
FIRST HOMEBUYERS ACCESS TO SUPER NOT A RADICAL IDEA

Giving first homebuyers access to their own money in a superannuation fund should not be a controversial idea, according to the Real Estate Institute of Australia.

“One of the biggest hurdles young people have in buying their first home is saving enough money for a deposit and the transaction costs. With rising house prices, the dream of owning a home is becoming difficult to attain,” Malcolm Gunning, President of the Real Estate Institute of Australia said.

“Surveys show that not only are aspiring homebuyers saving for longer but are also using debt to meet their deposit requirement including personal loans and credit cards.

“With first homebuyers finding it increasingly difficult to enter the housing market, home ownership in Australia is declining after four decades of stable levels.

“Many young people already have a partial deposit, access to their super would make the difference but they aren’t allowed to make the decision to access what is after all their own money until they retire.

“Too much attention has been focused on the accumulation of a nest egg through superannuation at the expense of other more practical considerations which not only improve the quality of life at an earlier age but result in a greater retirement ‘nest egg’.

“Superannuation and home ownership are both components of a retiree’s ‘nest egg’ and not competing products. By buying earlier in life retirees have every prospect of having a higher equity on retirement and a larger ‘nest egg’ on downsizing.

“It is nonsense to suggest that early access to superannuation for a home despot would undermine retirement savings and create new risks.

“Access to superannuation for the purchase of a first home could help reverse the trend of falling home ownership and address the looming social problem of large numbers of long-term renters aged 45 years and over remaining in the rental sector and possibly requiring rental support in later years.

“Accessing Super is not a radical idea. The use of retirement savings for a first home purchase has already proven to be successful in Canada, New Zealand and Singapore.

“It is ironic that superannuation funds that invested in residential investment property have provided the best returns for their members over the last 20 years yet don’t want to see individuals investing in their superannuation contributions in real estate. What is the difference between investing in someone else’s home through your super funded and using your super contributions to invest in your own home?

“REIA believes in the benefits of continuing the high ownership level in Australia, particularly as the population ages, and strongly encourages the Government to help implement solutions that will assist aspiring first homebuyers.

“The Government should be applauded for considering a holistic approach to housing affordability which includes giving access to superannuation for first homebuyers,” Mr Gunning said.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or to interview REIA President Malcolm Gunning please contact Helen Hull at media@reia.com.au or 0419 642 961.