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Melbourne first home buyers enjoy 1 July

First home buyers now have 10,000 reasons to purchase a newly built home with the latest boost to government grants starting today.

First home buyers in Melbourne who purchase a new home from 1 July can look forward to saving an average of \$5258 more than those purchasing an existing home.

Reforms to the First Home Owner Grant are expected to boost the housing market in Melbourne as more first time buyers take the plunge to capitalise on the bonuses and stamp duty savings.

Master Builders Deputy Executive Director Radley de Silva said that targeting the grant to newly constructed homes would give residential builders in the region a much needed boost and support jobs.

“New housing starts in Victoria have dropped dramatically and measures like this will help stimulate a positive turnaround in activity,” Mr de Silva said.

Those buying a new house off-the-plan in Melbourne will now receive an average of \$12,798 in stamp duty discounts and bonuses - up from \$9098 (a difference of \$3700).

“Incentivising first home buyers to purchase newly constructed homes is a win-win situation for the local economy. More people will be able to afford a home and more builders will remain viable,” said Mr de Silva

“These initiatives will help our industry to rebound, support local businesses and stimulate investment in the community.”

The State Government announced the reforms to the First Home Owner Grant in April. First home buyers will receive a \$10,000 grant when purchasing a new home from 1 July valued less than \$750,000. Their stamp duty concessions will also rise for properties valued up to \$600,000 from 30 to 40 per cent, followed by another increase to 50 per cent in September 2014.

FAST FACTS

- New housing starts in Victoria have dropped 20 per cent over the past two years from 59,170 in 2010/11 to 47,600 in 2012/13.
- New housing starts are set to rise to about 48,600 in 2013/14.
- The median cost of a vacant block in Melbourne is \$212,500.
- The median cost of a house in Melbourne is \$448,000.

Media enquiries:

Laura Luvara, Media Adviser, 0466 777 059 lluvara@mbav.com.au