



This spring is a tough time to be buying your first home. The economy might be relatively good and record low interest rates might have made mortgages cheaper, but these factors are also encouraging buyers in unprecedented numbers, especially investors, who are the traditional competitors of first-timers.

First-home buyers are often more emotionally attached to the purchase, and once that was enough for them to win the day. But the sheer volume of buyers is making the scramble for properties intense. And that scramble is expected to increase with more buyers competing for more spring listings.

The senior economist at Australian Property Monitors, Dr Andrew Wilson, says this competition has already pushed up prices in Sydney by about 10 per cent in the past 18 months.

"Our market is almost at record levels of competition from buyers," he says. "We're especially seeing record numbers of investors, and that makes it even tougher for first-home buyers. That will only put more price pressure on the properties they're looking for."

But instead of giving up and waiting until things calm down, Wilson says first-home buyers should be even more determined to get a foot in the door this spring, if their finances allow, because there's no sign of prices dropping.

"It's a balancing act... but the longer first-home buyers wait, the more prices at this stage will go up," he says. "You need to take a medium-to long-term view and ignore the cycles, because trough points in Australian housing are always higher than the previous trough points."

Westpac says the average first-time loan in Sydney is just under \$350,000. Dr Wilson says they usually buy property for about \$400,000. There are many options at this price point in the west or south-west of the city. But first-timers are having to scrape together a lot more if they want to buy anything in the inner ring.

Buyer's agent Patrick Bright, of EPS Property Search,

A TOUGH BATTLE FOR FIRST PLACE

With buyer competition fierce and prices on the rise, it's time to fight to get a foot on the property ladder.

Words by
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THE SYDNEY SUBURBS OFFERING THE MOST ATTRACTIVE PRICES

The suburbs with the lowest median prices in a region, calculated over the six months to the end of July. (Source: APM)

Canterbury-Bankstown	Lower north	Units	Upper north (including north-west)
Houses	Houses	Houses	Houses
Chester Hill \$490,000	Artarmon \$987,500	Engadine \$400,000	Northmead \$555,500
Bass Hill \$497,000	Lane Cove North \$1,060,000	Penshurst \$405,000	Marsfield \$581,000
Units	Units	Houses	Units
Lakemba \$294,000	Crows Nest \$425,000	Lethbridge Park \$256,000	North Parramatta \$387,500
Wiley Park \$297,000	Gladesville \$498,300	Willmot \$260,000	Northmead \$402,000
City and east	Northern beaches	Units	
Houses	Houses	Kingswood \$215,250	
Mascot \$800,500	Cromer \$870,000	Mount Druitt \$239,500	
Botany \$810,000	Narraweena \$871,500		
Units	Units		
Eastlakes \$410,000	Dee Why \$500,000		
Hillsdale \$420,000	Manly Vale \$505,000		
Inner west	South		
Houses	Houses		
Homebush \$750,000	Riverwood \$580,000		
St Peters \$750,000	Jannali \$587,500		
Units			
Homebush West \$431,275			
Croydon Park \$442,500			

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Dr Andrew Wilson, Australian Property Monitors

says most of his inner-city clients looking for their first home have between \$600,000 and \$1 million to spend on a two-bedroom apartment, small terrace or semi.

"In the inner ring it's going to be apartments that most first-home buyers will look for; there's not too many houses under \$1 million," he says.

Raine & Horne chief executive Angus Raine says some of the best-value areas for first-home buyers are a little further out in places such as the northern beaches, where older-style two-bedroom apartments can be found for less than \$450,000. It's similar in the north-west, where a Raine & Horne office recently sold a two-bedroom apartment in Marsfield to a first-home buyer for \$480,000, he says.

Another good place to look is south of the city in suburbs such as Brighton-le-Sands, Ramsgate and Allawah, where two-bedders with balconies and parking could be found in the mid-\$400,000s, Raine says.

"Everyone's obsessed with the inner west but have a look at the St George area. That's good value."

Bright says no matter what suburb first-home buyers choose, they should always look to be close to infrastructure, such as schools, shops and transport – without being on top of them – and choose a type of property that is in demand in the suburb. That way, they will get a better-than-average return when the time comes to sell.