

Media Release



13 MAY 2009

FHOG BOOST PROVIDES LIFELINE TO PROPERTY MARKET

The Federal Government has handed first home buyers and the property industry a lifeline by announcing the continuation of the First Home Owners Grant Boost according the Urban Development Institute of Australia (UDIA) (WA).

“Last night’s budget announcement is a welcome relief to potential home buyers and the property industry alike,” UDIA CEO Debra Goostrey said. “The Boost has kept the land sales market alive during these challenging economic times and UDIA has strongly encouraged the government to keep it going.”

“There are many potential home buyers out there that would have been very disappointed if the boost had been cut,” Ms Goostrey said.

“We are pleased that the Federal Government has heeded our advice and announced it will continue,” Ms Goostrey said.

UDIA clearly outlined the importance of extending the Boost in order to effectively stimulate the property market back in March.

“In our *Case for Continuance* to the government, UDIA proposed the extension of the FHOG Boost to at least the end of the 2009 calendar year with gradual phasing out through incremental reduction when conditions are appropriate,” Ms Goostrey said.

“While the timelines announced yesterday are somewhat shorter than our recommendations, this is a major win for the property industry,” Ms Goostrey said.

“First home buyers are the only sector of the property market that has shown healthy levels of activity over the past 6 months and this is attributable in no small part to the Boost,” Ms Goostrey said.

“The Boost provides confidence to the first home buyer sector and this will have a flow on effect to other sectors of the property market,” Ms Goostrey said.

UDIA statistics for the March 2009 quarter showed a 70% increase in lot sales for the quarter compared with the previous.

The average price of lots sold was down to \$217, 253.

“Our statistics clearly represent the significant percentage of first home buyers in the market,” Ms Goostrey said. “The continuation of the Boost is integral to keeping this sector moving.”

“UDIA expects to see improvement in the middle and upper sectors of the property market by the end of 2009,” Ms Goostrey said.

“In conjunction with the Boost, increased consumer confidence, low interest rates and good value land for sale will ensure the market continues to survive during one of the worst economic periods in recent history,” Ms Goostrey said.

“A healthy property market provides jobs in construction and other industries related to the land development and housing sectors,” Ms Goostrey said. “That is all positive for the wider economy.”

End.

For further comment: Debra Goostrey CEO UDIA(WA) Office Hours: 08 9321 1101 After Hours: 0439 380 266	General Media Enquiries: Gemma Osiejak Communications Manager UDIA (WA) P: 08 9321 1101 E: gosiejak@udiawa.com.au
---	--