



September surge in new homes

THE number of loans taken out for the construction of new homes peaked in September as first home buyers rushed to make the most of the boost to the First Home Owners Grant before it was wound back from \$36,500 to \$29,500 on September 30.

The latest figures released by the Housing Industry Association show the number of loans taken out for the construction of new homes in September in Victoria was up 12 per cent from July and 8 per cent from August. It was also nearly double that of September, 2008.

Horsham builder and Hotondo Homes franchisee Alan Lynch believes the increase in loans taken out for new homes showed the positive impact the boost to the First

Home Owners Grant had on the residential construction industry.

“There was definitely an increase in interest from first home buyers in July, August and September, which will provide builders with work well into next year,” Mr Lynch said.

“Many first home buyers may have spent the months leading up to September looking for the right house design and land and then signed a contract in September to ensure they got the total grant of \$36,500.”

“The extra financial assistance given to first home buyers who build

a new home rather than buy an existing property is certainly having a positive impact on the building industry. And because more money is available for those that build in

regional Victoria, it’s also helping smaller builders in regional areas.”

The total grant currently available for first home buyers who purchase a newly constructed home in regional Victoria is \$29,500 until December 31. From January 1 to June 30, 2010,

the total grant will be reduced to \$22,500.

However the value of the home must not exceed \$600,000.

A total of 2467 loans were taken out for the construction of new homes in Victoria in September compared to 1234 a year earlier in September, 2008.

In August 2009 the total was 2272 and in July it was 2198.



BUSY TIME: Builders Alan and Jenny Lynch believe home buyers flocked to sign contracts in September to take full advantage of the first home owners grant.