

Inner city houses devalued by street noise, report finds

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Boom gates and rail and road traffic are commonplace for some Melburnians. Photo: Simon O'Dwyer

Buyers distracted by how properties look have been warned to keep their ears open or risk overpaying for inner-city dwellings.

New urban research conducted by Secret Agent has found noise from busy streets and train lines devalues Melbourne's inner suburbs' housing by more than \$70,000 on average.

The buyer's agency published its findings in The Sound Report this week.

Secret Agent's Jodie Walker and Richard Rossman conducted two noise studies – one near busy roads and one near train lines.



Photo: Eddie Jim

A noisy road was identified as any street with two or more lanes or a road with tram tracks on it.

The peers analysed sales data in Melbourne's inner north between January 2011 and last December and found, on average, the price of an otherwise identical property was \$71,500 lower if located on a noisy street.

That equals a price reduction of just over seven per cent of the average house price.

In the second study, Ms Walker and Mr Rossman compared sale prices of houses located directly on a rail line with those one street back (non-rail) where occupants would hear less rail noise.

West Melbourne, Brunswick, Coburg, Thornbury, Northcote, Fairfield, Abbotsford, Richmond, Hawthorn, Burnley, Cremorne, South Yarra, Prahran, St Kilda East and Balaclava sales results were analysed.



South Yarra sale results were analysed. Photo: Supplied

Non-rail properties sold for an average of \$45,821 more than rail properties – 4.48 per cent of the average sale price – but Ms Walker stressed this result did not pass “the statistical significance test” because non-rail properties were smaller on average and included a higher percentage of townhouses.

Despite these factors, non-rail properties still sold for about 5.7 per cent more than rail properties.

“Out of all the senses, hearing is probably the most overlooked when it comes to creating spaces,” Ms Walker said.

“The results confirmed to us external and internal noise factors impact inner urban housing values ... but what is particularly interesting is there is not actually much difference between street and rail noise in terms of its impact on housing values, about seven per cent compared to about five per cent.”



Pay attention when inspecting properties. Photo: Jane Dyson

Ms Walker said her research findings underlined the importance of paying attention when inspecting properties.

“You can’t usually see a train line when you go into a property to inspect and if you are distracted or do not re-inspect at a different time of the day or night, you may miss the fact you attended during the 20 minute period of a day when there was a short lull in railway noise,” she said.

“You could end up overpaying.”

Veronica Morgan, principal of Good Deeds Property Buyers in Sydney, thinks people who buy in inner city suburbs will often ignore urban noises including trains and heavy traffic when it is a seller’s market.

“I do notice in hotter markets that percentage (of value difference) diminishes but as soon as the market swings noisier properties on main roads can sit on the market for months,” Ms Morgan said.

The Residences at West Side Place