Publication: Irish Examiner
Date: Thursday, April 03, 2014
Page: 16
Extract: 1 of 1
Circulation: 37897
Author: Vincent Ryan
Headline: BoI to pay first-time buyers' stamp duty

BoI to pay first-time buyers' stamp duty

by Vincent Ryan

Bank of Ireland is offering to pay first-time buyers' stamp duty, up to the value of 1% of the borrower's mortgage, as a helping hand to get buyers onto the property ladder.

First-time buyers who draw down mortgage loans between now and September 30 of this year can benefit from the scheme.

Head of mortgages with Bank of Ireland, Áine McCleary, said the bank has €2bn to lend to Irish buyers and now that prices are stabilising the bank is seeing a rise in demand.

"Bank of Ireland is very keen to support first-time buyers who are looking to purchase their first home. First-time buyers represented almost half of the new mortgage market in value terms in 2013 and we are seeing demand from all parts of the country, particularly now as property prices have stabilised outside Dublin," she said.

The bank estimates that there is a huge volume of pent-up demand, with many buyers putting off purchasing while they waited for the market to stabilise.

However some experts have warned that schemes like this risk fanning the flames of a market that is already struggling to meet demand.

Director of the Association of Expert Mortgage Advisers, Ken Murray said the scheme could overheat the market.

"We would also have concerns that this may in fact have a serious impact in stimulating activity in what is already a very active market. It is our belief that until we address the big issue of the supply (or lack of) of suitable housing to the market, schemes such as the one BoI have announced may in fact further exacerbate the issues by bringing additional first-time buyers to the market who may otherwise have held off on buying for the foreseeable future," he said.

In a further echo of the boom years Bank of Ireland is now offering to have its mortgage advisers come and meet borrowers in their place of work or at the weekend.