

MEDIA RELEASE | September 14 | 2010

Home Builders Bonus good news for NSW housing industry: \$466 million in construction activity

NSW Treasurer Eric Roozendaal today announced the NSW Government's Australian-first Home Builders Bonus has already supported more than \$466 million in NSW housing construction activity in its first two months.

"This is great news for the NSW economy – already 1533 families and investors have taken advantage of the Home Builder's Bonus since it began on July 1," Mr Roozendaal said.

"The NSW Government has put more than \$14 million worth of stamp duty back in people's pockets under this major housing construction initiative, which was announced in this year's NSW Budget.

"More importantly, this initiative has supported more than \$466 million worth of construction activity – that's work for builders, plumbers, electricians and landscapers which flows through the housing construction sector and into the rest of the NSW economy."

NSW families and investors can save up to \$22,490 under the Keneally Government's new Home Builders Bonus program – and first home buyers will receive benefits of up to \$29,490.

The latest data shows:

Home Builders Bonus Initiatives	Number recipients	Value of stamp duty exemption	Value of property
Zero stamp duty for pre-construction	1,391	\$13,052,201	\$408,010,483
25% stamp duty discount during construction	92	\$332,248	\$38,667,979
Over 65s zero stamp duty	50	\$669,287	\$19,842,700
Total	1533	\$14,053,733	\$466,521,162

*July 1 – September 9, 2010

"This is an Australian-first, signalling the NSW Government's commitment to boosting the state's housing construction sector and building for the future of NSW," Mr Roozendaal said.

Under the NSW Home Builders Bonus, from July 1, 2010:

Pre-construction stage

- Stamp duty will be cut to zero for off-the-plan home purchases worth up to \$600,000 – a saving of up to \$22,490.
- The zero stamp duty will only apply prior to any construction commencing on house and land packages or new apartments.

Under construction

- Stamp duty will be cut by 25 per cent for people buying a newly-constructed home worth up to \$600,000 – a saving up to \$5,623.
- The 25 per cent stamp duty cut applies to home purchases made at any time during the construction period, or at completion.

First home buyers

- First home buyers will also be eligible for these stamp duty cuts, giving them total benefits of up to \$29,490
- They will still be able to access the NSW Government-funded \$7000 First Home Owners Grant as well as the NSW Home Builder's Bonus.

Empty-nesters

- Stamp duty for people aged over 65 will be cut to zero when they purchase a newly-constructed home worth up to \$600,000 – a saving up to \$22,490.
- This will only apply to people aged over 65 selling their primary place of residence and moving to a newly-constructed home, to encourage down-sizing and to encourage the regeneration of the state's housing stock.

The off-the-plan initiative is open to anybody purchasing a new house or apartment, including investors, and is designed to boost the state's property and housing construction sectors.

The NSW housing sector is worth about \$17 billion a year and makes up almost 5 per cent of the state's economy.

Full details of Home Builders Bonus are available at www.homebuyer.nsw.gov.au

NSW Housing Construction Acceleration Plan

Mr Roozendaal today also released the latest data on the NSW Housing Construction Acceleration Plan, which was announced in the 2009-10 Budget.

The Housing Construction Acceleration Plan was a 50 per cent stamp duty cut for newly-constructed dwellings worth up to \$600,000.

It ran from July 1, 2009 to June 30, 2010.

Mr Roozendaal told the Budget Estimates committee that 5,025 NSW homebuyers and investors took advantage of HCAP.

They purchased newly-constructed properties worth more than \$2.1 billion.

HCAP returned more than \$37 million worth of stamp duty back into people's pockets.

"I am pleased to report it provided an important stimulus to NSW's housing and construction sector," Mr Roozendaal said.