

## MEDIA RELEASE

### Go West and save yourself from a monster mortgage

**Monday 27 April 2015:** First Homebuyers should be more open to buying in new, outlying suburbs in order to maintain affordability, according to comparison site, [Mozo.com.au](http://Mozo.com.au).

Latest ABS figures show there has been a further 1.4% decrease in the purchase of new dwellings from January to February, totalling 4.4% in the three months to February.

According to data from the HIA, 198,000 new dwellings commenced construction in 2014 - an 18% increase on the previous year - so it seems it's not an issue of supply.

So, what's making buyers shy away from new builds? Steve Jovcevski, property expert at comparison site Mozo, says it comes down to location.

"The ever-present desire to stay close to the CBD or in the latest hot spots is causing buyers to put their blinkers on and ignore the option of buying new housing in outlying suburbs."

"In our parents generation, new homebuyers were ready to live wherever they could afford. These days the appeal of an inner city lifestyle or a shorter commute to work is taking precedence over affordability and leaving people off the ladder for longer."

"The impact of this is great, it means today's homebuyers are taking on higher amounts of debt for longer and decreasing their chances of upgrading or investing down the track."

In Sydney, a 3 bedroom, 2 bathroom house in Rouse Hill will set you back \$755k while a duplex with the same features in Alexandria will set you back over \$1.2 million.

Assuming a first homebuyer had a 10 per cent deposit for either of these properties, your monthly repayments would be \$4,072 for the Rouse Hill property or \$6,472 in Alexandria.

That's a staggering \$319,497 premium over a 25 year loan term to live in Alexandria over an outlying suburb.

"Hearing these figures might change the minds of some first homebuyers who are fixated on staying close to the CBD," said Jovcevski.

So, what are Mozo's picks of the best up and coming suburbs where you can buy for less than \$500k?

#### **Melbourne - Lockerbie**

With 11,000 new houses being built in this northern belt of Melbourne, just 35 kms from the CBD, and housing 30,000 people, it will feature schools, parkland, a shopping complex and excellent transport links. As a guide, a new house and land package (3 bed, 2 bath) at the suburb the developer is modelling it off sets you back around \$350,000.

**Sydney – Parramatta North**

Now one of Sydney's fastest growing suburbs, Parramatta looks to grow even more with the building of 6,000 residences in the north of the suburb and a continuously expanding shopping and café scene. Currently, a newly built 1 bedroom apartment on Parramatta's waterfront is on offer at \$496,000.

**Brisbane – Chermside**

Only 15kms from the CBD this suburb in the north of Brisbane is next to skyrocketing Rocklea but without the flood risk. It also has great transport links, amenities and shopping centres. A newly renovated 2 bedroom home on a large block will cost around \$459,000

**Adelaide – Brooklyn Park**

Just 5kms from the CBD and close to the airport, Brooklyn Park is close to Harbour Town shopping centre and Torens Linear Park which boasts a cycle and walking path from the city to the sea. A brand new 4 bedroom, 2 bathroom house with parking is \$399,000

**Perth – Joondana**

Only 5kms from the CBD in the north of Perth is Joondana which has good road and rail links to the beach and CBD and access to a well-established café and restaurant strip on Main Street. A new 2 bedroom apartment will set you back \$459,000.

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**References:**

ABS Housing Finance Australia, Feb 2015 (released 10 April)

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5609.0Main+Features1Feb2015?OpenDocument>

HIA new home starts data, Dec 2014 quarter (released 15 April)

<http://hia.com.au/~media/HIA%20Website/Files/Media%20Centre/Media%20Releases/2015/national/New%20Home%20Starts%20Pulled%20Back%20in%20Late%202014.ashx>