

Homes to hit \$1m in decade

Greg Thom

THE average Melbourne home may cost more than \$1 million by 2020.

Real estate analysts predict the median price of a house will be \$1,166,344.

According to property expert and wealth creation author Michael Yardney, the trend will be repeated in every Australian capital.

"They (house prices) are likely to be closer to \$1.5 million," he said.

The prediction comes after a record year in Melbourne's overheated property market, which boomed despite the global economic crisis.

Statistics compiled by Mr Yardney from a variety of sources including the Real Estate Institute of Australia, show house prices in Melbourne grew from an average \$230,500 in October 1999 to \$518,500, an increase of more than 124 per cent.

"A lot can happen in 10 years," he said.

"Median house prices have more than doubled in every capital city and in some cities property values have gone up more than 200 per cent.

"These increases have occurred despite a recession in 2001, a change



Millionaires: average house prices will rocket.

of government, periods of high interest rates and the global financial crisis," he said.

Despite the booming local market, Mr Yardney's figures show Melbourne will be overtaken by every other capital except Adelaide by 2019.

The west is destined to take the property mantle, with Perth tipped to snare the top median house price of more than \$1.6 million by the end of the decade, followed by Brisbane and Canberra (\$1.4 million) and Sydney (\$1.2 million).

"Our major cities of Melbourne, Sydney and Bris-

bane are growing at an enormous pace and are bursting at the seams," Mr Yardney said.

He said some forecasts suggested the population of all three cities, including southeast Queensland, could each grow by 700,000 people over the next 10 years. This should create a building boom and the economic prosperity that gives home owners and investors confidence.

"We are moving into a new economic cycle with record population growth fuelled by rising immigration and a baby boom," Mr Yardney said.