

Douglas Newman Good Press Release

Reaction to Budget 2008

December 5th 2007

Douglas Newman Good welcome simplified stamp duty regime

- (05/12/06) Leading nationwide estate agents Douglas Newman Good today welcomed the Finance Minister's positive steps for the residential property market announced in the Budget. The revised Stamp Duty regime for non first time buyers is good news for the residential market. This will provide some stimulus to the market as buyers will require less savings to purchase a home than in the past. The market has suffered during 2007 and this measure may help underpin demand in the residential market in 2008. The new rates have been simplified for buyers and are as follows:

Up to €125,000	-	0%
€125,001 – €1,000,000	-	7%
€1,000,001 plus	-	9%

- In addition whilst Minister Cowen had already committed to increasing mortgage interest relief for First Time Buyers its confirmation today is most welcome and will offer further assistance to those trying to enter, or who have recently entered the property market for the first time. The increase in TRS effectively offsets part of the recent increases in interest rates.
- Commenting on the changes, Paul Murgatroyd Economist with Douglas Newman Good said "The package of measures announced today are targeted specifically at revitalising the stagnant market will go some way to restoring buyer confidence that has suffered badly during the last 18 months. We have always maintained that the window of opportunity to amend stamp duty and introduce a more equitable regime should not be missed and it is pleasing to see the Minister taking this on board. Market conditions are such that we believe there will be no inflationary pressure put on house prices as a result of

these new measures but they will serve to underpin demand, particularly from first time buyers, going forward which will lead to more normal transaction levels and a higher tax take for the Government as a result. He further added “the Minister’s move to increase mortgage interest relief will be of great benefit to those first time buyers with large mortgages or those who are seeking properties in the major urban areas where prices are higher.

Further commenting on the announcement Keith Lowe CEO of Douglas Newman Good Group stated “These new measures are very welcome and will lead to an increase in transactions levels across the board next year; however, the maximum saving under the new stamp duty regime is €28,750 for any purchase price in excess of €1,000,000. A buyer purchasing a property at €400,000 will make a significant saving in stamp duty of €10,750 or 35% and a buyer purchasing at a price of €630,000 will save approximately 25% or €11,900 compared to the old regime. I believe this should provide buyers who are currently taking a wait and see approach to purchasing their home the confidence to purchase now.”

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