

# Young buyers spoiled with choices

## CASE STUDY

**H**OUSING affordability might be an issue dominating national headlines, but according to 25-year-old Jacob Heppleston buying your first home isn't as hard as most people believe.

Mr Heppleston has just bought a house and land package in the Taylor Private Estate in Caversham, 22km east of the CBD, and said recent changes in the market had made buying a house more affordable.

"People talk like it's impossible, but it's not as hard as they think," Mr Heppleston.

"We decided to choose an up-and-coming suburb. You might not be able to afford the most expensive suburb straight away but by buying in area that has future potential, like we did, it's a lot easier."

Mr Heppleston, who works for a steel fabrication company, said he considered buying established but said given the \$10,000 first homeowners grant, building was more affordable.

Kristy Murray, 27, recently built her first home at the Atlantis Beach estate in Two Rocks, 60km north of Perth, and agreed building made buying easier for first home buyers.

"A few of our family members had bad experiences building, which put me off. But when I looked at prices I realised it was so much more affordable," Ms Murray, who works in pathology, said.

Ms Murray spent two years saving for the property and said the current market presented "plenty of options" for first homebuyers.

She said the other advantage of building was being able to pick and choose their own features and customise to their tastes.

"We also went through a broker, which I would definitely recommend, as he was able to shop around and find the cheapest loan for us," she said.

First home: Jacob Heppleston and Jessica Lewis chose up-and-coming Caversham to buy a house and land package for their first home.  
Picture: Justin Benson-Cooper



# First-timers cashing in

## First homebuyers are taking advantage of low interest rates

**I**MPROVED affordability and government incentives means first homebuyers are continuing to dominate Perth's property market.

Despite predictions that 2016 would be the year of the upgrader, first homeowners are remaining WA's most active buying group with Real Estate Institute of WA statistics estimate that nearly 50 per cent of buyers in the March quarter were first homebuyers.

And with the State Government \$10,000 First Home Owner Grant for buyers who chose to build maintained in last week's budget, about 60

per cent of buyers are choosing new build properties.

Treasury statistics show the top 20 suburbs for first homebuyers in WA continue to be dominated with fringe locations – with Baldivis, Aveley and Wellard the most popular suburbs in the past 12 months.

Stockland general manager Col Dutton said he had observed a "flurry" of first homebuyer activity since the start of 2016. He said first homebuyer activity at Stockland estates was now at its highest, and above levels in other states in Australia.

"Historically low interest rates, including the recent cut, are further driving land sales, ensuring that now is the best time for first home buyers in WA to get their foot on to the property ladder," Mr Dutton said.

Almando Deluca, selling agent for Taylor Private Estate in Caversham, said since the interest rate cut, he'd seen a 30 per cent increase in enquiries from first homebuyers.

"With the expectation that interest rates will fall further during 2016, first homebuyers are now taking advantage of very competitive land prices at estates to build a new home," Mr Deluca said.

Real Estate Institute of WA president Hayden Groves said

the slowdown in investor activity in the past 18 months meant first homebuyers had less competition when it came to buying.

"They're largely buying new in the outer suburbs," Mr Groves said.

He said the First Home Owners Grant for new build and the stamp duty exemption means buyers get at least \$10,000 in rebates if they build.

Investwise executive director Daniel McQuillan said first homebuyers could be confident in Perth's investment prospects.

"If you were to look at all of the real estate markets in Australia and determine which one would benefit the most from the latest interest rate cut,

then you would have to seriously look at the Perth property market," Mr McQuillan said.

"Most experts agree that the Perth property market is now at the bottom of its current cycle and property prices are now much more affordable than Eastern States capital cities, such as Sydney.

"The average price of a home in Perth is now around six times the average annual salary – whereas in Sydney, the ratio of property prices to income is around 12 times.

"Since January 2009, the median house price in Perth has only increased by 12.8 per cent compared to 67.8 per cent for Melbourne and 80.2 per cent in Sydney."

## Top 20 suburbs for first home buyers in WA

SOURCE: TREASURY WA

1. Baldivis
2. Aveley
3. Wellard
4. Alkimos
5. Byford
6. Brabham
7. Piara Waters
8. Ellenbrook
9. Banksia Grove
10. Harrisdale
11. Yanchep
12. Karnup
13. Rivervale
14. Wandi
15. Landsdale
16. Clarkson
17. Balga
18. Nollamara
19. Caversham
20. Southern River