



*the voice of the industry*

FOR IMMEDIATE RELEASE

1 May 2012

**MEDIA RELEASE**

## **Removal of First Home Buyers Support Short Sighted - Housing Industry says**

The Housing Industry Association has today condemned the Baillieu Government's decision to cut the highly successful State Government First Home Owners Bonus.

The Bonus, which comes on top of the Federal First Home Owners Grant means that metropolitan homebuyers have been eligible for up to \$20,000 and in Regional Victoria up to \$26,500.

The Housing Industry calls cutting the Bonus a short sighted decision.

HIA's Victorian Regional Executive Director, Gil King has said HIA already forecast a 20 per cent decline in new home commencements in 2012/13 and a further 5 per cent in 2012/13. Removal of the First Home Bonus grant will inevitably see this weak outlook downgraded.

"The state government is running the risk of undoing all the inroads we have made over the last few years in alleviating Victoria's housing shortage. This will impact the Victorian economy greatly," he said.

"The flow on effects to the Victorian economy from the home building industry are significant - grounds enough for retaining the bonus."

Mr King says that clearly the Government is not listening and Victoria's home building industry, which has been leading the nation during the past few years, like homebuyers, will suffer from this decision.

In its pre-budget submissions, HIA had urged the Government to maintain the First Home Buyer bonus beyond its planned 30 June cut off date.

Mr King says that as the economy has cooled so has housing activity - so there has never been a better time to announce the continuation of the First Home Owners Boost.

HIA will continue to call on the State Government to maintain much needed support for Victoria's first home buyers and the economy in general.

"By its own admission, the Baillieu Government has said that this budget would always be tight - but to cut its support for first home buyers of the state's families struggling to purchase a home is a cruel blow in hard economic times." Mr King said.

***For further information  
Gil King 0404 000 365***