

Boom creates new class of tenants

DAWN GIBSON

Perth's housing boom has created a new band of middle-class tenants who would traditionally be home owners but are now forced to rent because they can no longer afford to buy.

Amid revelations that Perth property prices were now the second-highest in the country, experts warned it was no longer just the poor who faced a lifetime of renting.

They said there was a growing number of families with annual incomes of \$55,000 or more who had become long-term renters because they could not find a suitable house or were worried about being able to meet the mortgage repayments.

The concerns about middle-class tenants came as new figures from Australian Property Monitors revealed it took less time to sell a house in Perth in May than in any other capital city except Canberra.

The fastest selling suburbs were Hocking, Craigie, Edgewater, Woodvale and Parkwood, where homes changed hands in less than 25 days on average.

The buying frenzy has resulted in Perth's median house price climbing to \$406,500, according to property monitor Residex, to become the second most expensive capital after Sydney in which to buy a house.

Michelle Rigg, chairwoman of REIWA's property management chapter and a partner in a North Perth real estate agency, said there had been a noticeable trend towards reasonably well-off tenants staying put because they were concerned about house prices.

Not so long ago, they could have bought a four-bedroom, two-bathroom home in an established suburb for \$300,000, but now they could get only a basic property for that price, most likely in a fringe suburb.

WA Council of Social Service executive director Lisa Baker said there had been an increase in the number of families with two working parents who could not afford to buy.

"I think we are going to see parents handing over mortgages to their children, rather than handing over assets," she said.

Professor Julian Disney, the chairman of a national forum on affordable housing taking place in Canberra, said Australia was moving towards a more European model because of a decline in home ownership among people aged under 45.