Media Release – 10 May 2017

MAJOR REAL ESTATE NETWORK WELCOMES BUDGET

One of Australia's largest real estate networks has welcomed the Federal Government's budget, saying it gives the appearance of leaving negative gearing largely unchanged, while focusing its efforts on boosting supply and creating opportunities for young people to enter the market, but that changes to depreciation could have consequences.

'Negative gearing is the backbone of Australia's property market and provides countless middle-income earners the opportunity to build wealth for the future' said First National Real Estate chief executive, Ray Ellis.

'The fact that the Government has not significantly changed negative gearing policy demonstrates it understands the potential for adverse impacts, on both the economy and housing market, if it were restricted in some form. However, more detail is needed on changes to tax depreciation to understand the full impact of the budget'.

Incentives in the budget aimed at increasing supply by unlocking Baby Boomer housing are seen as a positive move, with couples aged 65 and over - who have lived in their home for 10 years - being able to take proceeds from the sale of their home and make non-concessional superannuation contributions of up to $300,000 per person, or $600,000 per couple.

'For many years, Australia's Baby Boomers have benefited from asset growth but selling costs have discouraged them from moving to smaller, more manageable housing' said Mr Ellis.

'Although concessions to stamp duty have been overlooked, the proposed superannuation contributions changes will enable them to access capital locked up in the home and downsize to smaller, easier to manage properties, while creating opportunities for young people to enter the market and families to upsize.'

Copy ends –

Issued by: First National Real Estate

Stewart Bunn, National Communications Manager, 1800 032 332 or 0413 624 317