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NSW Budget on Building New Homes Positive but more is Needed to Stimulate the Housing Sector

Elements of today's NSW State Budget are welcomed by the Housing Industry Association (HIA) but still much more is needed to stimulate an under-performing housing sector.

"We welcome that the NSW Government has recognised the importance of focusing on new home building to stimulate the housing sector. The announcement that limiting transfer duty exemptions to first home buyers purchasing only newly constructed homes (including 'off the plan') from 1 January 2012 is a positive step," said HIA Executive Director, NSW, Mr David Bare.

"This move will give an exemption for eligible first home buyers purchasing a newly built home costing up to \$500,000 and partial transfer duty exemptions for homes costing between \$500,000 and \$600,000, added Mr Bare.

"The stamp duty exemptions announced in last year's budget (Home Builders Bonus) will remain in place until the end of the financial year providing stamp duty concessions to 'off the plan' purchases for all other new home buyers. HIA is disappointed that these initiatives have not been made permanent or at least extended.

"The need to match infrastructure delivery with housing supply for the long term is also critical. Funding for major rail infrastructure projects of \$314 million for the North West Rail Link and \$292 million for the South West Rail Link are essential for supporting key growth centres of Sydney and future housing development in those areas.

"We welcome the Treasurer's commitment to continue working closely with the housing industry to encourage growth. There is still much to be done," added Mr Bare.

Other positive measures in the Budget that have previously been announced include:

- abolishing the Torrens Assurance Levy ad valorem on the registration of land transfers,
- extending the reduction in State Infrastructure contributions for 6 months,
- expanding the Home Builders Bonus for empty nesters aged 55 years and over,
- Landcom releasing 10,000 lots over the next 4 years in Western Sydney.

Also released today is the NSW 2021 Plan where the Government has committed to facilitate the delivery of 25,000 new dwellings in Sydney per year. "Whilst still well below the targets needed to meet underlying demand the commitment to targets is a positive move as it drives performance measurement and accountability," said Mr Bare.

HIA is the leading industry association in the Australian residential building sector, supporting the businesses and interests of builders, contractors, manufacturers, suppliers, building professionals and business partners.

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