Gold Coast Bulletin

Property

Why ScoMo's super policy would force house prices up on the Gold Coast

A "hail Mary" proposal to opening up the housing market will be like "petrol on a bonfire" for the Gold Coast property sector – driving up house prices even further. FULL DETAILS

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A Coalition plan for first homebuyers to access retirement funds to buy homes is being called a "Hail Mary" policy but will do little to open up the Gold Coast market, top agents warn.

First homebuyers will be able to use up to 40 per cent or take $50,000 from their superannuation funds in order to break into the property market under an 11th-hour election proposal put forward by Prime Minister Scott Morrison.

The new housing pitch, known as the "Super Home Buying Scheme" has been criticised by economists, finance peak bodies, the property council and industry body Super Australia, while the Coalition admitted it would drive housing prices up in the interim.

Prime Minister Scott Morrison announced the policy on Sunday. (Photo by Asanka Ratnayake/Getty Images)

Harcourts Coastal boss Dane Atherton said the policy could have an overall positive impact but he did not think it would give young buyers a "huge leg up".

"It's a Hail Mary that's for sure," he said.

"It would make things easier but I really don't think it will create many more buyers."

With the median house price for the Gold Coast now above $1 million, Steven King, of Colliers, said $50,000 would make little difference in the market.

"It won't do too much towards a deposit at all because these days you need much more.

Dane Atherton.

"It seems like a good idea and would be a start but there won't be many people who actually will have that amount of money in their super."

The policy, the centrepiece of the Coalition's final week of campaigning, has been slammed by a wide range of figures from both the property and finance sectors.

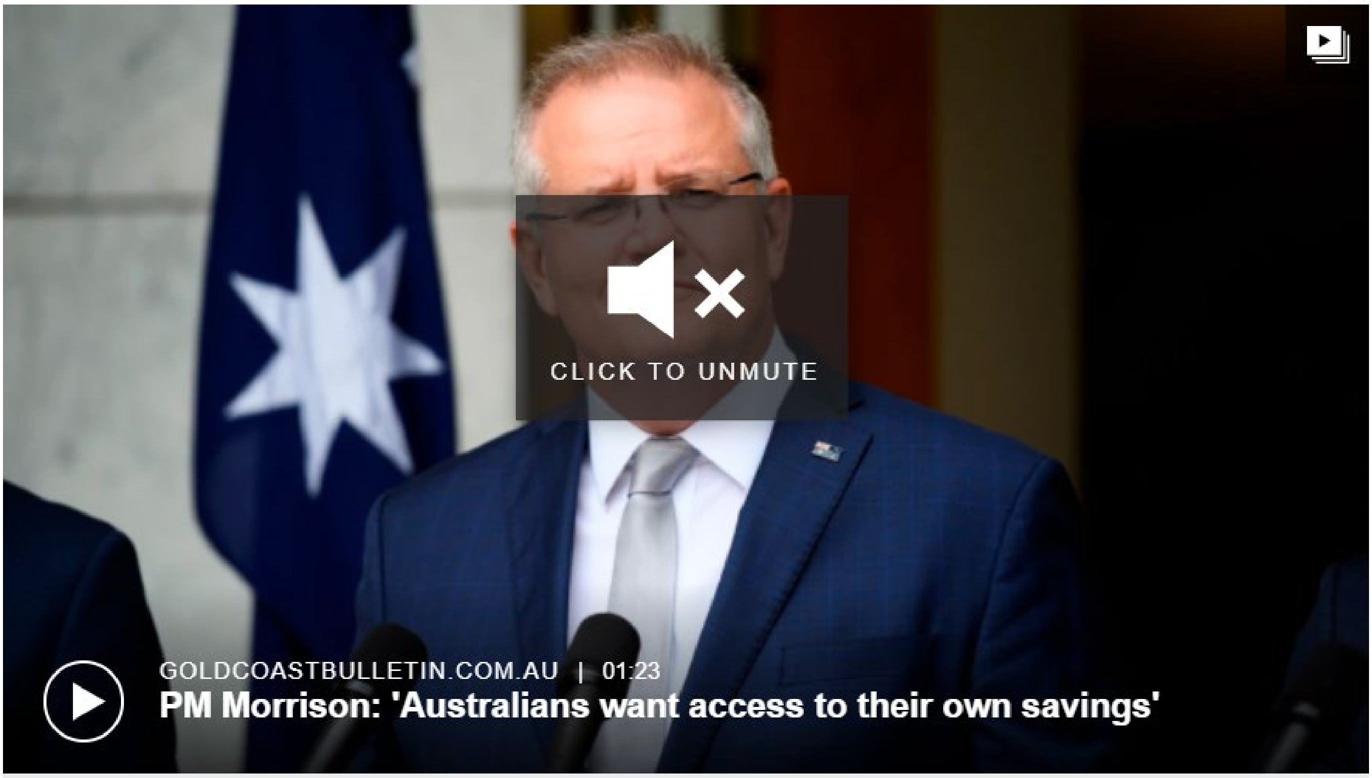
The Property Council of Australia said the focus needed to be on increasing the supply of housing, while Industry Super Australia warned throwing super into the housing market "would be like throwing petrol on a bonfire".

Leading economist Saul Eslake skewered the scheme as one that would inflate house prices and "do nothing to increase home ownership".

"This policy will be welcomed by those who already own properties, just like anything that allows Australians to pay more for housing than they otherwise would," he said.

Broadbeach-based financial planner Christian Stanger from Superannuation Advice Australia welcomed the concept and the government opening the market to younger people but warned there would be consequences.

"It does not address housing affordability and it may drive prices up which will further exacerbate the problem," he said.



Prime Minister Scott Morrison says he knows Australians want access to their own savings, to buy their own home to support them and their family. "And the only way they're going to be able to do that, the only way is if they vote Liberal and National...

"Equally, retirement incomes and standards of living in retirement can be severely affected if a withdrawal of $50,000 is made without looking into how this may affect the overall retirement balance."

Mr Morrison said the policy was "well thought out" and "well designed".

"What could possibly be wrong with letting Australians use their own savings to buy the most important asset they will ever own?" he said.

Labor leader Anthony Albanese said: "This policy is not a good idea,"

"I'll give you this big tip – if you take super away from people, then you'll have higher deficits and bills from the government in the future," he said.

"If you gut people's super savings, that means down the track, more people dependent upon the pension, more pressure on budgets in the future."

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