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Herald Sun

Big profits in bricks, mortar

PEOPLE who own their own home will be happy to hear housing prices have all but gone through the roof since the global financial crisis.

But anyone trying to save enough to buy a house will be plunged into gloom.

Cait Jones, shown here with her 15-month-old son Francis, is expecting another child and has just moved into a house in Yarraville.

Ms Jones and her partner, Paul, have been trying to buy a house for the past two years. They started looking in March 2008, but the only places they could afford were uninhabitable. By the next year, houses in the same state of disrepair were \$100,000 dearer.



Median house prices have jumped by a record 15 per cent across Melbourne and up to 7 per cent in regional centres. The median is between the highest and lowest prices paid.

As reported in today's *Herald Sun* the increase in Melbourne is more than \$70,000 over three months and \$10,000 to \$18,000 in regional cities.

The figures back up a change in the way people live. Adult children increasingly stay at home with their parents because they cannot afford a house of their own.

The financial downturn started in the United States because of high-risk home loans householders could not repay. The housing market collapsed.

Australia fared much better. It wasn't until the global crisis took hold that the domestic property market was hit.

Now, the market is roaring ahead with Toorak and Brighton leading the charge and houses in Ballarat, Bendigo and Geelong showing big gains.

First-home buyers face more pain this year and sitting down to dinner with the kids isn't what it used to be. The kids have grown up and don't look like moving.

The best advice for them is to save their money until market forces bring prices down.