



TAYLOR WOODINGS

# NEWS FLASH

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## Budget Wrap: First Home Owners Grant Extended

The biggest news for the property market to come out of the latest budget was the extension of the first home owners grant for a further three months. Buyers who exchange on new units before September 30 will be eligible for a \$21,000 grant for new homes and a \$14,000 grant for existing homes. From October 1<sup>st</sup> through to December 31<sup>st</sup> buyers will be eligible for a reduced grant of \$14,000 for new homes and \$10,500 for existing homes.

This announcement comes as positive news for both buyers and sellers. Residential unit developers are seen to be among the biggest winners with the grant allowing young singles and couples to enter into the market for the first time and driving up demand and prices of sub \$600,000 stock.

The first home buyers grant has been viewed as one of the positive stories in an otherwise struggling Australian property market. Figures released from March show that first home buyers accounted for 27.3% of all loan approvals for the month. Overall approvals were up just under 5% from February to a 13 month high.

The grant has not been without its critics with some claiming it has created a false bottom in the market, however, with numbers like these being reported there can be no doubt that it has boosted transactional activity and it is little wonder the Federal Government has chosen to extend the availability for the grant.

### More information

For more information please contact:

**Quentin Olde**  
Partner  
(02) 8247 8000  
[quentin.olde@twcs.com.au](mailto:quentin.olde@twcs.com.au)

**Richard Lingard**  
Senior Manager  
Property Advisory  
(02) 8247 8000  
[richard.lingard@twcs.com.au](mailto:richard.lingard@twcs.com.au)

**Ian Francis**  
Partner  
(08) 9321 8533  
[ian.francis@twcs.com.au](mailto:ian.francis@twcs.com.au)

**Ross Blakeley**  
Partner  
(03) 9604 0600  
[Ross.blakeley@twcs.com.au](mailto:Ross.blakeley@twcs.com.au)

One point of note is that through the announcement of the phasing down of the grant post September 30 the government has signalled to the market that this is not an open ended offer. Deadlines for the grant have widely been ignored in the past with the general market sentiment being that an extension would always be granted. This latest budget announcement has now given first home buyers a clearly defined window in which to act and is expected to lead to a surge in activity pre September 30. Vendors of first home buyer stock will no doubt have this date marked clearly in their calendars.

Taylor Woodings have recently taken the initiative of taking on property specialist Richard Lingard. Richard comes to us with a development background in a listed property trust and as an industrial/commercial agent before that.

In his property advisory role he has already been able to help a number of our key clients achieve excellent results. Whether it be running the disposal of a property or being involved in forming creative solutions that lead to a better result in respect to distressed property assets, Richard can be of assistance.

For more information on any of the above or to simply run an idea past Richard please don't hesitate to contact him.

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