



HOME BUYERS ARE STARTING YOUNGER

New data shows almost half of first home owners are under 30, compared to 31 per cent in 2008.

Latest statistics show the number of homeowners aged 30 or under has jumped 60 per cent since 2008, with almost 50 per cent of the state's first-homebuyers now aged 30 or under. That is compared to just 31 per cent six years ago, according to new statistics from Mortgage Choice.

The data also showed one in five homebuyers was now aged 25 or under. Experts said a new trend had emerged with young people living at home longer in order to skip the rental market and save for a deposit. Peet Limited managing director Brendan Gore said "Gen Z" buyers were among the company's most active market sectors.

"We are seeing very young people who not only want to live in their own home, but are keen to start a property investment portfolio very early, have a plan and are starting to implement it," Mr Gore said.

Momentum Wealth managing director Damian Collins said a cultural shift was behind the rise of young homebuyers.

"I think 25 years ago when people bought at age 20 it was because they were marrying and settling down," he said.

"Now they are realising the advantage of entering the market early and viewing their first property with the eye that it won't be their last."

Real Estate Institute of WA president David Airey said there were many advantages to entering the market early.

"I think people in WA recognise that we have a robust housing market that, over the long term, will always be strong," he said. "As a consequence, young people are keen to be homeowners so they can secure an affordable home in an area they like before it's beyond their reach."



But Financial Counsellors Association of WA executive Charles Brown warned young people were more vulnerable to economic downturn.

"Home ownership can be a great thing, but there are risks involved and, for every young person, saddling themselves with a mortgage at age 20 might not always be the best move," he said.

RateCity product director Peter Arnold said he thought young people should be wary of a "get in now before it's too late" mindset.

"Interest rates are at a historic low at the moment, but that doesn't mean they will stay low," he said.

relax . celebrate . enjoy



RENTS FALL IN DECEMBER

Data out from the Real Estate Institute of Western Australia shows Perth rents dropped further in December. The REIWA figures show the median rent for the metropolitan area dropping by \$10 to around \$440 per week.

REIWA President David Airey said the price shift was more noticeable in apartments and villas and less so with houses. "Houses are typically holding a rental median of \$450 per week, while units, apartments and villas have dropped to a median of around \$420 per week," Mr Airey said.

Perth's vacancy rate has lifted to 4.2 per cent, with about 6,300 rental properties on the market. Mr Airey said a vacancy rate of three per cent is considered normal, so the current rate is high and was largely being driven by slowing population growth in response to fewer jobs.

"The increase in stock over the past two years can be directly attributed to the rapid turnaround in migration which peaked in the year to September 2012. The latest reading of WA's population growth for the year to June 2014 has it falling to its lowest level in eight years," Mr Airey said.

REIWA data shows the stock of property for lease rose by 10 per cent in the December quarter and is up by 37 per cent on a year ago.

"The available rental stock bottomed-out at around 2,100 dwellings in September 2012 and has grown by 200 per cent since then, lifting the vacancy rate from 1.8 per cent to more than four per cent over the last couple of years.

"Areas which experienced the strongest increases in rental listings last year included Belmont, Kwinana, Armadale and the northwest corridor of Wanneroo.

"While the biggest annual changes in median rent included Perth City (down \$65), Vincent and Stirling Southeast (down \$50), Mundaring (down \$45), Wanneroo South (down \$40), Serpentine/Jarrahdale, Stirling West and the Western Suburbs (all down \$30), along with Canning and Cockburn, both down \$25 per week on a year ago," Mr Airey said.

Kwinana was the only area to see an increase in median rent during 2014, up by a modest \$5 to \$390 per week. Armadale remains the most affordable area for rents with a median of \$370 per week.



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