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## **Median house price to top \$1m in 10 yrs**

Sydney's median house price will top \$1 million before the decade is out, new data from Residex has found.

Just a decade ago, Sydney's median house price was \$328,000 with few believing it would surpass \$500,000. It is currently around \$630,000.

Residex chief executive officer John Edwards said this level of growth is expected to continue throughout the decade, which would take properties to approximately \$1.2 million.

"Traditionally, Sydney houses have experienced a price growth of 8 per cent. Over the past couple of years, this level of growth has fallen to approximately 6.5 to 7 per cent," Mr Edwards told Mortgage Business.

"But, even if we calculate what the median house price would be at the end of the decade based on this lower growth rate, we should still see properties in the inner city top \$1 million before 2019."

Mr Edwards, said a one million price tag on a Sydney property would force a lot of Australians to rent because they simply would not be able to afford a house in the inner city.

"Blue-collar workers would be pushed out of the bottom end of the market and into rental property. Those employed in lower middle management would be forced to move into cheaper homes, while middle and upper management would buy typical housing stock," he said.

However, it is not just Sydney dwellers that would be faced with unaffordable homes.

"Melbourne is currently 10 years behind Sydney, however, it is gaining on the city fast. I expect by 2019, Melbourne will only be five years behind Sydney in terms of house prices."