

## House buyers feel the squeeze

The Age --- Page: A10 : 25 October 2006  
Original article by Ben Schneiders

ABIX Summary Housing affordability in Australia is likely to remain low due to rising interest rates and higher house prices. A joint study by the Housing Industry Association and the Commonwealth Bank shows that affordability in Melbourne fell a further 2.6 per cent in the September 2006 quarter. The average first-home buyer faces committing 29.1 per cent of their gross household income to mortgage payments. In the late 1980s, when interest rates reached 17 per cent, the figure was 34.4 per cent. JP Morgan's chief economist says house prices have far outstripped wage increases.

[Full text Fairfax Newsstore \(pay-per-view\)](#)