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REDUCING PRESSURE ON HOUSING AFFORDABILITY FOR KOOYONG

The Turnbull Government has welcomed the introduction of legislation into Parliament to reduce pressure on housing affordability for first home buyers and downsizers, including in our local area of Kooyong.

The First Home Super Saver Scheme (FHSSS), announced in this year's Budget, will give first home savers the ability to accelerate their savings by at least 30 per cent.

First home buyers will be able to save for a house deposit within their superannuation by making voluntary contributions of up to \$15,000 per year and \$30,000 in total into their superannuation account.

These contributions, which are taxed at the discounted rate of 15 per cent, along with deemed earnings, can be withdrawn for a deposit from 1 July next year. Withdrawals will be taxed at marginal tax rates less a 30 per cent offset.

With many Australians now entering the housing market later in life, this initiative will encourage first home buyers to save for a deposit more quickly.

The Government has also introduced legislation to allow older Australians to contribute the proceeds of the sale of their family home to superannuation.

From 1 July 2017, people aged over 65 will be able to make an additional non-concessional contribution of up to \$300,000 into superannuation when they sell their home which they've held for at least 10 years. Both members of a couple can take advantage of this measure, meaning up to \$600,000 of contributions may be made by a couple.

This measure will encourage people who may have been put off by downsizing because of the existing restrictions and caps, and in turn free up larger homes for growing families.

These measures, combined with the broader housing affordability package announced in the Budget, demonstrate real action from the Turnbull Government to reduce housing affordability pressures for all Australians.

Further information on the First Home Super Saver Scheme is available at:
http://www.budget.gov.au/2017-18/content/glossies/factsheets/html/HA_14.htm

Further information on reducing barriers to downsizing is available at:
http://www.budget.gov.au/2017-18/content/glossies/factsheets/html/HA_15.htm

First Home Buyers can also get an indication of how the scheme can benefit them by visiting:
www.budget.gov.au/estimator

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