

31 May 2017

## **First Home Buyers Deserve a Fair Go**

The Master Builders Association claims the McGowan government is not giving first home buyers a fair go at accessing the \$5,000 boost to the \$10,000 First Home Owners Grant (FHOG).

Treasurer Ben Wyatt announced two weeks ago (on 17 May) that the \$5,000 FHOG boost would end on 1 July 2017.

According to Master Builders Director Michael McLean the announcement came as a complete shock to builders and the six-week notice period to cut the \$5,000 boost payment is unreasonable and unfair.

“Everyone knows the WA economy is struggling at the moment and so is the housing industry. That’s why the \$10,000 First Home Owners Grant was given a \$5,000 boost for 12 months from January this year,” Mr McLean said.

“Builders were working on a 12-month time frame with the \$5,000 FHOG boost payment and so were prospective home buyers – who thought they had another six months to save for a deposit on their new home.”

“Unless a first home buyer was already in the system and about to sign a building contract, the six-week notice period will effectively rule out other first home buyers from accessing the additional \$5,000 payment; which will prevent some from buying their home,” Mr McLean said.

“Signing a contract to buy a new home is very different to going to the shop to buy furniture or electrical goods. Before you can sign a housing contract, the land needs to be surveyed and assessed to determine what can be built on it and at what cost.”

“We believe this problem could be easily overcome if the McGowan government allowed first home buyers to access the \$5,000 FHOG boost payment if they made a commitment to a builder, which could be lodged with a government agency if required, by 30 June and were given 2-3 months to actually sign the building contract,” Mr McLean said.

“This would be a much fairer situation than what we have now. It would also avoid a potentially chaotic situation over the next four weeks where builders and prospective first home buyers are scrambling to do a deal without proper due diligence which is a recipe for unnecessary disputation and unforeseen additional costs.”

“Our suggestion will clearly enable more new homes to be built which will create more jobs for the myriad of people engaged in the housing industry; from the sales consultants,

estimators/schedulers, earthworks plant operators, concretors, bricklayers, carpenters, plasterers, tilers, painters, glaziers, electrical contractors, plumbers and support staff,” Mr McLean said.

“If 100 new homes were to be built as a result of this initiative, it would cost the McGowan government \$500,000. If we assume the average cost of these new homes is \$220,000 and land costs average \$230,000 it would generate \$45 million to the industry and economy. As at least 30% of house and land costs equate to taxes and statutory charges, this equates to about \$13.5 million being directed back to the state government and its various statutory agencies.”

“Master Builders is putting this proposal forward as a constructive and pro-active suggestion to enable the Treasurer’s decision to be implemented in a more sensible manner and to give prospective first home buyers a fair go,” Mr McLean concluded.

**For more information please contact:**

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