

# Media Release



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For immediate release

## **AXE STAMP DUTY - END "DOUBLE DIP" TAXES FOR NEW HOME BUYERS**

Stamp duty on all new homes should be scrapped to end a tax system that prices Australians out of the new housing market, the nation's urban developers say.

The Urban Development Institute of Australia, in its submission to the Federal Government's Tax Forum, calls for an immediate scrapping of stamp duty on newly-built homes.

UDIA believes this measure should replace the \$7000 First Home Owners Grant, which is already being eaten up by stamp duty.

UDIA National Tax Committee Chair Michael Corcoran said the current tax system puts a double tax burden on new home buyers and makes new homes less affordable than existing homes.

New home buyers have to pay the 10 per cent Goods and Services Tax as part of the property purchase price, then stamp duty on that purchase price. This is in addition to the fees and charges developers had to pay government to bring the home to market, that were built into the price of a new home.

This means a buyer paying \$550,000 for a brand new home forks out up to \$77,225 in GST and stamp duty, depending on which state or territory they live in.

By comparison, buyers of existing homes do not have to pay GST and as a result, they paid less stamp duty (up to \$23,928 in stamp duty on a \$500,000 home).

Mr Corcoran said there is a major shortage of new housing in the Australia property market.

The tax burden for new home buyers only makes these new homes more expensive, contributing to the housing affordability crisis being felt in major cities across the country.

"New homes are pushing the bounds of affordability because government continually dips into the pocket of new homebuyers," Mr Corcoran said.

"This is locking buyers into the existing market, preventing them from moving to new homes in locations that are closer to their jobs, or nearer to family," he said.

"The tax system was never designed to dictate where people can live, but when that is the effect, the system needs to change."

Some Australian states and territories have already recognised the impost of stamp duty on new homebuyers by introducing concessions on stamp duty for the purchase of newly-built homes – but UDIA believes the measures need to go further.

The UDIA's submission also seeks for stamp duty on all property purchases nationally to be phased out within the next 10 years, and suggests the cost impost of that to government to be alleviated by a nominal increase in the GST rate across the board.

**For an interview with UDIA Tax Committee Chair Michael Corcoran, or for further information, please contact Media Manager Kara Lawrence on landline (02) 9262 1253, mobile 0403 871 123, or email [klawrence@udia-nsw.com.au](mailto:klawrence@udia-nsw.com.au)**

### **ABOUT UDIA NATIONAL:**

UDIA National represents more than 4000 members of the urban development industry including major developers, planners, builders, financiers, and property managers. It advocates for government policy change on behalf of the industry.

