

Sunday, 5/3/2017

STAMP DUTY RELIEF A STEP IN THE RIGHT DIRECTION ON HOUSING AFFORDABILITY

The Andrews Government today announced their *Homes for Victorians* plan which includes stamp duty relief for first home buyers for purchases of new and existing homes, a reform that is expected to help more than 25,000 first home buyers. Under the scheme, stamp duty is abolished for first home buyers for homes up to \$600,000 and there are reductions in stamp duty for homes between \$600,000 and \$750,000.

“There is no doubt that housing affordability is a severe problem preventing many Victorians from owning their own home and that comprehensive reforms are needed to stem the tide of house price rises across the state”, said Radley de Silva, CEO, Master Builders Association of Victoria.

“There is no one silver bullet to address this issue and all actions taken must be considered in the context of the range of reforms to the industry and their possible impacts. Master Builders has been calling for reforms to address this crucial issue for years and has outlined in many previous budget submissions actions that would address these problems, such as planning reform, stamp duty initiatives and trades registration.

“Master Builders is pleased the Government has heeded our calls for stamp duty initiatives and welcomes stamp duty relief for first home buyers as an efficient and effective reform that will assist first home buyers to realise their dream of owning a home.

“House prices and rents have grown faster than average incomes since 2006, making it much harder for house purchasers to save for a deposit. It will take an average income earner close to 7 years, saving at a rate of 30 per cent of gross income, to save for a 20 per cent deposit on an average house in Melbourne. Big deposits are locking first home buyers out of the market, so stamp duty concessions for first home owners will go some way to helping them achieve their aim.

“The Homes for Victorians plan offers a range of initiatives that impact both supply and demand factors in the housing market, which are supported by Master Builders. It is pleasing for example, to see 100,000 lots being opened up in Melbourne’s growth corridors. However, one of the key impediments to unlocking supply in **existing** suburbs is the issue of planning and the decision making power that continues to reside in the hands of councils.

“The issues of home ownership and housing affordability must include addressing the impediments to greater urban densification in existing suburbs and its impediments such as the role of local councils in planning decisions, and the lack of a Government housing strategy with targets in specific council locations, to drive supply of housing stock in those suburbs,” Mr de Silva said.



“Master Builders considers that these reforms announced by the Government today are a very welcome step in the process towards addressing housing affordability. We would urge the Government to take further bold action such as reforming council decision making to reduce planning delays and fast-track supply of housing in existing suburbs. In addition, we would like to see the Government address excessive development charges and levies and introduce trades registration in Victoria.

“Stamp duty relief for first home buyers is a welcome step on the path towards housing affordability in Victoria,” Mr de Silva said.

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