

6th June 2018

ACT Government budget delivers options for those seeking to purchase a home

The Real Estate Institute of the ACT welcomes the initiatives in the latest ACT Government budget that are aimed at improving choice for those Canberrans considering purchasing a home. President of REI ACT, Mr Michael Kumm, said they were pleased that the ACT Government was putting in place measures that could improve both affordability and also open up choices for those considering buying a home either for the first time or as their next step in home ownership. "In particular we welcome the freedom provided to first home owners now who before were locked into only considering purchase of new dwellings as part of the First Home Owner's Grant," he said.

First Home Owners' Grant and Stamp Duty

- For first home buyers purchasing any property over \$350,000 they will be better off financially as with these changes the abolishing of stamp duty would be more than the \$7,000 they would have received from the grant. (The changes will take place from 1 July 2019).
- In addition, they have more choice as they can now purchase an established property which they could not do with a First Home Owner's Grant. This means they now have more flexibility and might be able to buy something closer to their work, for instance, or a less expensive property that requires work. So, the incentive is now there for buyers to go and look more actively as they have more options.

Rates increases

- According to the ACT Government Budget, rates for residential houses will rise by 7% and rates for units will rise by 10%, on average in 2018-2019. We are now paying far too much in rates which is impacting many older people who may be on pensions or low incomes who cannot afford to stay in their homes and need to sell up and find somewhere else to live. We know for a fact that many people are deciding to live across the border in Queanbeyan – or even Yass and Goulburn to avoid these taxes.

Land release

- We welcome the ACT Government's move in releasing more land to improve affordability and add to the housing choices on offer for Canberrans. This is certainly something that we feel will assist those Canberrans who are seeking to enter the home ownership market, whatever their income.

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The Real Estate Institute of the Australian Capital Territory (REI ACT) is the leading professional body for the real estate industry in the ACT – operating since 1974. Its mission is to enhance the standard of education, knowledge, professional development and business practice for members and the wider community.