

# THE ZONING EFFECT

# The Inside Perspective

## 3 THE ZONING EFFECT

In this report, Secret Agent will break down the findings of a recent RBA paper by Ross Kendall and Peter Tulip on the zoning effect.

*"Detroit is largely composed, today, of seemingly endless square miles of low-density failure."*

*Jane Jacobs*

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# The Zoning Effect

by Alex Gregger

**As any prospective homebuyer knows, house prices in Australia have been rapidly increasing over the last decade.**

When we think of property values, we generally think of two factors: the cost of land, and price of the structure. In a free market with balanced supply and demand, the sum of these two factors should determine the price of housing. In the real world, though, free markets are hard to come by. A variety of forces affect the real estate market, for better and for worse.

One significant factor is zoning controls - local government policies that control the supply of housing in some way. Although they may provide benefits, these controls also push up the price of housing. In effect, this means that property values comprise of three factors: land, structure, and the “zoning effect.” In this review we disregard more intangible features such as emotion and speculation.

In this report, Secret Agent will break down the findings of a recent RBA paper by Ross Kendall and Peter Tulip on the zoning effect.

## **WHAT IS THE ZONING EFFECT?**

First off, we need to understand zoning controls. Most basically, zoning controls are regulations by governments which determine who can build what, and where. Examples of this are minimum lot sizes which limit subdivision, and height limits on buildings. Zoning controls serve a valuable function – unrestricted development would likely lead to chaos in some areas.

However, by limiting the types of allowable dwellings, these controls also create a scarcity of product. In the market, this means that buyers pay a premium simply for the right to own land which is zoned a certain way. This premium is what Kendall and Tulip refer to as the “zoning effect.” Others have referred to this as a zoning “tax,” but this is misleading because no government revenue is involved (see Glaeser & Gyourko 2003).

The zoning effect can be seen in the difference between the physical value of land and its market price. The market price is the price that land is listed or sold for. The physical value of land is more complicated. Essentially, it is an estimation of how much people value land relative to other factors. Kendall and Tulip find that the physical value is frequently much lower than the market value.

Let's take a basic example. Say a property is made up of a \$400,000 house on a block of land whose physical value is \$300,000. In a vacuum, the market price of this property should be \$700,000. Zoning regulations may mean that the land's market value is actually \$900,000. This extra \$200,000 is the zoning effect, and represents a premium buyers must pay for the right to have a dwelling at this location, because of a scarcity of similarly zoned properties. This applies whether or not the buyer wants to develop or not.

Previous research has argued that zoning controls have contributed to high house prices in Australia (Daley, Coates & Wiltshire 2018a). In the next section, we break down the findings of the RBA report to show just how much this is the case.

## THE ZONING EFFECT IN AUSTRALIA

Kendall and Tulip look at the zoning effect on detached houses in the four largest cities in Australia: Sydney, Melbourne, Brisbane, and Perth. Table 1 shows the zoning effect in these cities in 2016.

As we can see, the zoning effect is quite significant. This is particularly true in Sydney, where the zoning effect added \$489,000 to the average market price of a detached house. Without the zoning effect, the average value of a detached house plus land is \$671,000. This means that the average homebuyer in Sydney is paying an additional 73% for the right to build a dwelling on that land, whether or not they intend to.

**Kendall and Tulip show similar effects in Melbourne, where the zoning effect adds \$324,000 to the average house price, and is 69% above the physical value of the average property.**

The zoning effect is also present in Perth and Brisbane, although less so than Sydney and Melbourne.

To show that this is not a one-off, it is worth looking at the zoning effect across the years, as shown in Figures 2 to 5.

Interestingly, in 2000 the zoning effect was minimal in all cities except for Sydney, where it accounted for around 20% of house prices. Over time, the zoning effect has grown in all four cities. This may partly represent the persistence of existing zoning controls in the face of ongoing population growth.

Table 1  
Average House Price Decomposition: \$'000 (per cent of total), 2016

Source: Kendall & Tulip 2018, p.10

	PERTH	BRISBANE	MELBOURNE	SYDNEY
Dwelling structure	242 (41)	267 (49)	268 (34)	395 (34)
Land	346 (59)	275 (51)	524 (66)	765 (66)
Physical land	140 (24)	116 (21)	201 (25)	276 (24)
Zoning effect	206 (35)	159 (29)	324 (41)	489 (42)
Total	588 (100)	542 (100)	793 (100)	1160 (100)
Zoning effect as a percentage of physical input costs	54%	42%	69%	73%

Kendall and Tulip broadly find that the zoning effect applies to apartments as well, although there is less data, and none for Perth. Between 1990 and 2006, the zoning effect was negligible in Brisbane, Melbourne, and Sydney, but since then it has gradually risen.

