



First Home Owner Grants

Policy Background

- First Home Owners Grants (FHOG) were originally implemented as compensation for introduction of the GST, which was applied to new homes but did not apply to existing homes at the point of sale.
- Despite this, over time they have been applied across all classes of residential property.
- The application of FHOGS to the purchase of new homes only has been shown over time to provide an effective stimulus to the broader economy.
- There are major efficiency gains to be realised from targeting housing policies (including measures to assist first home buyers) at increasing the supply of new homes.
- Housing policies targeted at the construction of new homes, in all forms, can effectively increase the overall housing stock for all households.
- Housing construction exerts a positive multiplier impact through the wider economy.
- The recent move by states and territories to focus FHOGS on new home building only recognises this benefit.

HIA's Policy Position on First Home Owner Grants

- HIA supports State governments retaining the First Home Owners' Grant for new home construction only.