

Housing loses glow

Buyers look to other investments

FIRST homebuyers are on the verge of turning their backs on home ownership, a leading industry figure has warned.

John Symond, of Aussie Home Loans, one of the nation's best-known lending industry figures, has revealed he no longer believes affordable homes fit with what young people want and they are pursuing other opportunities.

His comments come as new research by Bankwest has revealed the rate of median house price increases over the past five years, 21.48 per cent, has almost doubled the rate at which wages have grown, 11.3 per cent, in Melbourne.

NATHAN MAWBY

Mr Symond believes many young people are putting their savings into other investments.

He said instead of saving \$40,000 and putting that towards a home loan, many young people are putting that money into a futures account or some other wealth structure.

"We may well be seeing a trend and a shift in the fabric of our society in that home ownership will go off the list of the No. 1 or No. 2 dreams," Mr Symond said.

"Young people today want to live close to the city, to the

cool places, they don't want to live 30km away."

With interest rates at historic lows he believes a lack of interest from first home buyers is an early sign of his claims.

"I have never seen interest rates this low, but if the market was red hot you'd have first home buyers tripping over themselves — but they are being priced out by residential investors and the affordability problem," Mr Symond said.

In the past year Victoria was the only state to record growth in the number of first home buyers, a 9 per cent increase on the previous year.

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