**In Sydney, the zoning effect is higher for apartments than for detached houses, adding an additional 85% to the physical value of an apartment in 2016. These numbers are lower elsewhere, sitting at 30% for Melbourne and 26% for Brisbane.**

Predictably, the zoning effect has the greatest impact (in dollar terms) in areas where there is the most desire to build new developments – inner suburbs of cities, as well as coastal areas. For example, the zoning effect might represent \$700,000 of the market price of a property in an inner suburb of Sydney, but only \$200,000 in an outer suburb.

Overall, the zoning effect in these cities is comparable with cities in other countries with strict zoning laws. In San Francisco, a 1999 study showed that the zoning effect accounted for 53% of the total price of the average property (Glaeser, Gyourko & Saks 2005). More recently, a study of New Zealand showed that the zoning effect accounted for 56% of the total price in Auckland, 48% in Wellington, and 32% in Christchurch (Lees 2018).

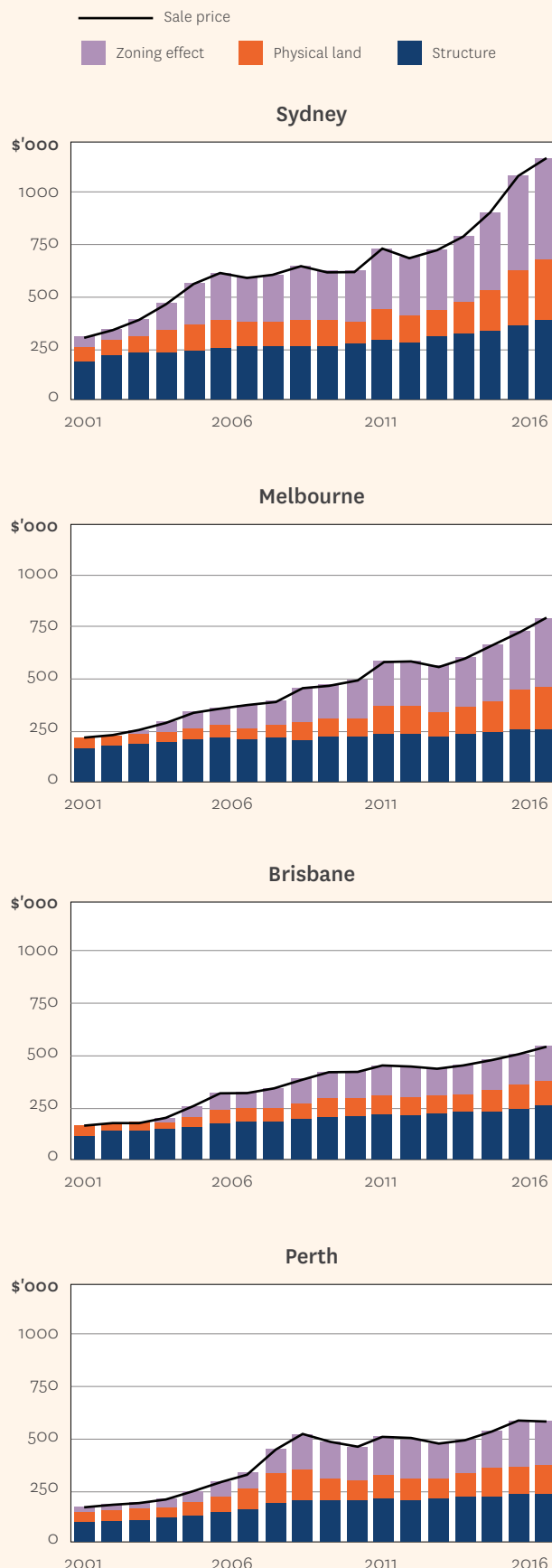
#### DISCUSSION

The immediate reaction to the findings of the RBA paper might be to call for a major loosening of zoning controls, in order to reduce the zoning effect. Although this may seem like a good move, there are some considerations to be made.

**First of all, it is important to note that they do not mean that house prices in Sydney would fall by 73% if zoning controls were eliminated.**

There are many factors which affect property prices with or without zoning. In Australia, for example, the physical value of land in major cities is relatively high compared to other countries. It sits at around 21-25% of total property value. This may be because these cities are limited in their expansion, because they are constrained by coastal regions and/or national parks. Ultimately, this means that prices would only drop so far in the absence of the zoning effect.

Figures 2-5 House Price Decomposition (By city, mean)



We should also remember that zoning controls provide benefits, ones which are often difficult to measure. Zoning controls help to manage growth in areas, and can help to protect the character of neighbourhoods. Furthermore, free-for-all development in an area would likely place a large burden on infrastructure and the environment, which may have negative repercussions throughout a city or town.

