

# REINSW: The Real Week Ahead

- with **Tim McKibbin, CEO, Real Estate Institute of NSW**

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*"Tomorrow the Reserve Bank meets for the final time this year though in the immediate term, the rate decision seems a foregone conclusion.*

*"Pending any further economic shocks, the 0.10% cash rate should be with us for many months ahead.*

*"More interesting will be the minutes of the meeting, as these will help to set the fiscal policy scene for 2021, a year set to be analysed in economics classes for decades to come.*

*"Will the Federal and State Government measures put in place in response to the biggest economic challenge Australia has ever faced work? Certainly an opportunity has been missed with stamp duty in NSW, with no actual relief forthcoming in the Budget.*

*"Initial REINSW calculations based on today's figures shows that, should people get the choice between stamp duty and a property tax, it would take the average purchaser of a median priced house in Sydney about 12.3 years of paying a property tax to equal what they would have paid in stamp duty.*

*"Given the average length of time people stay in a home, which is a similar timeframe, It goes to show that replacing one tax with another leaves consumers in a similarly negative position.*

*"There are more and more unintended consequences of the proposed reforms emerging and REINSW is preparing a formal response to the consultation.*

*"For instance, there has been no deep dive as to what a property tax might mean for investors. The REINSW is investigating this, with the potential impacts on yields to be balanced against any claimable portions of an annual tax.*

*"In the meantime, we see another steady week of activity ahead, and right up until Christmas. In fact, with overseas holidays off the agenda this year, agents are expecting a busier than usual end of year period and next year's listing period could kick off earlier too.*

*"Clearance rates are expected to remain strong though the supply side of the equation remains a concern. The extension of HomeBuilder has the potential to support new developments but unlocking existing stock needs incentivising too."*

**All quotes can be attributed to Tim McKibbin, Chief Executive Officer, REINSW.**

**For additional commentary on these topics and all other matters related to the NSW residential market, contact:**

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### **About REINSW**

The Real Estate Institute of New South Wales (REINSW) is the peak industry body for real estate agents and property professionals in NSW. It represents more than 2000 agencies across residential sales, property management, commercial, strata management, buyers' agency, agency services and auctioneering. Established in 1910, REINSW works to improve the standards, professionalism and expertise of its members to continually evolve and innovate the industry. It lobbies the government and industry on behalf of members, develops new products and services to benefit agencies and professionals, and offers training and ongoing professional development. For more information, visit [reinsw.com.au](http://reinsw.com.au).