

**DOUGLAS NEWMAN GOOD REACTION TO BUDGET 2005
CHANGES TO STAMP DUTY REGIME GOOD NEWS FOR FIRST TIME BUYERS**

(01.12.2004) Leading nationwide estate agents Douglas Newman Good this evening welcomed the decision by Minister for Finance Mr Brian Cowen to amend the existing stamp duty regime applicable for First Time Buyers purchasing in the second hand residential market, particularly the exemption threshold being increased from €190,500 to €317,500.

Commenting on the measures announced, Paul Murgatroyd, Economist with Douglas Newman Good said "The move to increase the stamp duty exemption threshold for first time buyers in the second hand market from €190,500 to €317,500 will be of great assistance to those purchasers looking to get on the property ladder and it means that the new stamp duty regime is now in line with current conditions and in particular, prices, in the current market. The change will create a much more competitive residential sales market environment in 2005 as the new homes sector and second hand sector compete on a far more level playing field, particularly at the entry level to the market.

Press Release

He continued “Unfortunately for those same first time buyers, in the short term we are likely to see prices at the entry level to the market rise at a faster rate than they have this year where there has been a noticeable stabilisation in price increases. This phenomenon will be somewhat diluted by the fact that supply in both the new homes and second hand markets remains relatively good so choice should not be an issue, but in areas where supply is more restricted, the likely increase in demand brought forward will feed through into higher prices. The new homes market will be a far more competitive place next year as developers not only compete with each other on the basis of quality, type of home and location but also competing with the entry level of the second hand market”

“The Minister must be congratulated for taking a substantial measure by increasing the exemption threshold to €317,500. This is because even though the average house price nationally is around €300,000 and in Dublin is almost €400,000 you must remember that first time buyers seldom purchase property at the average price – predominantly their purchases tend to be well below this level which leaves some scope for further increases in prices before the higher exemption level is surpassed.”

Douglas Newman Good also welcomed the reduced rates of stamp duty further up the price scale for First Time Buyers in the second hand market only, although we believe there was scope to reduce the top rate of 9% for properties purchased for more than €635,000 as this was the only rate left untouched in the Budget.

ENDS

Born to Sell.

With branches nationwide.