

For immediate release

Public vs experts: What will move the needle to create affordable housing?

- ➔ Public vs experts: The disconnect when debating housing affordability for first home buyers
- ➔ The public (51%) prioritise ditching / reducing stamp duty; but experts (97%) concerned about supply
- ➔ How the First Home Super Saver Scheme could provide relief to first home buyers

15 May, 2017, Sydney, Australia – Affordable housing has been a recurring theme in policy-making, but when it comes to improving the situation, there's a disconnect between the views of the public and the nations' leading experts and economists, according to finder.com.au, Australia's most visited comparison website¹.

A new finder.com.au analysis, which surveyed 2,010 Australians, reveals 96% of people believe something needs to be done to make housing more affordable.

Respondents were asked to identify measures that could make property more affordable for first home buyers.

One in two people (51%) believe ditching or reducing stamp duty for first home buyers is the number one way to ease financial pressures for first home buyers.

Bessie Hassan, Money Expert at finder.com.au, says stamp duty is a steep cost for first home buyers.

“While there are concessions available to eligible first home buyers, [stamp duty can run into the tens of thousands](#) so it's not surprising the public want to see it vanish into thin air,” she says.

Increasing the first home buyer grant was backed by 40% of Aussie consumers, while nearly one in three (29%) believe scaling back negative gearing would improve affordability.

¹ Experian Hitwise since 2015

Ms Hassan says [the First Home Super Saver Scheme](#), if introduced, may provide some relief to first home buyers.

“Under the First Home Super Saver Scheme announced last week, people can make extra contributions to their super at a lower tax rate to save for a deposit. This will provide some relief to home buyers for up to \$15,000 per year and \$30,000 in total,” she says.

In a separate [finder.com.au RBA survey](#)², experts and economists were also asked what tactics would improve affordability – and the responses were markedly different.

The majority (97%) of experts think creating more supply would help affordability followed by removing negative gearing which was supported by 37% of respondents.

Next in line was eliminating or reducing stamp duty, cited by 27% of experts and economists.

Housing affordability: Economists vs the public

What can be done to make housing more affordable for first home buyers? (Multiple answers can be selected)	Experts	General Public
Add additional supply to the market (build more houses)	(1) 97%	(4) 27%
Get rid of or reduce negative gearing	(2) 37%	(3) 29%
Get rid of or reduce stamp duty for first home buyers	(3) 27%	(1) 51%
Increase the first homebuyer grant	(4) 17%	(2) 40%
Allow property purchases through superannuation	(5) 17%	(5) 25%
Nothing needs to be done	(6) 3%	(6) 4%

Source: finder.com.au consumer and RBA surveys, April 2017



Ms Hassan says it’s compelling to see the disconnect between the perceptions of the public and the experts.

“While the vast majority of experts think building more houses would help affordability, removing (or reducing) stamp duty is the biggest priority for the public.

"It just goes to show it's a fine balancing act when it comes to addressing the nation's housing affordability issue.

“The Federal government is making headway with the proposed First Home Super Saver Scheme, but there’s still a long way to go.

“While it [the scheme] will provide some financial support, \$30,000 may not be enough for a

² finder.com.au RBA survey of 34 experts and economists

deposit in some capital cities,” she says.

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