

Ailing property market

By MICHELLE SINGER

PROPERTY WRITER

FIRST home buyers are expected to lead the return to the property market this year, drawn to areas where prices have fallen, experts say.

The Housing Industry Association and several lenders, including Suncorp, believe first home buyers will return to the market, albeit cautiously, as they see greater value in properties.

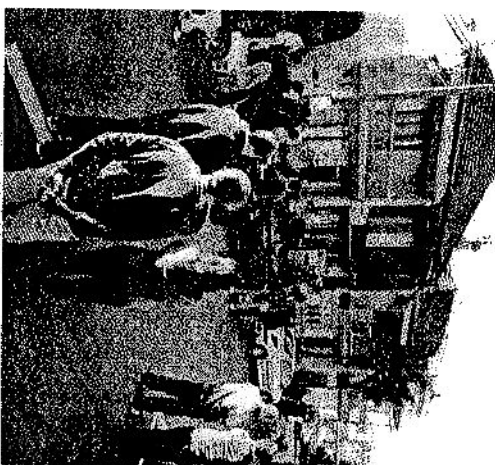
Based on this, Australian Property Monitors has compiled a list of 10 suburbs - one a region - that offer value to first home buyers.

APM research director Louis Christopher said price alone was not the driving factor.

"I looked at affordability and transport and travel time to the CBD," Mr Christopher said. "I also took into account whether prices have come back a bit and whether they are potential bargain areas."

"First home buyers are also often younger and they tend to go for where the cafes and entertainment [are] are, so in most cases I have tried to bear that in mind."

Some suburbs were preferred because prices had fallen significantly since the peaks in 2003. For instance, Leichhardt (inner west) has dipped 5 per cent, Ramsgate (south) 10 per cent and Parramatta (west) 16 per cent. Others were in transition, he said, so prices had not climbed as rapidly as in neighbouring suburbs. Botany City and



THE BEST VALUE BUYS

Australian Property Monitors research director Louis Christopher offers his top 10 picks for first home buyers this year:

- Campbelltown (south-west): median price \$288,000.
- Parramatta (west): median price \$412,000.
- Canterbury (Canterbury Bankstown): median price \$536,000.
- Botany (city and east): median price \$580,000.
- Ramsgate (south): median price \$585,000.
- Leichhardt (inner west): median price \$600,000.
- Castle Hill (north-west): median price \$600,000.
- Cromer (northern beaches): median price \$696,000.
- West Pymble (upper North Shore): median price \$760,000.
- Crows Nest (lower North Shore): median price \$828,000.

east) was the prime example, with housing stock being renewed even though it was a largely commercial precinct.

Mr Christopher said transport made Castle Hill (north-west), which was close to the M2, or Canterbury (Canterbury Bankstown), which was serviced by rail, attractive.

Suburbs dominated by empty nesters - West Pymble (upper North Shore) and Cromer (northern beaches) - were favoured as there was plenty of choice for the new generation, and therefore ripe for first home buyers. And a suburb such as Campbelltown (south-west) was a pick because, simply, it proves it's still possible to buy a Sydney home, on a large block of land, for less than \$300,000.

Intelligent Finance managing direc-

for Justin Doobov said the number of first home buyers was on the rise but many did not meet the typical profile seeking finance for purchases between \$600,000 and \$1 million.

He said couples in their 30s, generally professionals with incomes above \$100,000, were deciding to settle down.

"I think for many they haven't had the deposit and they've only just got into a relationship and are now looking to buy something together," Mr Doobov said. "They tend to have spent their 20s living it up."

"A lot has decided the market is at a low and that now is the time for them to get in and have a home, which can be like a savings plan for them."

At the other end of the scale, Smartline Home Loans franchisee Wayne

Dive has had a significant number of inquiries from first home buyers trying to "work out what's going on" and how much they can borrow above \$300,000.

"The first home buyer grant has definitely been an attraction for the younger group coming through," he said.