**Some level of zoning controls are therefore necessary, although we should be wary of the grounds on which people use “protecting the neighbourhood’s character” as a justification.**

The major downside to zoning controls is the fact that they inflate property prices, which privileges existing homeowners, and disadvantages prospective homebuyers. Increased property prices also mean an increase in the cost of rent. Both of these factors may contribute to inequality and disadvantages for the younger generation.

Zoning controls also mean that the supply of housing is inflexible, and can’t easily change to meet demand. For example, if there was a demand for more high-density dwellings in a suburb, tight zoning controls would make it difficult for this demand to be fulfilled, and would drive up the prices of existing high-density living.

## CONCLUSION

As Kendall and Tulip argue, we need to weigh the benefits and costs of zoning controls. Although there are distinct benefits to zoning controls, in their current form they appear to be negative. By driving up house prices, the zoning effect may be creating more inequality, and reducing the responsiveness of housing stock to demand.

In Australia, population growth and increased demand for housing means that the zoning effect will probably continue to increase if nothing changes. Steps need to be taken to mitigate this effect. Kendall and Tulip suggest either relaxing zoning controls, or reducing demand for land through improved transport infrastructure. Others make similar points, arguing that more housing is the only real solution to the affordability issue (Daley, Coates & Wiltshire 2018b).

A lack of affordable housing affects all of society. It prevents the less well-off from being able to own property or live close to their workplace. More broadly, it can have effects on society, such as a less productive workforce and a strain on infrastructure, which can lead to political pushback.

It is therefore in all our interests to have a deeper conversation about zoning and how these can be freed up, while maintaining protection for local neighbourhoods. Allowing too much freedom or too much control is equally bad. A balance needs to be struck, one that is progressive but mindful that dwellings created will be where future generations live and work. ♦

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## REFERENCES

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- Daley J, B Coates and T Wiltshire (2018b), ‘RBA Research Shows that Zoning Restrictions are Driving Up Housing Prices’, *The Conversation*, March 8, viewed November 2018. Available at <<https://theconversation.com/rba-research-shows-that-zoning-restrictions-are-driving-up-housing-prices-93064>>
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- Glaeser EL, J Gyourko and R Saks (2005), ‘Why is Manhattan So Expensive? Regulation and the Rise in Housing Prices’, *The Journal of Law & Economics*, 48(2), pp 331–369.
- Kendall R and P Tulip (2018), *The Effect of Zoning on House Prices*, RBA Research Discussion Paper No. 2018-03.
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# Top Sales

NOV 2018

The Zoning Effect  
Vol.74 Dec 2018



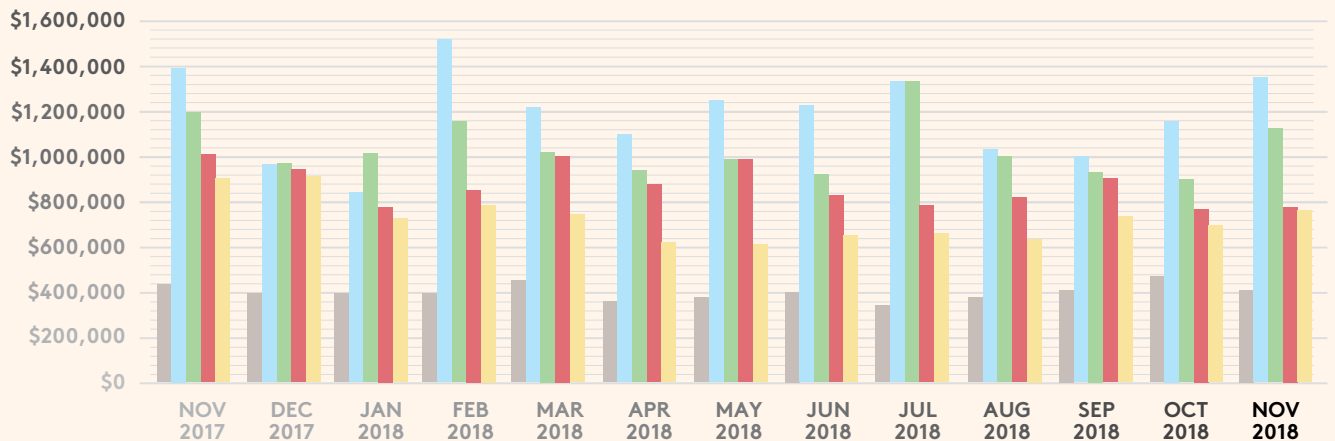
- 1 **\$1,896,000** 64 May Street, Fitzroy North
- 2 **\$2,050,000** 62 Ormond Street, Kensington
- 3 **\$3,370,000** 92 Bridport Street, Albert Park
- 4 **\$1,930,000** 409 Dryburgh Street, North Melbourne
- 5 **\$2,260,000** 8 Burchett Street, Brunswick
- 6 **\$1,925,000** 323 Gore Street, Fitzroy
- 7 **\$2,055,000** 42 Vauxhall Road, Northcote
- 8 **\$2,800,000** 263 Richardson Street, Middle Park
- 9 **\$6,100,000** 21 Kinkora Road, Hawthorn

