

Media Release



19 June 2007

NSW Budget 2007

The Urban Development Institute of Australia NSW (UDIA NSW) has today welcomed the NSW State budget.

“What the property sector needs right now is tax relief to stimulate activity. What the budget delivered was fairly modest but at least it wasn’t an increase. While unlikely to create an investment rush, it does offer a reassuring signal to a recovering market,” said Mr Scott Woodcock, Executive Director of UDIA NSW.

“The affordability challenge and the continuing rental squeeze are largely driven by a lack of investors, especially in the apartment sector. Investors’ share of loans has fallen by 2.5 per cent.

Greater incentives are needed now to increase the attractiveness of NSW to developers. At a minimum the budget demonstrates that the Government has learnt from the vendor duty disaster,” he said.

UDIA NSW is encouraged by a promise to deliver the \$50 billion in infrastructure over the next four years. This is an investment that should have occurred sooner with the windfall from record stamp duty revenue at the height of the property boom in the early part of the decade. Investment of that return in the future would have created the foundation for the next cycle. This budget is all about playing catch up.

Many of these big ticket items such as road and rail expansions are now being funded by homebuyers through developer contributions due to an earlier lack of foresight. The test for this budget will be to maintain stamp duty revenue through dwelling production without stifling transactions through excessive levies and stamp duty.

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About UDIA

UDIA is the voice of development. We represent the industry which develops new communities and proudly advocate for its interests. We pursue access to land for development, encourage the creation of a positive regulatory environment, and seek to moderate the burden of taxes and charges on our customers. We believe in affordable, sustainable, and liveable communities. For more information, please visit the website, www.udia-nsw.com.au.