QLD [NEWS]

Flood-prone houses lifted with less red tape

Houses in flood-prone areas of Queensland can now be raised with an exemption from implementing sustainability features, according to the Queensland Deputy Premier Paul Lucas.

In the past when house owners wanted to raise a house they were required to undergo sustainability upgrades under the Queensland Development Code (QDC), says Lucas.

"These included compliance with the energy and water efficiency performance – for example, the installation of energy efficient air conditioners and lighting and water efficient toilets and taps," he says.

"The government has acted to keep recovery and rebuilding costs as low as possible by amending the QDC to create an exemption from its requirements for houses raised in flood-prone areas."

Since July, when the exemption was implemented for flood-prone houses, the government also removed the requirement to undertake a plumbing inspection of sustainability upgrades at an expense of between $150 and $330.

To be eligible for the exemption, a building certifier must certify in writing that the house has been affected by a flood or storm surge or is located in a natural hazard management area (flood area).

Roadmap launched for Logan and Redlands

Five priority issues critical to the future development of the growth corridors of the Logan and Redlands districts were announced at a forum in June, according to the Queensland Minister for Building Simon Finn.

In a region where the population is expected to grow by 250,000 in 20 years to more than 640,000 in 2031, the critical issues for sustainable growth as outlined in the new 'Roadmap' are: transport, the National Broadband Network high speed internet service, social inclusion, economic development and job creation, and population growth and infrastructure planning, says Finn.

Queensland growth slows

Queensland dwelling approvals have fallen to 2000-01 levels as population growth slows, according to the *Midwood Queensland Investment Report*.

Looking more closely at the individual regions, Gold Coast dwelling approvals have hit their lowest level since 1993, while Mackay and Toowoomba "have held up well" compared to other regions of Whitsundays, Townsville and Cairns.

The report states that over the coming year Queensland's population growth is expected to grow at a two per cent rate, the lowest level of interstate migration since 1983, and the growth is expected to decline over the next five years.

Port redevelopment in Cairns

A $23.3 million entertainment, tourism and leisure precinct will transform the Port of Cairns foreshore, according to the Queensland Deputy Premier Paul Lucas.

The work will complete a 1.6-kilometre public waterfront promenade linking the esplanade to the new Cairns Cruise Liner Terminal, a playground area, new restaurant space, barbecue areas and a refurbished fishing deck, he says.

Gold Coast building boost shelved

The Gold Coast City Council's building boost, proposed to start August 1, 2011 and finish January 31, 2012, was canned before it even took off as the majority of councillors voted against the incentive to stimulate new housing in the under $600,000 category.

If the proposed boost had won the majority of councillor votes, first homebuyers picking up a newly-built dwelling on the Gold Coast from August 1 would've benefited from an $8000 local boost on top of the State Government $10,000 building boost and the $7000 Federal First Home Owner Grant. All other buyers of new dwellings would have benefited from a $5000 boost in addition to the State Government's $10,000 building boost.

or as the government prefers to call it 'the end to the stamp duty concession' – for upgraders buying a new home.

It's hard to isolate the two issues, particularly when many tout the move as 'robbing Peter to give to Paul'.

It's certainly confusing given the recent drop in property prices, the abundance of established housing on the market, the incline of mortgage defaults and the cautious buyer sentiment resulting from global economic issues.

Since August 1, despite Queensland Treasurer Andrew Fraser labelling stamp duty as 'an inefficient relic that should be scrapped', the Queensland Government removed its stamp duty concession for everyone other than investors (who were never eligible for the concession) and first homebuyers, resulting in a whopping 77 per cent increase in stamp duty for those buying a house valued at $500,000. Prior to the stamp duty concession end date on July 31, the stamp duty bill for a $500,000 home was $8750. It's now $15,525.

How will it affect the market?

The concession removal now means owner-occupiers are paying the same rate as investors – well, in properties priced above $500,000 they are.

Fortunately it's not a move that negatively impacts property investors targeting that next property because the stamp duty doesn't budge for them, with the exception of investors buying property priced $500,000 and below, says Despina Priala of Priala Legal.

Based on the Office of State Revenue's new sliding scale, Priala calculates that under the new stamp duty system, on investment properties priced at the $350,000 and $450,000 threshold, savings of almost $600 can be made; on properties priced at $500,000, investors can save around $400. The stamp duty on properties priced above this will remain the same.

Because investors don't have to fork out extra for stamp duty as owner-occupiers now do, it also means that when buying a new dwelling priced up to $600,000 investors can use "the entire $10,000 building boost for the purchase of their investment property" in comparison to the owner-occupier buyer who will really just see their building boost offset by the increased stamp duty, says Priala.

What it will mean is for the life of the building boost incentive – almost six months until January 31 – many buyers will start buying 'new' instead of buying from the existing supply (or oversupply in