

MEDIA RELEASE

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MORE INCENTIVE NEEDED FOR PENSIONERS TO DOWNSIZE

The State and Federal governments should do more to incentivise pensioners to downsize according to QWest Paterson Valuers and Property Consultants Chairman Warwick Hemsley.

“Following the release of the Productivity Commission’s report into the housing decisions of older Australians, I think it is imperative that state and federal government’s work together to ensure retirees are supported in making the decision to downsize into more appropriate housing,” Mr Hemsley said.

The report found that older Australians are more likely to cut daily expenditure as their finances become tighter rather than realising the equity that is embedded in the family home.

“There are barriers in place to those wanting to downsize which can be addressed immediately,” Mr Hemsley said.

“The Commission’s report does touch on stamp duty and the pensioner asset test, however I believe these two issues need to be top priorities,” Mr Hemsley said.

“Stamp duty is an inefficient tax that poses a disincentive to home buyers from all demographic backgrounds, not just older Australians, to move house,” Mr Hemsley said.

“In terms of older Australian’s in particular, providing a stamp duty exemption would peel back at least one layer of transaction and moving costs that come with making the decision to downsize,” Mr Hemsley said.

“The Pensioner Asset Test, while not applicable to the family home, does come into play once that home is sold,” Mr Hemsley said.

“I have suggested previously that the Pensioner Asset Test should be amended to only include half the value of the family home once it is sold in order to encourage older Australians to downsize,” Mr Hemsley said.

“Finally, on top of financial disincentives to moving, there is also the availability of appropriate and affordable housing options,” Mr Hemsley said.

“Many retirees might consider the option to move into smaller, easier care living options,” Mr Hemsley said. “However they would also often like to stay within the vicinity of their local area in order to stay close to family, friends and other established networks.”

“In order to do this, more medium and high density living options in middle and inner ring suburbs need to be in the supply chain,” Mr Hemsley said.

“Increased support for innovative solutions for more compact living arrangements that is appropriate for an aging population is imperative,” Mr Hemsley said.

“The state government has acknowledged the need for increased density in their Perth @ 3.5 million plan, however planning regulations on the ground at local and state government level have further to go in order to promote a faster supply of this type of housing in the right locations,” Mr Hemsley said.

“The downsizer market is certainly there and will continue to grow if it is supported by the right government policy and financial structures,” Mr Hemsley said.

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To find out more or to arrange an interview with Warwick, please contact:

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