

THINK SMALL

There are some good bargains to be had, say the experts, but buyers need to be flexible to take advantage of the affordable offers

ALTHOUGH first homebuyers enjoy a buyers market right now, concerns about future housing affordability continue to play on the minds of industry experts. There is an awareness that there are dire consequences from not ensuring affordable housing options for the next generation of West Australians, says Urban Development Institute of WA chief executive officer Debra Goostrey.

"If we don't address housing affordability our society will suffer, not only because of the increasing tax bill from social housing, but because our children will leave the state to find other options," she says.

Experts point out that both developers and builders are working hard at creating affordable housing options and the State Government, through its Affordable Housing Strategy, is committed to ensuring the needs of upcoming generations of homebuyers are met.

The government's commitment extends to allocating \$500 million towards affordable housing by 2020 and a broad range of initiatives such as reforming the planning system, making more low-deposit Keystart loans available, establishing alternative housing products and drawing on public/private partnerships.

Industry leaders say while it's great to see a commitment to affordable housing solutions, it's critical that the debate surrounding affordability doesn't discourage future first homebuyers from pursuing property ownership.

According to Debra, it's important to acknowledge that a lot of surveys pointing to poor housing affordability tend to focus on average rather than bottom-end house prices.

Debra says this means that a lot of lower priced dwellings, such as cottage housing in affordable developments, are not taken into account in reports about poor affordability.

She says for those who are willing to be flexible about where they want to live and are prepared to do some homework, there are new and existing residences available for under \$270,000.

Debra says WA developers have been very innovative in delivering products to suit first-time buyers and downsizers. She says most first homebuyers will find affordable housing options in estates both north and south of the river, including Ellenbrook, Brighton, Kwinana and Baldivis.

She says the key to finding affordable housing is simply to do your homework rather than judging by average prices in a suburb.

Satterley Property Group chief executive officer Nigel Satterley says the current buyers market ensures there are plenty of examples of affordable properties throughout the metropolitan area.

Nigel says there are about five quality home builders offering innovative and well-designed



From top:
Debra Goostrey,
Nigel Satterley, and
Damian Collins.

Picture: iStockphoto.com/ndul

two and three-bedroom new homes on lots between 150sq m and 225sq m.

He says with prices ranging from \$268,000 to \$330,000, these homes are available in developments such as Ellenbrook, Brighton, Hocking, Vale, Baldivis and Harrisdale.

Nigel says there are also plenty of 3x2 designs on lots ranging from 300sq m to 375sq m for prices between \$300,000 and \$360,000.

"These packages are appealing to first homebuyers, first-time buyers over 60 and also investors re-entering the market," he says.

"It's critically important that Perth housing is affordable to essential workers for Perth to grow in a sustainable manner."

Finding affordable properties can be done

through savvy choice and doing plenty of research, says Momentum Wealth managing director Damian Collins.

Damian, a buyers agent who has helped lots of first homebuyers who work away in the mining industry, says it's a good idea to find out about the track record of developers before buying into a new estate.

He says first-time buyers should find out what the long-term capital growth rates have been in previous subdivisions undertaken by the developer.

He says you should always ask if the developer provides all the amenities when the estate is built or whether the amenities are built after all the blocks have been sold. To the unwary

buyer, this can mean having to wait a long time until all the blocks are sold and everyone has moved into the estate.

Similarly, when it comes to building a new home, Damian says you need to find out if the chosen builder has a record for quality construction and if the builder is willing to supply the names of clients who can be contacted as references.

Damian says although Perth prices are not cheap, he doesn't believe that the market is overpriced.

While lenders are willing to lend at higher loan-to-value ratios than they did two years ago, first homebuyers still need to put together a reasonable deposit.

Debra Goostrey says you need to start saving; you should consider what you are willing to trade off by way of either property size or location to get into the market; and, above all, "don't give up".

She says the buyers who are willing to trade off on size will find there are excellent small-lot housing designs available.

However, those for whom space is a priority may have to sacrifice amenities such as proximity to transport, shops and schools to afford the house they desire.

"Keep looking," Debra says.

"We are in a buyers market right now, so the bargains are out there."

Evelyn Duffy