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Budget benign for housing: REIA

The 2018 Budget had no measures that specifically address housing supply and affordability, according to the Real Estate Institute of Australia (REIA).

"Whereas housing affordability was a centre piece of the 2017 Budget there was nothing in this year's Budget that directly addressed this," REIA President Malcolm Gunning said.

"It was however pleasing to see that the Government recognises the important role that the current taxation arrangements for negative gearing and Capital Gains Tax play in increasing supply, keeping rents affordable and easing the burden on social housing by leaving these unchanged," he said.

Mr Gunning said the Budget's approach recognises the state of the property market and the impact that APRA's measures have had in cooling the marking particularly in Melbourne and Sydney and the Treasurer has seen no reason to make any further adjustments.

"A boost to infrastructure spending, modest improvements in housing income for lower income earners, continued tax write offs for small to medium business and growth in employment can be expected to be mildly expansionary, particularly for regional economies.

"The good news for home buyers is that the Budget is not expected to put pressure on interest rates as inflation is expected to remain within the RBA's target zone.

"This expected interest rate stability comes at a time when housing prices in some of our major cities are showing signs of easing leading to improved affordability for first home buyers," Mr Gunning.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or to interview REIA President Malcolm Gunning please contact Helen Hull at media@reia.com.au or 0419 642 961.