

Improving home ownership



A MAJORITY LIBERAL GOVERNMENT WILL:

- Provide a 50% stamp duty “holiday” for first home buyers
 - Eligible for homes up to \$400,000
 - Saves first home buyers nearly \$7,000
- This incentive will boost home ownership and improve housing availability



Boosting home ownership & affordability

Strong property market performance

There is no doubt that the attractiveness of Tasmania as a place to live and work is driving strong demand in Tasmania's property market.

It is clear from the increases in housing prices and property sales volumes that Tasmania's property market is experiencing strong demand, with double digit price growth in some areas over the last year and Hobart having the strongest residential property price growth of all capital cities.

While this is pleasing for existing home owners, the recent growth in property values means that housing affordability is becoming an issue of growing concern for Tasmanians.

We have long supported the First Home Builders Boost which supports first home builders achieve ownership of their first home due to the broad reaching economic impact that occurs when a home is built from construction through to fitout and the purchase of fixtures and fittings and whitegoods. This program provides \$20,000 to assist with building your first home.

However, as our economy continues to grow strongly and as house prices have risen materially, for many Tasmanians saving to buy their first home it means a significant deposit is required and the cost of property transfer duty has become a larger consideration.

These "growing pains" are the side effect of a strong economy that is seeing solid employment growth and an increasing population.

In response to these challenges, the Government will implement measures that protect Tasmania's way of life, by ensuring that housing remains affordable and available.

The Hodgman Liberal Government has already taken action to improve housing affordability. We have:

- implemented a \$20,000 First Home Builder Boost;
- provided stamp duty relief for house and land packages off the plan;
- introduced a State-wide Planning Scheme;

Our Targets

36. Sustain home ownership rates of 5% above the national average.

Why Tasmania Needs This

A strongly performing property market is welcome for Tasmania's economy, but it is important that we ensure that all Tasmanians can afford to buy a home that meets their needs.

A strong property market means that young Tasmanians may find it harder to buy a suitable home.



- Removed red tape from the building Act to make it easier and quicker to build;
- Initiated a broad scale review of Government land holdings that may be suitable for repurposing for housing;
- Established an Affordable Housing Working Group to oversee the review of Government-owned land; and
- Announced \$125 million Stage II of our Affordable Housing Strategy, to deliver an extra 1,500 affordable homes.

First Home Buyer Duty Holiday

Understanding that house prices have risen and it is now harder for people to buy their first home a re-elected majority Hodgman Liberal Government will establish a First Home Buyer 50% Duty Holiday for established homes for a twelve month period.

First Home Buyers of established homes will receive a 50 per cent discount on property transfer duty for homes purchased up to \$400,000.

Property transfer duty on a \$400,000 home is \$13,997.50. The 50% duty holiday means that first home buyers of established homes can save up to nearly \$7,000 in duty. This money can now be used to assist with a deposit, moving costs or for buying whitegoods.

The program will initially run for twelve months, and will really help Tasmanians in purchasing their first home in an increasingly competitive market by providing a significant saving on property transfer duty.

Legislation will be introduced at the earliest opportunity to give effect to the policy. The Holiday will commence for property settlements from 7 February 2018, subject to the Hodgman Liberal Government being re-elected.

The program will be reviewed in the lead up to the 2019-20 State Budget to determine its success prior to any decision to continue or modify it.

The Tasmanian Liberals' Plan



Normal duty applies for properties valued above \$400,000. First home builders are eligible for the \$20,000 First Home Builder Boost and will not be entitled to receive this measure.

Cost

This initiative is expected to have a budget impact of around \$8 million depending on take-up.

Labor Green Record

In response to the disastrous policies and economic management of the previous Labor-Green Government, business confidence hit record lows, economic growth went backwards and unemployment peaked at 8.6 per cent.

It's no surprise that under Labor and the Greens, our population growth stalled, and thousands of Tasmanians felt they were better off moving to the mainland. As a result, property sales stagnated and property values went backwards.

Not only that, the poor financial management of the previous government was undoubtedly a key reason why the First Home Owner Grant on established homes had to be abolished.

The Hodgman Liberal Government has repaired Tasmania's finances and has brought the Budget back into surplus – this is a key reason why we are now able to reinstate this assistance for young Tasmanians to buy their first home.