

# A fair go for first home buyers

## A plan to improve housing affordability



### HOUSING SNAPSHOT

Housing approvals continue at near-record levels with 72,758 residential building approvals by the NSW Government in the year to April 2017 (ABS)

This is more than double the 35,598 homes approved in the same period in 2011

The NSW Government has developed a comprehensive package of measures designed to improve housing affordability across NSW.

The package aims to give home buyers a fair go by:



increasing grants and concessions available to **first home buyers**



increasing **housing supply** at reasonable prices



accelerating the delivery of **infrastructure** to support growing communities

### Helping first home buyers

The NSW Government recognises that first home buyers face increasing hurdles to get into the market, with rising prices, onerous deposits and competition from local and overseas investors.

Under the NSW Government's plan, from 1 July 2017 first home buyers will see:

- savings of up to \$24,740 through the abolition of stamp duty for all new and existing homes up to \$650,000, with stamp duty discounts for homes up to \$800,000;
- a \$10,000 First Home Owners Grant will be available to builders of new properties worth up to \$750,000 and purchasers of new properties worth up to \$600,000;
- savings of about \$2,900 on the purchase of an \$800,000 home through the abolition of insurance duty on lenders' mortgage insurance;
- a doubling of the foreign investor surcharge from four per cent to eight per cent on stamp duty and a rise from 0.75 per cent to 2 per cent on land tax;
- the abolition of the off-the-plan transfer duty concession for residential purchases by investors.

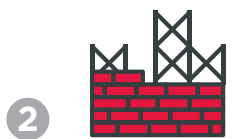
First home purchase price	Ordinary stamp duty	Savings for first home buyers of new dwellings*	Savings for first home buyers of existing dwellings*	Total stamp duty charges for foreign investors (surcharge plus stamp duty)**
\$500,000	\$17,990	\$28,768	\$18,768	\$57,990
\$550,000	\$20,240	\$31,451	\$21,451	\$64,240
\$600,000	\$22,490	\$34,361	\$24,361	\$70,490
\$650,000	\$24,740	\$26,857	\$26,857	\$76,740
\$700,000	\$26,990	\$18,786	\$18,786	\$82,990
\$710,000	\$27,440	\$17,172	\$17,172	\$84,240
\$750,000	\$29,240	\$10,950	\$10,950	\$89,240
\$775,000	\$30,365	\$6,922	\$6,922	\$92,365
\$800,000	\$31,490	\$2,896	\$2,896	\$95,490

\*Total of stamp duty exemptions plus first home owners grant plus savings from LMI duty abolition (Genworth LMI Premium Estimator based on a first home buyer with a \$50,000 deposit).\*\*Does not include additional land tax surcharge.

## STEPS TO INCREASING HOUSING SUPPLY



1 More land released and rezoned



2 Faster building approvals



3 Developers to make a greater contribution towards enabling infrastructure upfront to unlock housing supply



4 Councils assisted to build local infrastructure like roads, community centres and public open space



5 State funded capital works like public transport, schools and hospitals

## Boosting supply

As former Reserve Bank of Australia governor Glenn Stevens says, the “supply side of the market in general has struggled to keep up with demand”. While the NSW Government has doubled housing completions since coming to government, more needs to be done because the previous NSW Government’s inaction resulted in an undersupply of dwellings in Sydney of 100,000 homes. The NSW Government will ensure that housing is opened up in the right areas and with the right type of homes while preserving local character.

The plan will increase housing supply through:

- greater use of independent panels for some councils to ensure development applications are done efficiently and to ensure the integrity of the planning process;
- fast tracking approvals for well-designed terraces, dual occupancies and town houses through complying development;
- accelerating the development of Priority Precincts and Priority Growth Areas to deliver an additional 30,000 homes in carefully chosen areas;
- providing up to \$2.5 million to individual councils to accelerate the development of new Local Environment Plans that open up new housing areas;
- ensuring housing supply is delivered through the establishment of a new ministerial taskforce on housing affordability and a new Premier’s Priority headline goal of delivering an average of 61,000 housing completions a year over the next four years, with two supporting targets; 90 per cent of approvals determined within 40 days by 2019 and state-led rezonings for 10,000 additional dwellings in appropriate areas per year on average to 2020-21.

## Accelerating infrastructure

Increasing housing supply is only possible if there is adequate new infrastructure to service new homes and support growing communities, such as roads, transport links and parklands. The NSW Government will commit to a \$3 billion Housing Infrastructure Program that will ensure funding is allocated to infrastructure projects that open up the development of new homes, in the right areas across Greater Sydney and key regional centres, and at reasonable prices.

The plan will accelerate infrastructure delivery by:

- allocating \$1.6 billion in new and reprioritised funds for priority capital programs, largely through an expanded Housing Acceleration Fund;
- expanding the Special Infrastructure Contribution levy to 10 new areas to ensure developers are funding their fair share of infrastructure;
- increasing or removing caps on the Section 94 infrastructure contributions that councils can charge developers to fund the infrastructure necessary to open up housing;
- spending \$369 million over three years to fund local infrastructure in certain high growth council areas;
- releasing new guidelines to help the Independent Pricing and Regulatory Tribunal (IPART) and councils assess infrastructure costs where they exceed \$30,000 a dwelling in greenfield areas and \$20,000 elsewhere;
- subsidising councils’ interest costs to encourage them to raise \$500 million to deliver more infrastructure.