

First-home buyers tire of the battle

FIRST-home buyers are resigning themselves to longer-term renting and not saving as hard.

The CBA's new *Home Finance Index 2014* report, compiled with CoreData, has found first-time buyers have slashed their home deposit savings to record low levels.

In March 2012 the average first-time buyer was saving 24.3 per cent of their income. That figure has dropped over the past two years to just 14.1 per cent in March this year.

In the same period the median value of Melbourne property has risen substantially — with RP Data figures showing

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the market tracking upwards since May 2012 and the median house value currently at a \$615,000 record for the city.

Clive van Horen, general manager for home loans at the Commonwealth Bank, said the reduction followed the removal of government grants for established properties.

With less such assistance and rising values, many potential new buyers may now be deferring buying. "They are saying it's much tougher to enter the property market, so they are deciding to rent for longer," Mr Van Horen said.