2019-20 Budget forward estimates period.

The financial implications of this proposal cannot be quantified as information is currently not collected on the level of investment in build-to-rent housing by managed investment trusts. The similar 2017-18 Budget measure to allow managed investment trusts to invest in affordable housing, *Reducing Pressure on Housing Affordability – affordable housing through managed investment trusts*, was also unquantifiable.

Table 1: Financial implications (\$m)

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

* Unquantifiable.

Data sources

The Australian Taxation Office advised that data are currently not collected on managed investment trusts investing in build-to-rent housing.

Commonwealth of Australia, 2017. *2017-18 Budget*, Canberra: Commonwealth of Australia.