

PRESS RELEASE

DOUGLAS NEWMAN GOOD REACTION TO THE MEASURES IN BUDGET 2014

15.10.13 – For Immediate Release

SUMMARY

DNG welcomes the government's acknowledgement of the importance of the property market and construction sector to economic recovery within Ireland, as demonstrated in the measures announced in the Budget today.

The extension of the capital gains tax exemption scheme for investors for a further year, the new home renovation scheme, investment in the states house-building program, a further investment in uninhabitable units and the extension of the Living Incentive Scheme are measures to be welcomed.

DNG also welcomes the fact that the stamp duty rates and thresholds relating to property transactions were unaltered, although they expressed disappointment that no new incentives for buyers in the new homes sector were announced in order to stimulate the new homes sector and stimulate further construction, particularly in areas where new housing shortages are evident.

EXTENSION OF CAPITAL GAINS TAX EXEMPTION SCHEME

In Budget 2012 the Minister introduced a new incentive relief from CGT for the first seven years of ownership for all properties bought between Budget night and the end of 2013, in situations where the property is held for more than seven years. Where such property is held for more than seven years the gains accrued in that period will not attract CGT. This has now been extended for a further year which will assist investment in the recovering property sector and is therefore a welcome measure.

LIVING CITY INITIATIVE

The Minister extended the current scheme to Cork, Galway, Kilkenny and Dublin, for all buildings built prior to 1915. This essentially offers tax relief for owner occupiers who occupy buildings built prior to 1915. The tax relief is based on the expenditure incurred in renovating old buildings. This should assist the refurbishment of old building in areas that have been somewhat deprived in Cork, Galway, Kilkenny & Dublin, The scheme is already in operation in Limerick and Waterford.

HOME RENOVATION TAX INCENTIVE SCHEME

This scheme is most welcome as it gives a tax credit to homeowners carrying out works on their homes in 2014 and 2015.

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Property Service Licence - 002049

STATE HOUSE BUILDING PROGRAMME

The €30,000,000 allocated to the State's house building program which will deliver 500 houses, including new builds and the upgrade of previously uninhabitable units is a very positive and progressive step which acknowledges the need for the provision of much needed social housing .

INVESTMENT IN UNFINISHED ESTATES

The Housing Agency in co-operation with the Department of Environment has carried out emergency works on many unfinished housing estates in Ireland. The provision of a further €10,000,000 is a much welcome continuation of this initiative.

NAMA INVESTMENT

DNG welcomes the fact that NAMA will continue and extend its development in the new homes and commercial sector which will assist job creation and economic recovery.

REAL ESTATE INVESTMENT TRUSTS

The investment options under the Immigrant Investor Programme will be extended to include investments in Real Estate Investment Trusts in Ireland, subject to conditions relating to the minimum level of investment and withdrawal of funds. This should incentive foreign inward investment in property.

Further commenting on the announcement Keith Lowe CEO of Douglas Newman Good Group stated

"The measures announced in Budget 2014 were measured but positive for the property market and building industry. Further measures will be required in the immediate future for the urgent provision of new housing stock in Dublin and other key cities in Ireland where there is an under supply of new property construction which is causing upward price pressure in the capital which is already starting to spread be it in a small way to other key cities in Ireland. We were particularly pleased with the extension of the Capital Gains Tax exemption scheme which will support investment in the property sector and the Living City Initiative scheme which will encourage improvements and refurbishment of older residential and commercial building stock in key cities".

The above statement is subject to the enactment of the Finance Bill 2014.

ENDS

For further information please contact Keith Lowe DNG 4912600 or 087 2349553

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