

Media Release



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LAST CALL TO CONTINUE GRANT BOOST

The Federal Government is due to hand down its budget on Tuesday and still there has been no official announcement on the continuation of the First Home Owners Grant Boost.

If the FHOG Boost is cancelled on June 30 as most pundits predict - future sales activity will slow according to the Urban Development Institute of Australia (UDIA) (WA).

“The boost is keeping the market alive,” UDIA CEO Debra Goostrey says. “Once it is cut off, we will see a significant decline in sales numbers.”

The predicted slow down is evident in the UDIA’s lot construction figures, which represent the number of lots that developers are predicting for release within the next 12 months.

“The number of lots currently under construction and predicted for release over the next year is down 10%,” Ms Goostrey said.

“This is a clear indicator that the industry is not confident that sufficient demand will be there in the coming year.”

“This is why the industry needs support from government, such as incentives to new home buyers, to keep demand up during this difficult economic period, Ms Goostrey said.

Despite this downturn in activity, there are areas that will continue to grow.

The City of Wanneroo has the highest number of lots under construction with 687 lots predicted for release in the next 12 months as well as 329 lots already on the market.

“Wanneroo is traditionally the largest growth area in the state,” Ms Goostrey said. “The healthy number of lots under construction represents continued demand in this area.”

There are a number of major Masterplanned developments in the Wanneroo region that are fuelling this continued growth and they offer a diverse range of lots at affordable price points.

“Banksia Grove and Brighton are two major developments that are targeting affordability,” Ms Goostrey said.

“These developments not only provide good priced lots, they are the full package including their own town centre, schools, shops and recreational facilities.”

“Masterplanned developments are a whole new community.”

Rockingham is the second highest growth area in relation to lot construction activity, with 613 lots predicted for release in the next 12 months on top of the 401 lots currently on the market.

The average price of lots on the market in Rockingham is \$204,125.

“Rockingham is really starting to buzz,” Ms Goostrey said.

“The large Settlers Hills estate has started to mature and continues to grow as well as a number of developments in surrounding areas.”

“The City of Rockingham is currently advertising stage 2 of its City Centre Plan and work has been undertaken over the past few years to revitalize the City,” Ms Goostrey said.

“Rockingham provides another affordable lifestyle opportunity and will continue to grow over the coming years.”

Other areas that predict healthy activity into the future include Armadale (417 lots under construction), Swan (311 lots under construction) and Cockburn (217 lots under construction).

End.

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