

DNG REACTION TO THE MEASURES IN BUDGET 2016

DNG welcome a number of the measures introduced in this year's budget. One of the key changes is in the postponement of the re-evaluation of property prices in relation to the Local Property Tax until 2019. This was extremely important as the effect on homeowners would have been severe. The government need to create a new system for this in the future where by the initial valuation price is fixed and possibly index linked in some way going forward from 2019 onwards.

NAMA has also been provided with an ambitious target to construct 20,000 new homes in 100 schemes mostly in the greater Dublin area by 2020. 75% of these new homes will be starter homes. NAMA is to work with developers to meet this requirement. This is a positive measure as it will assist in meeting buyer demand and to some degree temper house price inflation in the capital. From an economic point of view it will also lead to job creation as in the UK government continue to estimate that every new house build equates to the creation of two new jobs.

DNG welcome the investment in social housing but are disappointed that no changes to the current ceilings for rent allowances under the Housing Assistant Payment (HAP) were introduced. The current ceiling for Rent Allowance needs to increase to near market rental levels immediately as more and more social tenants are being priced out of the rental market. This also could have been a good opportunity to offer tax incentives for landlords for the provision of long term private rental accommodation for social tenancies.

Also mentioned in the budget is the increase in Category A Capital Acquisitions Tax €225,000 to €280,000 which is also welcomed.

The above statement is subject to the enactment of the Finance Bill 2016.



Keith Lowe FRICS FSCSI MIPAV

Chief Executive

DNG

13th October, 2015

PROPERTY ADVISORS

Head Office 30 Leeson Park, Ranelagh, Dublin 6 T 01 4912600 E info@dng.ie PSL No. 002049

Chairman Paul Newman FRICS FSCSI MIPAV Chief Executive Keith Lowe FRICS FSCSI MIPAV

Partners Pat Mullery MRICS MSCSI, David Horgan FCCA FMAAT, Michael Glynn MMII Grad, Susan Slevin MIPAV, Carol Strong MRICS MSCSI
Orla McMorrough MSCSI, Brian Dempsey MRICS MSCSI MIPAV, Deirdre O'Gara, Gemma Lanigan BA MIPAV

