



Run on existing houses

CLAIRE BICKERS

FIRST-HOME buyers are rushing to get into established homes before changes to the stamp-duty exemption threshold come into effect on July 1.

Industry officials predict a spike in sales in the \$430,000 to \$500,000 bracket before first-home buyers have to pay up to \$10,000 in stamp duty.

Agents report a noticeable increase in inquiries from first-home buyers and more people at home opens for properties still covered by the exemption.

RE/MAX Extreme Joondalup's Dimitrios Foufas said there had also been a spike in searches for those properties on realestate.com.au.

"We put one ad up yesterday, and have a potential buyer coming through tomorrow morning – he's a first-home buyer," Mr Foufas said.

Dozens of new listings prompting first-time buyers to "get in quick" are springing on to the website. "If you let this opportunity pass until after July 1st, you'll pay almost another \$9500 straight to Mr Barnett," one ad says.

Established homes and new apartments up to \$500,000 are exempt from duty, and homes up to \$600,000 have a part exemption, until July 1. Exemptions for new house and land packages will continue.

Analyst RPS Australia Asia

Pacific predicts up to 40 per cent of first-home buyers will be affected by the changes. It says the changes will boost the already strong land development sector and fewer people will buy established homes.

Real Estate Institute of WA deputy president Hayden Groves said he thought the "inevitable" spike wouldn't be too savage. The strong demand of last year had already dropped away and confidence was down because of the talk of a tough Budget. But he said the small spike in demand would push up prices in the \$430,000 to \$500,000 bracket.

"If it's going to affect you, you're suddenly up for a fairly significant amount," Mr Groves said. "You're faced with the option to find some land or look to change to a different area or go back and save pennies a bit longer."

Curtin University sustainability researcher Jemma Green said the changes would boost the housing market and contribute to urban sprawl.

"Perth is already the lowest-density city in Australia," Ms Green said. "It's going to further exacerbate the problem."

She also said seemingly cheaper houses on the outer ring would have hidden costs, such as transport expenditure.

"It's disappointing that this

end of the market is being targeted when it's the most important buying decision of your life," she said.