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NSW Budget Focuses on Stimulating an Underperforming Housing Sector

In a difficult budgetary climate, today's NSW State Budget recognises the importance of the housing sector as a key driver of the economy says the Housing Industry Association (HIA). HIA has been calling for the government to continue supporting the underperforming housing sector in NSW.

"We applaud the strengthening focus and resolve to deliver new housing in this tough budgetary environment," said HIA NSW Executive Director, Mr David Bare.

"A housing recovery is a must for NSW and can be driven largely by the state Government focussing on increasing housing supply. You can't have a healthy NSW economy without a healthy housing industry."

The announced *Building the State* package is aimed at encouraging first home buyers into the new home market by providing an additional \$8,000 to the Federal Government's *First Home Owners Grant* to a level of \$15,000 from 1 October 2012.

First home buyers of new dwellings will continue to benefit from stamp duty concessions announced in last budget but with an increased upper threshold up to \$650,000.

"HIA believes the benefits available through this package for first home buyers are at a level that should provide a real confidence boost in activity for new home construction in this sector of the market."

Whilst the Home Builders Bonus comes to an end on June 30th, non-first home buyers of new homes will now be eligible to receive a grant of \$5,000 for properties up to \$650,000.

We are pleased that the Government is prioritising funding for growth infrastructure delivery that is matched with housing and land supply. The measures include:

- the development of the new State body, *Urbangrowth NSW*, a merger of *Landcom* and the *Sydney Metropolitan Development Authority* with a focus on greenfield, urban renewal and infrastructure co-ordination.
- \$561 million for additional infrastructure aimed at stimulating housing supply with the majority (\$481 million) supporting a *Housing Acceleration Fund*, a further \$50 million for urban infill projects and \$30 million to unlock local infrastructure projects with local councils."

"Whilst first home buyers currently represent a small percentage of the market, it is hoped that these measures along with a focus on infrastructure delivery will provide the necessary stimulatory effect to the new home building market in NSW", added David Bare.

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

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