



7 September 2020

The Hon Daniel Andrews  
Premier of Victoria  
1 Treasury Place  
MELBOURNE VIC 3004

By email: [Daniel.andrews@parliament.vic.gov.au](mailto:Daniel.andrews@parliament.vic.gov.au)

Dear Premier,

**Urgent Need to Safely Reopen Display Homes, Lands Sales Offices, Sales Suites and Open-for-Inspections for Sales and Rentals, by appointment by 28 September**

The Urban Development Institute of Australia (UDIA Victoria), Master Builders Victoria (MBV) and Property Council of Australia (Property Council) are working together to represent the interests of our members and the broader building, construction, development and property industry.

We commend the Victorian Government for working with us and our broader industry to properly implement physical distancing and hygiene measures on building, construction and development sites, and the proactive approach that has been taken to keep the industry open and operating during the pandemic period.

We are highly confident that as our industry reopens and increases consumer-facing activities, that these practises will keep people safe and minimise the risk of COVID-19.

The building, construction, development and property industry is a fundamental plank of the Victorian economy and employs more than three hundred thousand Victorians. The industry contributes to over 45% of the state's taxation revenue. The revenue the Victorian Government receives from the transaction of property, and specifically from the purchase and sale of new housing, is a vitally important revenue stream.

In accordance with Stage 4 restrictions, display homes, land sales offices and sales suites have been closed completely in Metropolitan Melbourne since 8 August 2020 and are open by appointment only in regional Victoria.

Under the Roadmap to Reopening announced on 6 September 2020, these settings cannot reopen until November at best. With Spring being the strongest selling season, and December and January traditionally soft, this puts the future construction pipeline for the 2021 year under extreme threat.

***We are calling on the Victorian Government to immediately prioritise (from 28 September 2020) the reopening of display homes, land sales offices, sales suites and open-for-inspections, for sale and rental on an appointment basis.***

We strongly urge the Victorian Government to bring forward the opening up of these settings, by appointment, from the recently proposed date of 26 October, in order to give the new housing industry a chance at rebuilding the sales pipeline and lock in a forward workbook for the domestic building industry.



Under the Roadmap to Reopening released on Sunday 6 September 2020, it is proposed that display homes, land sales offices, sales suites and other real estate services remains Heavily Restricted and Restricted through Step 2 and 3 of the Roadmap. This means that these settings will remain closed until at least 26 October 2020. Further, these settings will only be able to be accessed by consumers if case numbers remain under 5 per day, which is an extremely low threshold and may not be achieved by the end of October.

The length of time the restrictions are proposed to be in place will mean that the new home sales pipeline will have been decimated for the months of August, September, October and possibly November, before entering the two quietest months of the year being December and January.

The extended restrictions have the potential to leave the new home sales pipeline effectively non-existent for up to six months. This possibility combined with the devastating overall impact of COVID-19 on the housing sector, will mean that the new housing sector will be severely damaged and in need of longer-term government stimulus and repair.

The extended restrictions will have a deeply significant impact on the sale and purchase of new homes, the entering and exiting of rental arrangements, and the transition of residents into a retirement village or aged care facility.

For example, Victorians looking to make use of the HomeBuilder Grant and sign a contract prior to December 31 will now be required to view and purchase a home online. Generally speaking, it takes between 8-12 weeks to contract a new home once interior and exterior selections are considered. This will ultimately lead to less HomeBuilder Grant sales and stimulus for Victoria at a time when we desperately need it.

Further, the unsustainable freeze on the otherwise safe activity of sales and inspection is particularly harmful to retirement villages. When a resident transitions to an aged care facility the village is still required, by regulation, to fund an exit payment, even if the property has not sold. These average around \$400,000 in Victoria and are usually funded by the sale of the dwelling or an equivalent sale elsewhere in the village. With a pause on real estate transactions, retirement operators have experienced a significant decrease in inbound cash inflow while cash outflows have remained unchanged as residents continue to move to aged care at the usual rate. The prohibition on real estate activity also means prospective incoming retirement residents cannot put their existing property on the market so the restriction of real estate will have a longer tail for the retirement sector.

UDIA Victoria, MBV and PCA support the Government's approach to put in place augmented guidance and increased COVIDSafe requirements when these settings are allowed to reopen. We are simply asking that this be brought forward to 28 September 2020, when Victoria is expected to move to the next phase.

To augment existing industry guidance, we are committed to providing additional guidance to members on the safe opening of display homes, land sales offices, sales suites and open-for-inspections to ensure this is done with all the appropriate physical distancing and hygiene measures in place. This will be further enhanced by the Victorian Government's requirement for COVIDSafe plans to be in place, which is fully supported.



Additional guidance for opening display homes, land sales offices, sales suites and open-for-inspections includes:

- COVID-19 induction processes on entry including temperature checking
- Public signage including bollards at entrances, signs in driveways and internal signage
- Maximum numbers of people in a facility at any one time and no more than 6 people inside at any one time
- Ensuring people keep a safe distance at all times
- Make customer registration compulsory upon entry and, where possible, use a date and time-stamped digital platform
- Separated, individual sales zones within the facilities
- Added entry and exit A-frames and internal signage to reinforce physical distancing and hygiene measures
- Creating additional sales zones within the facilities
- Discrete entrance and exits to control the movement of people through the facility
- Safe hygiene practises

On behalf of our membership and the broader Victorian community, we thank the Victorian Government for its support of the building, construction, development and property industry during this difficult time and for listening to industry associations including UDIA Victoria, Master Builders Victoria, and the Property Council, as we work night and day to maintain the employment of hundreds of thousands of Victorians working in our sector.

We look forward to working with you and meeting with your government at the highest levels on this important issue to ensure a resolution before 28 September.

Sincerely,

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