

Tuesday 11<sup>th</sup> October, 2016

**BUDGET HELP-TO-BUY MEASURE WELCOME BUT AUCTIONEERS EXPRESS  
DISAPPOINTMENT THAT BUILDING COSTS NOT TACKLED**

Today's help-to-buy Budget measure for first-time buyers should help to stimulate supply by boosting confidence among builders and developers, IPAV, the Institute of Professional Auctioneers & Valuers, said.

Chief Executive, Pat Davitt said: "The lack of supply of suitable properties is the single biggest issue impacting all elements of housing, from the growing homelessness figures to first-time-buyers to those who wish to move. Anything that helps supply is welcome.

"However, it is disappointing that it won't apply to second hand homes. In that regard we can predict that the price of second hand homes will continue to increase until they meet the price at which new homes are selling," he said.

Mr Davitt said it was also disappointing that the issue of building costs doesn't seem to have been addressed in the Budget. IPAV had called for, at the very least, VAT to be reduced from 13.5pc to 9pc. "In the UK and Northern Ireland there is no VAT on housing and in Hungary where the Government recently cut the VAT rate from 27pc to 4pc there was an immediate surge in building," he said. Mr Davitt said from an Exchequer point of view reducing building costs was a "no brainer" because even though it would get a lesser amount per property sold it would gain arising from the increased volume being built and sold.

He welcomed the measures to assist private landlords. "Though the 5pc increase in tax relief is small it is a start towards bringing about greater fairness between private and commercial landlords over the next number of years. It will help address the haemorrhaging of private landlords from the sector," he said.

He also said the increase in the inheritance tax/gift threshold would assist the housing market. IPAV had called for an increase in the threshold.

"And the €2,000 increase in rent-a-room relief would make the measure more attractive to more people and would, therefore, also assist in a small way in alleviating the housing crisis," he said.

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