

NSW first home buyer grant to stay at \$15,000 until 2016: NSW State Budget

By Jonathan Chancellor
Saturday, 15 June 2013

The NSW Treasurer Mike Baird has announced the \$15,000 grant for new homes buyers will be extended until January 2016 in the upcoming state budget.

The first home owner grant was due to be reduced to \$10,000 in six months time on 1 January, 2014. It now has another two years at \$15,000 during which developers and home builders will pursue the recently hesitant first home buyer constituency.

"We're saying to every first home owner across the state, if you are thinking of buying - think new," Mr Baird said.

Mr Baird claim the incentive announced in last year's budget to take effect in October was "already seeing signs of life in the critical housing sector."

Critics have suggested the grant's new home limitation has meant there has been a luke warm take-up by first time buyers who have traditionally sought established homes. NSW office of state revenue data show Westmead headed the list of recipients in the year to April with 406. Parramatta had 205 and Liverpool 333 grant recipients.

The [FHOG](#) was doubled in the expressed hope of "kick-starting" the state's lacklustre home building industry, but first home buyer finance levels have remained low, according to the latest ABS data.

In original terms, the number of first home buyer commitments as a percentage of total owner occupied housing finance commitments rose slightly to 14.3% in April 2013 from 14.2% in March 2013.

But Westpac noted that first-home buyers remained the stand out weakspot in the approvals data.

"We estimate loans to this segment were up 0.7% (seasonally adjusted) in April but are still down 10.8% annually and at very low levels by historical standards, particularly in NSW and Queensland," says Westpac.

The number of home loans to NSW first-home buyer in the March quarter totalled 2,647 - [57% lower than a year ago](#) and a 40.6% fall in the March quarter alone, the latest Real Estate Institute of Australia (REIA) figures revealed.

The NSW stamp duty concessions for first homebuyers of new homes will remain, Mike Baird advised in the lead up to the 2013 State Budget.

[The NSW \\$15,000 grant is for new houses and units costing up to \\$650,000.](#)

The NSW budget will be delivered on Tuesday.

Since last year's budget decision to cease the NSW \$7,000 First Home Owner Grant most other states and territory's have implemented similiar limitations on the grant.

Property Observer's most recent update on the [state by state guide](#) was published after the decision by the ACT government to withdraw the \$7,000 first-home owner grant as at August 31 and replace it with a \$12,500 grant for new homes only from September 1.

It meant six states and territories have shifted their incentives in favour of what Ray White boss Brian White says is effectively a “builders’ grant”.

NSW, Victoria, Queensland, South Australia. Tasmania and the ACT have all withdrawn (or will withdraw in the coming months) their handouts for first-home buyers who buy an established home.