

DOUGLAS NEWMAN GOOD REACTION TO THE MEASURES IN BUDGET 2015

DNG welcomes that the government realises the importance of the property market and building industry to the overall economic recovery within Ireland.

Firstly DNG welcome the removal of the 80% Development Land Windfall Tax. This will assist the provision of housing in the short to medium term.

DNG also welcome the exemption of DIRT tax for first time buyers to assist them saving up to 20% of the purchase price of their new home. However, DNG have concerns over the recent announcement by the Central Bank that proposes to curtail mortgage lending next year which in our view will negate the actions taken today by the government to assist first time buyers and a number of other items they intend to propose in their Construction 20:20 program. If the Central Bank does not alter their proposed lending restrictions this will be seen as a buying impediment for first time home buyers and could limit the construction of entry level priced homes next year.

The extension of the Living City Initiative and the Home Renovation Tax Incentive Scheme is also to be welcomed. In particular the Home Renovation Tax Incentive Scheme being extended to investors will be seen as an attractive proposition.

DNG further welcome the extensive measures and investment which will be allocated to the State's house building program which are predicted to deliver 2,500 social houses in 2015 and a total of 10,000 houses by the end of 2018 between various initiatives. This will assist the urgent need for the provision of much needed Social Housing in Ireland. DNG also supports the additional €10M for the provision of accommodation for the homeless and the provision of funds for long term leasing for social housing both which are much needed.

Further commenting on the announcement Keith Lowe CEO of Douglas Newman Good Group stated "The measures announced in budget 2015 are welcome but he warns that the Central bank proposal to restrict mortgage lending must be reviewed or modified if the government wish the new stimuli being announced today and planned as part of Construction 20:20 to be of any meaningful benefit to the economy"

The above statement is subject to the enactment of the Finance Bill 2015.

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