

# Media Release



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## Foundations of dwelling approvals lie in First Home Owners Grant

The urban development industry is calling on the Government to extend the First Home Owners Grant (FHOG) and Boost following figures released today by the Australia Bureau of Statistics (ABS).

“The latest dwelling approval figures released by the ABS justify calls for the extension of the First Home Owners Grant (FHOG) Boost past the 30 June deadline”, said the Urban Development Institute of Australia NSW (UDIA NSW) Chief Executive, Mr Stephen Albin.

“It is a tale of two markets - nationally, the FHOG and Boost are sustaining new dwelling growth and investment and importantly, keeping people in jobs - NSW is bucking the trend. The Boost is cushioning drop offs in demand - now is not the time to abandon the market.”

The ABS figures indicate dwelling approvals for March 2009 are significantly up nationally with a seasonally adjusted increase of 3.5% on February's figures, with 10,494 new dwelling units approved. NSW approvals however continue on a 15 month downward trend with 3.4% fewer approvals than February 2009.

Commenting on the continuing downward trend in dwelling approval data for NSW, UDIA NSW President Ms McKittrick said, “it is hardly surprising given that there is a plethora of constraints on an already depressed development industry in NSW that existed long before the global financial crisis took hold.”

Ms McKittrick said “while the latest results for NSW are disappointing, the Grant and Boost are proving to be successful in stimulating activity in the residential property market, which would be significantly worse off in the absence of fiscal stimulus. Ending the Boost will result in the rapid deterioration of the job outlook for the housing sector.”

“UDIA NSW anticipates the delivery of a positive Budget for new homebuyers from the Commonwealth Government. The property industry is the cornerstone of the NSW economy and is in desperate need of ongoing stimulus.”

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