

30 June 2017

## **\$5,000 FHOG Boost Ends Today**

First home-buyers who wish to build a new home have until midnight tonight to sign a building contract if they wish to receive a \$5,000 “boost” payment from the state government.

Treasurer Ben Wyatt announced on 17 May that the \$5,000 “boost” to the First Home Owners Grant (FHOG) would end on 30 June.

According to Master Builders Director Michael McLean, there has been a hive of activity over the last six weeks as builders and first home-buyers have clamoured to take advantage of this \$5,000 boost payment.

“Although the housing industry and first home-buyers have welcomed the \$5,000 boost payment, the six week termination notice period has been unreasonable and has caused a lot of stress,” Mr McLean said.

“The \$5,000 boost payment was expected to last until December this year so it is very unfair on those prospective home-buyers who were planning to enter the market later in the year after saving for a bigger deposit.”

“The last six weeks has obviously stimulated a lot of extra activity in the housing industry but we are concerned that some home-buyers have been rushed into signing building contracts without adequate care and attention to detail,” Mr McLean said.

“This could have been avoided by a longer notice period which would also have been fairer on those home-buyers who were caught by surprise by the Treasurer’s sudden and unforeseen announcement.”

“From an industry and economic perspective, we can’t understand the logic of the Treasurer curtailing a short-term arrangement which was going to generate additional revenues to the state government through additional jobs, taxes and charges,” Mr McLean said.

“Master Builders has estimated that 100 new \$450,000 house and land packages for first home-buyers would have generated at least \$13 million net to Treasury’s coffers.”

“To qualify for the \$5,000 boost FHOG payment, builders now need to commence construction of the new home within 26 weeks of the building contract being signed. To create a more orderly process, we are calling on the state government to extend this period to 40 weeks. This will greatly assist home-buyers to access their finance, valuations, obtain titles and building approvals,” Mr McLean said.

The housing industry is expected to build about 19,000 new dwellings, primarily detached houses, in 2017-18 which is about 5,000 less than the industry’s 10 year average.

**For more information please contact:**

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