6.49% p.a.
Standard variable home loan rate

6.62% p.
Comparison rate*



# PROPERTY

## Melbourne house prices set new record

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THE cost of buying a home in Melbourne has shot up over $75,000 in three months to reach another record high.

The median house price in the city hit $540,500 at the end of 2009, the Real Estate Institute of Victoria (REIV) says in its December quarter update.

The increase is about 15 per cent higher than the $470,000 average in September. The quarterly update places median Melbourne house prices above $500,000 for the first time.



The median house price in Melbourne hit $540,500 at the end of 2009 / File

Analysts attribute the rise to the unexpected quick recovery from the global financial crisis and a booming population that has seen about 1700 new residents move to the city every week.

"Unfortunately, housing construction has not responded as quickly as would be necessary to ease the pressure in the market," Enzo Raimondo, CEO of the REIV, said.

The biggest increases were recorded in Melbourne's eastern suburbs. Burwood shot up by over 23 per cent in the quarter, to $810,000 from $658,000, while Ringwood increased by about 16 per cent.

Apartments and units have also increased by 7.6 per cent to a median price of $441,000.

The most affordable homes are located in Melbourne's far outer west. Werribee homes average $275,000, followed by Melton at $239,750.

Median house prices are the middle value of all real estate home sales recorded during the quarter.