

# Media Release

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## Report Findings Recognise the Importance of Foreign Investment into New Dwellings

The Urban Development Institute of Australia (UDIA) has welcomed the release of the House of Representatives Report into Foreign Investment in Residential Real Estate, which has recommended better enforcement of Australia's foreign investment rules, but no changes to the underlying policy framework.

UDIA National President Cameron Shephard said that the report recognised the importance of foreign investment to the Australian economy, and to the supply of new housing.

"Foreign investment has helped drive new dwelling construction, creating jobs, economic growth, and millions of dollars in tax revenue for state and federal governments. It has also boosted new dwelling supply, helping to alleviate Australia's critical undersupply of housing."

"It's great to see the Report recognise this by supporting the existing foreign investment framework, which directs foreign investment into new construction, and limits the impact of foreign investors on existing dwellings."

The Report has raised concerns that enforcement of foreign investment rules has been inadequate, and has recommended a number of changes to strengthen enforcement and toughen penalties for non-compliance.

"Foreign investors that aren't complying with the foreign investment rules are likely a small minority, but they give a bad name to the vast majority who do the right thing," said Mr. Shephard.

"Any changes to the administration of the rules, such as the introduction of an application fee, will have to be very carefully considered, so that they do not unnecessarily deter law abiding investors who are working within the rules."

"Overall, the Report provides some sensible changes to strengthen Australia's foreign investment policy, and will help ensure that the Australian economy and community continues to benefit from foreign investment," concluded Mr. Shephard.

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