

SELL HOME TO BOOST SUPER

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ON THE BLOCK
 Downsize may be able to put money away tax-free for retirement

Auctioneer Jake Downs at the auction of one of Avalon's last classic beach houses, inset the interior. Picture: Martin Lange

Budget plan will allow retirees to save profits from house sales without paying tax

Kathryn Welling

RETIRED people who own their home may be able to sell up, buy something smaller and put some cash into superannuation without attracting tax.

The move was flagged in last night's Federal Budget and, if passed by the Senate, will encourage retirees to sell large family homes knowing they can protect the money they make from the sale.

Couples who downsize by selling their home will have tax exemptions in superannuation. They will be able to put more than the \$100,000 cap into super without paying tax and can have a high-



er amount in super eligible for tax-free earnings.

The northern beaches has a high proportion of retired people living in large family homes. Narrabeen, for example, has 27 per cent of its population aged over 65,

Palm Beach has 29 per cent and Oxford Falls has 37 per cent of its population of retirement age.

A wave of family homes hitting the market will give the next generation of buyers more choice.

Agent Nina Sokolov, of Fine and Country Avalon Beach, said the former Pittwater local government area had a large number of retirees in large properties who were keen to downsize.

"They are active retirees who want to stay in the area. They don't want to lose friendships, are very involved in their community and are looking for properties they can lock and leave while they travel," she said.

In addition, there are many families keen to buy a large family home, Ms Sokolov said.

"For the last 18 months a lot of buyers have been chasing agents for a house because they can't find

something suitable or they have missed out," she said.

There are also many families who have sold and who are now renting in the Ava-

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Estate agent Nina Sokolov

lon Beach area looking for a house to buy, she said.

On Saturday, one of the last classic beach houses in Avalon Beach was auctioned. The cottage at 554 Barrenjoey Rd sold for \$1.65 million to investors.