Economic benefit and cost of stakeholders of build-to-rent: a case study in Australia?

- **Theme:** Urban and community resilience for sustainable development

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Build-to-rent is one of the government initiatives to address housing affordability, by providing tax or stamp duty exemption for new-build rental properties in order to attract private firms and institutions to increase rental housing supply in Australia. However, the rental rates of build-to-rent housing is up to 20% higher than the general market rate, and that will not help sufficiently to relieve the rental housing affordability crisis. The paper is to understand the economic impact on stakeholders including government, developers, investors, and tenants of build-to-rent development in Australia. A benefit-cost model is developed using a build-to-rent development project as a case study in Sydney. It is found that the short of labour and increased cost of building material reduce the developers' profit margin. There are challenges for the investors entering the new asset class. The mid- to low-income households may not benefit from the build-to-rent project. Some strategies that the government may need to consider for attracting the institutional investors to provide a long-term affordable housing for the mid- and low-income household in the build-to-rent projects. This research contributes to better understand the economic and social impact of build-to-rent housing development, and to examine strategies to improve affordability in build-to-rent housing sector.

Dr Janet Ge is an Associate Professor of School of Built Environment at the University of Technology Sydney, Australia. She is also a Category 1 UTS Research Supervisor and has supervised several PhD students. Her research focuses on the areas of the real estate industry, including property market research analysis, house price modelling, housing affordability, property development risk management, property investment and finance, and property data visualisation. Janet has attracted several industry grants on the topics of house price forecasting in Sydney, the social and economic impact study of development projects, economic appraisal of strategic conservation planning options, and effects of government housing policy on property development firms.

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