

Homes out of reach

Affordability warning as property market makes new gains

A FURTHER improvement in Melbourne house prices last month, coupled with an anticipated interest-rate cut next week, has sparked a return to peak levels by Melbourne's home values could come three months possible, as "the third quarter is usually a strong one", Ben Skilbeck, Rismark CEO, added that a predicted interest-rate cut next week would make things even worse for first-time buyers.

"While the highly anticipated interest-rate cuts in August will further act to improve house affordability, it these cuts do eventually they will likely

houses rather than units while rates are low," Mr Kusher said.

He also noted that an acceleration in growth in the next week would make things even worse for first-time buyers.

RP Data analyst Cameron Kusher said the figures were a mixed bag. "It's good news for home owners, but not for those looking to buy for the first time. For those people, it's interesting to see that prices are really picking up, that growth follows pre-dictions last week that Mel-

and unit price for Melbourne fell last month, but this reflected poorer quality requirements for first-

precipitation, making the downturne fell last month, but

properties being sold as stock levels dropped over the winter months, according to Mr Kusher.

The data comes as new conditions in our market and ahead of the national average, though behind market

leaders Sydney and Perth. Units recorded a slight increase, with a rise of \$9,785

(1.1 per cent) in the past month and \$13,485 (3.1 per cent) year-on-year. The Melbourne median for units

is now \$435,000. Both the median house

Wynndham (50.5), Milledgeville (50) and Cardinia (49.9).

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