

SE News
HD **THE GREAT AUSSIE DREAM / THE GREAT FOREIGN DREAM**
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OVERSEAS buyers of newly built homes in NSW are receiving \$5000 grants with the state government's decision to allow non-citizens to take part in its New Home Grant Scheme.

As **Chinese** investors are blamed for driving up Sydney house prices and accused of keeping first home buyers out of the **property** market, it has emerged that the government is giving them a helping hand.

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Under the first homeowner scheme, a buyer — and in the case of a couple, at least one of the two — had to be an Australian citizen and they had to live in the home for at least six months to qualify.

But, under the New Home Owner Scheme introduced in the 2012 state budget, buyers can own multiple homes in their country of origin and still apply for the grant for the **purchase** of Australian properties.

They don't have to live in it. All they have to do is apply through the foreign investment review **board** to **buy**.

In fact, if an overseas buyer were to **buy** 20 off-the-plan apartments, they could apply for 20 \$5000 grants, Treasurer Mike Baird's office confirmed yesterday. The grant is paid as a discount on stamp duty for properties worth up to \$650,000 and vacant land worth up to \$450,000.

Last year alone, the government gave out 16,474 new homeowners grants worth \$82.37 million. By contrast, after it scrapped concessions for first homeowner grants on existing homes, first homeowner approvals in November were down 67.3 per cent from two years ago.

In the year to July 2012, there was \$5.95 billion worth of overseas investment in new NSW **residential property** by overseas investors compared to about \$1.74 billion two years earlier, Foreign Investment Review **Board** figures reveal.

LJ Hooker's national head of home loans, Paul O'Regan, said the investment from **Chinese** and other Asian buyers in off-the-plan apartments was "significant".

"We have actually run some trade shows over in **China** and we had 14 or 15 properties **sold** just at the trade show," he said.

Opposition Leader John Robertson said taxpayers "should not be footing the bill for cash handouts to overseas investors when young first home buyers are struggling to **purchase** a home".

Mr Baird said the scheme was driving construction so he did not have immediate plans to change it but indicated there might be change in coming months after being contacted over the loophole by The Daily Telegraph.

“We are conscious of the pressure on first home buyers that foreign investors could be applying, and accordingly we are seriously looking at options to ensure that our first home buyers are given every support to own their own home,” he said.

“Any policy action we take must not jeopardise the recovery in the housing sector that is currently underway.” Editorial page 22

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