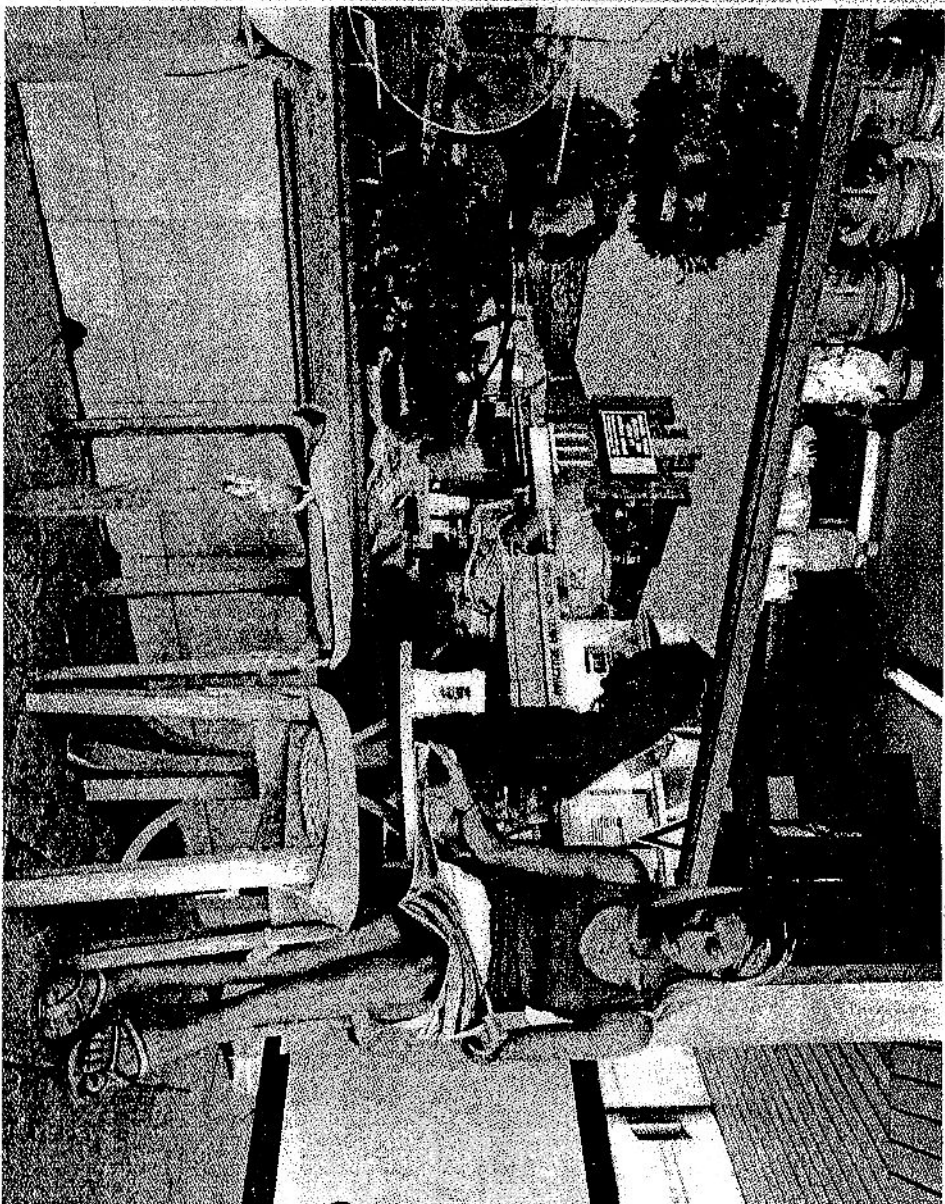
"Certainly people as young as 23 and 24 are buying. It used to be people who were more stable or older."

"New products on the market have targeted a broader range of applicants so if you have the ability to repay the loan they are willing to look at you."

Mr Dive said buyers ranged in age from 20 to 35.

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perfect for first-timers



GETTING SERIOUS: Real-estate ads have never looked better for first-home buyer Alexia Antonis.

PHOTO: ANTHONY JOHNSON

A little research and she's hunting

ACCOUNT manager Alexia Antonis never believed she would ever own property, let alone a home in Sydney.

But some financial advice and research into how much she could borrow and safely pay back revealed she could buy something as early as March.

"My boyfriend wanted to buy an investment property and it was something I had always wanted to do," she said.

"Since my parents got divorced we have never owned anything, we have always rented. I felt that buying a home was unattainable."

After a little advice Ms Antonis, 26, began to see things differently.

"I realised how much I could borrow and how much my repayments would be."

She has been house hunting almost every weekend for the past six months.

"I am looking in the eastern suburbs because I have lived there all my life," she said.

With a budget of between \$450,000 and \$550,000, she is looking for an Art Deco property to renovate.