



MEDIA RELEASE

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For immediate release

FIRST HOME BUYERS' STAMPEDE REAPS \$58 MILLION EXEMPTION BOON

The State Government's decision to limit stamp duty exemptions for first home buyers to newly-built homes has stimulated the state's first home buyer market to levels unseen for more than two years.

Analysis of new government figures by the Urban Development Institute of Australia NSW reveals the true extent of the first home buyers' stampede which resulted in an exemptions boon.

December alone saw 5,290 first home buyers take up stamp duty exemptions worth \$58 million – the highest since October 2009 (5,365 exemptions worth \$54 million).

Sydney's West featured heavily in the top 40 areas for exemption take-ups last month (see table below).

Liverpool and Blacktown far and away topped the first home buyer's mini-boom, with buyers in those two areas reaping a combined \$2.7 million in exemptions in December, Office of State Revenue figures show.

UDIA NSW analysis shows:

- Total number of stamp duty exemptions/concessions granted to first homebuyers in the first half of 2011-12 is almost \$234 million – more than 70 per cent of the total exemption amount for the previous financial year (\$325 million).
- In November and December, following the Government's September budget announcement that exemptions for first home buyers for existing homes would finish at the year's end, combined stamp duty exemptions for first home buyers were worth almost \$112 million.
- The number of first home buyer claims for exemptions more than doubled from July 2011 to December 2011, rising from 2529 (\$27.5 million worth) to 5290 (\$58.7 million worth).

Urban Development Institute of Australia NSW Chief Executive Stephen Albin said the figures clearly showed the first home buyers' stampede created as a result of the State Budget.

In the Budget, it was announced that First Home Plus and First Home Plus One schemes - which allowed stamp duty exemptions or concessions for first-time buyers of existing homes - would end.

As of January 1, those schemes were replaced by the First Home – New Home Scheme, which provides concessions or exemptions for the purchase of a new home or vacant land on which to build a home.

In the budget the Government predicted the move would result in revenue gains of \$131 million over 2011-12 and more than \$1 billion over four years, and act to stimulate the supply of new housing.

Mr Albin said it was clear the number of first home buyers seeking to take advantage of the scheme while it lasted had created a mini-boom in the NSW first home buyer market.

“When you look at the suburb-on-suburb analysis we’ve done, it’s clear that most of the popular areas for the exemption take-up have been established suburbs, although you’re seeing newbuild growth areas like Blacktown and Werrington featuring as well,” said Mr Albin.

“It’s certainly been a positive boon in affordability for first home buyers across the state, and a strong stimulant to the existing housing market, and we’re likely to see more claims for existing homes into January and February as properties bought just before the deadline reach settlement.”

“What we don’t know yet is to what extent it will act to stimulate the supply of new homes, which is essential to creating a long-term solution to the state’s housing affordability crisis.”

“We’ll be keeping a close eye on the impact on construction this year, and while we support the government’s measure as a good thing for stimulating housing supply, it’s only one measure in a range of measures that need to be undertaken.”

“That includes fixing the planning system, providing more infrastructure to support new development, and creating a fairer and more equitable levy system.”

For more information or for an interview with UDIA NSW CEO Stephen Albin, please contact UDIA NSW Media and Communications Manager Kara Lawrence on (02) 9262 1214, on 0403 871 123 or email klawrence@udia-nsw.com.au

Top 40 suburbs for number of first home buyer stamp duty exemptions, December 2011

Suburb (Postcode)	Number of exemptions	Value
1. Liverpool (2170)	122	\$1,345,986

2. Blacktown (2148)	119	\$1,357,086
3. Westmead (2145)	90	\$1,157,467
4. Campbelltown (2560)	87	\$877,836
5. Parramatta (2150)	69	\$830,266
6. Gosford (2250)	68	\$669,560
7. Bankstown (2200)	55	\$657,855
8. Mt Druitt (2770)	53	\$465,146
9. The Entrance (2261)	52	\$502,243
10. Penrith (2750)	52	\$561,070
11. Auburn (2144)	50	\$555,039
12. Cronulla (2230)	48	\$623,067
13. Merrylands (2160)	47	\$540,124
14. Cabramatta (2166)	47	\$535,773
15. Quakers Hill (2763)	47	\$651,577
16. Fairfield (2165)	46	\$550,151
17. Werrington (2747)	44	\$394,086
18. Guildford (2161)	43	\$576,413
19. Hornsby (2077)	42	\$592,387
20. Homebush (2140)	42	\$610,048
21. Seven Hills (2147)	42	\$560,612
22. Wollongong (2500)	41	\$442,281
23. St Marys (2760)	41	\$407,953
24. Green Valley (2168)	41	\$492,621
25. Wagga Wagga (2650)	40	\$316,892
26. Bathurst (2795)	40	\$334,515
27. Tuggerah (2259)	39	\$374,518
28. Rockdale (2216)	38	\$533,500
29. Orange (2800)	38	\$310,328
30. Maitland (2287)	37	\$394,187
31. Dee Why (2099)	36	\$481,035
32. Charlestown (2290)	35	\$413,801
33. Edensor Park (2176)	35	\$474,028
34. Plumpton (2761)	34	\$375,243
35. Granville (2142)	33	\$398,534
36. Sutherland (2232)	33	\$428,904
37. Dubbo (2830)	32	\$229,860
38. Hurstville (2220)	32	\$413,530
39. Kincumber (2251)	31	\$375,815
40. Nowra (2540)	31	\$278,976

* Based on analysis of Office of State Revenue data for December, 2011 – First Home Plus and First Home Plus One schemes.