

Media release

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GIVE FIRST HOME BUYERS A BREAK

The Real Estate Institute of Australia (REIA) has urged the Federal Government to give first home buyers a break.

In its pre-budget submission, REIA is calling for a boost of the First Home Owner Grant (FHOG) and has challenged the Government to consider first home buyers having access to their superannuation in order to purchase their property, a scheme that's been highly successful in Singapore.

REIA President Mr Peter Bushby says, "Despite the interest rate decreases last year, the number of first home buyers is the lowest it's been since 2004."

"Adding to that, three state governments have abolished the FHOG for those purchasing established dwellings."

"In 1999, as part of the Intergovernmental Agreement (IGA), states and territories agreed to provide assistance to first home buyers. Now, Queensland, South Australia and New South Wales wish to amend the IGA, effectively discriminating against the vast majority of first home buyers."

"The Australian Bureau of Statistics (ABS) stated that in 2009-10, 82% of first home buyers with a mortgage purchased established dwellings."

REIA proposes that the FHOG be set at \$15,000 for all housing, new and established, to reflect the change in property values since its introduction in 2000 and that it be indexed to median house price movements, annually. The figure is currently \$7,000.

REIA also suggests that Australia take on elements of the schemes to assist home ownership, operating in Singapore and Canada.

Mr Bushby says, "In Singapore, home buyers may use part of their accumulated compulsory salary deductions to purchase housing and it's been enormously successful. Home ownership in Singapore is at 87.2% compared to around 70% in Australia."

"There's so much more that can be done in order to assist first home buyers and REIA urges the Government to uphold the intention of the IGA for all Australians," concluded Mr Bushby.

To view REIA's full Pre-budget Submission, visit www.reia.com.au

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