

## Press release

### For immediate release

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## Australia's \$1 million homeownership dream

- Buying a home worth over \$611,000 will set you back \$1 million
- Sydney tops the list with most expensive median house price of \$825,000, costing \$1M in 11 years
- Borrowers warned to watch out for paying higher costs than necessary!

**January 12, 2015, Sydney, Australia** – The Australian dream of homeownership carries a \$1 million price tag for many, following new research by one of Australia's biggest comparison websites [finder.com.au](http://finder.com.au)<sup>1</sup>.

The research found that Australians with a mortgage of at least \$489,300 will cost \$1 million over the life of a 30-year loan, using the average variable interest rate of about 5.5 percent.

If this mortgage size was 80 percent of the property's value, that means any property priced from \$611,625 will end up costing borrowers \$1 million.

Michelle Hutchison, Money Expert at [finder.com.au](http://finder.com.au), said many borrowers are being stung by this slow-burning hole in their hip pocket.

“When borrowers look at how much they can afford to repay for a home loan, they might not look down the track to how much they end up spending. The danger lies with spending a lot more than necessary.

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<sup>1</sup> Experian Hitwise 2013, 2014



“While it’s likely that your home will increase in value over a 30-year loan term, it might not compensate the cost of a home loan as the money you end up spending can be greatly increased if you have a small deposit and don’t shop around for a good value deal,” she said.

Across the country, Sydney tops the list for the most expensive median house price of \$825,000 according to figures by CoreLogic RP Data. For this price tag, borrowers will hit the \$1 million mark by year 11, based on the average variable rate of about 5.5 percent, with a 20 percent deposit which would mean a loan size of \$660,000.

For the median-priced house in Melbourne of \$633,000, a mortgage of \$506,400 (with a 20 percent deposit) would cost borrowers \$1.035 million over 30 years – hitting the \$1 million mark by year 24.

“This research was based on the average variable rate of about 5.5 percent but borrowers need to remember that there’s a big difference between what lenders are offering, which can mean bigger costs for a home if you’re not careful.

“For instance, the lowest ongoing variable rate on [finder.com.au/home-loans](https://finder.com.au/home-loans) is currently 4.39 percent by Heritage Bank – that’s 1.11 percentage points lower than the average variable rate of 5.5 percent and a difference of \$446 per month in mortgage repayments for a \$660,000 home loan.

“Take advantage of the online tools and comparisons of different home loans to help you find the best value deals. [This calculator](#) helps borrowers determine the monthly repayments for each home loan based on any loan amount.”

### Total cost to buy a median-priced house with a 20% deposit

City	Median house price	Mortgage size with 20% deposit	Total cost over 30 years	
<b>Sydney</b>	\$825,000	\$660,000	\$1.349 million	
<b>Melbourne</b>	\$633,000	\$506,400	\$1.035 million	
<b>Perth</b>	\$530,000	\$424,000	\$866,673	
<b>Brisbane</b>	\$475,000	\$380,000	\$776,735	
<b>Adelaide</b>	\$421,000	\$336,800	\$688,433	

Source: ranked by highest median house prices, price figures from CoreLogic RP Data, calculations and analysis by [finder.com.au](https://finder.com.au), based on average variable home loan interest rate of 5.5%, 30-year loan term and 20% deposit



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