BUSINE$$ WEEKLY

Owner and director of the Dixon Homes Mackay franchise Ken Balderson had a record month in September, as first home buyers rushed to make the deadline for the First Home Buyer's Grant, which ends this week.

PHOTO: AMANDA BALMER 280909/188

Dixon contracts up 110 per cent

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DIXON Homes in Mackay has had its best month ever, signing about 30 contracts with customers in September, or about 110 per cent above their last record month.

Owner and director of the Mackay franchise Ken Balderson said the accomplishment was something of a "shot in the arm" for the company and he attributed the surge to the fast-approaching deadline of the $21,000 first home owner's grant which will return to $14,000 after September 30.

Mr Balderson said people looking at buying a home might have been kicked into gear by the deadline.

"If they were thinking about it, I'm sure the deadline pushed them to go for it," he said.

"But it hasn't come out of nowhere, it's always been a strong market in Mackay."

Mr Balderson has owned the Mackay franchise for about seven years and said even with the jump in sales, there would not be delays in erecting homes.

> **"It hasn't come out of nowhere, it's always been a strong market in Mackay."**
>
> *– Dixon Homes Mackay director and owner Ken Balderson*

"We're prepared for that all the time," he said.

"We aim to build more than 100 homes each year; this just means the wheels will turn a bit quicker."

He said even with this leap in sales, he expected the first home buyer's grant would create more interest in building than it did.

"We expected it to be bigger than it was; I don't think it lived up to what we all thought," he said.

Dixon Homes had experienced the biggest increase in the past two weeks as buyers capitalised on the government's grant before it was scaled back.

"We are now actively looking forward to the ongoing interest after September 30 when the first home owner's grant is reduced to $14,000," he said.

"It's definitely a strong market here in Mackay."

Coal will take a hit

COAL mines in our region will face a slump in earnings this financial year, with the strength of the Australian dollar and the lower negotiated contract prices in April affect the industry.

The Australian Bureau of Agriculture Resource Economics (ABARE) has released its annual forecast showing that the coal that our region specialises in, known as metallurgical coal because it is combined with iron ore to create steel, would be hard hit in the 2009-10 financial year.

According to the Federal Government office, our metallurgical coal mines, which include almost all the largest mining projects in the region, are preparing for a 57 per cent cut in their coal prices, dropping the value of their mineral in half.

Earnings may drop from about 54.8 billion dollars to 29.5 billion dollars, but contextually, this will still be almost five billion dollars more than the earnings in 2007-08, and that was still considered a booming time for our industry.

At 29.5 billion dollars, it is also the second highest earnings our resources sector has ever had.

Earlier this month, Business Weekly published ABARE's report on the past financial year, which outlined exactly the kind of freak year the 2008-09 financial year was.

At the time, senior commodity analyst Alan Copeland said the record earnings were thanks to high contract prices negotiated early in 2008.

"The (coal) contracts were settled in April 2008, so it was well before the financial crisis," he said.

"From a historical point of view, the prices are still high. (2008 prices) are not likely to be replicated in the very near future.

"They're higher than they were two years ago and most people were pretty happy."

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