# Quarterly Scorecard

SEP - NOV 2018

	Apartments	Houses	Townhouses
QUARTERLY GROWTH/DECLINE	<b>+4.45%</b> ↑	<b>-1.14%</b> ↓	<b>-1.26%</b> ↓
MEDIAN PRICE	\$570,000	\$1,300,000	\$934,000
AVERAGE PRICE	\$635,790	\$1,460,043	\$1,042,968
MEDIAN SQM	-	\$5,742 <b>+2.9%</b> ↑	\$4,077 <b>-8.2%</b> ↓
STOCK INVENTORY	4,577 <b>+0.5%</b> ↑	1,455 <b>+3.2%</b> ↑	557 <b>+11.6%</b> ↑
BOOM	Clifton Hill ↑	Hawthorn ↑	-
BUST	Flemington ↓ Prahran ↓	Brunswick East ↓ Carlton North ↓ Collingwood ↓ Fitzroy North ↓ Middle Park ↓ North Melbourne ↓ Port Melbourne ↓	-

## YEAR ON YEAR LOOK Median Prices



NOV 2017 - NOV 2018 GROWTH/DECLINE

■ -7.06% CBD Apartments   
 ■ -1.78% Inner South Apartments, Townhouses and Houses (A,T & H)   
 ■ -5.12% Inner East (A,T & H)   
 ■ -22.52% Inner North (A,T & H)   
 ■ -13.40% Inner West (A,T & H)

### LEGEND

1. Inner Melbourne is defined by suburbs falling into the 8km radius of the CBD.
2. Overall growth/decline is based on changes in median price between quarters.
3. A boom! is recorded when a category records three consecutive quarters of positive growth.
4. A bust! is recorded when a category records two consecutive quarters of negative growth.



# Quarterly Turnover

SEP - NOV 2018

The Zoning Effect  
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		PREVIOUS QUARTER (JUN, JUL, AUG 2018)				CURRENT QUARTER (SEP, OCT, NOV 2018)			
		Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)	Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)
<b>Central</b>	Docklands	2.07%		NA%		1.78%		-	
	Melbourne	0.84%	<b>1.17%</b>	NA%	<b>16.81%</b>	0.65%	<b>0.82%</b>	-	<b>11.76%</b>
	Southbank	1.61%		NA%		0.79%		-	
<b>Inner North</b>	Brunswick	0.91%		0.42%		1.05%		0.57%	
	Brunswick East	1.70%		0.52%		1.04%		0.44%	
	Carlton	0.52%		0.68%		0.32%		0.53%	
	Carlton North	0.76%		0.38%		NA%		0.43%	
	Clifton Hill	0.20%		0.49%		0.60%		0.49%	
	Collingwood	1.41%	<b>0.81%</b>	0.45%	<b>0.40%</b>	0.97%	<b>0.62%</b>	0.38%	<b>0.44%</b>
	Fitzroy	0.73%		0.51%		0.36%		0.95%	
	Fitzroy North	0.91%		0.65%		0.33%		0.37%	
	North Melbourne	0.62%		0.62%		0.70%		0.52%	
	Northcote	1.09%		0.45%		0.93%		0.63%	
	Parkville	0.70%		0.14%		0.35%		0.14%	
Princes Hill	NA%		0.16%		0.41%		0.16%		
<b>Inner East</b>	Abbotsford	3.47%		0.88%		1.91%		0.80%	
	Burnley	0.68%		1.47%		NA%		0.98%	
	Cremorne	0.55%		0.39%		0.55%		0.79%	
	East Melbourne	0.88%	<b>1.05%</b>	NA%	<b>0.32%</b>	0.25%	<b>0.82%</b>	0.36%	<b>0.49%</b>
	Hawthorn	0.86%		0.18%		0.76%		0.33%	
	Prahran	1.08%		0.48%		0.78%		0.40%	
	Richmond	0.89%		0.70%		1.23%		0.65%	
	South Yarra	1.14%		0.26%		0.66%		0.36%	
<b>Inner South</b>	Albert Park	0.59%		0.27%		0.39%		0.27%	
	Middle Park	0.42%	<b>0.95%</b>	0.26%	<b>0.55%</b>	0.42%	<b>0.53%</b>	0.34%	<b>0.47%</b>
	Port Melbourne	0.94%		0.60%		0.47%		0.66%	
	South Melbourne	1.18%		0.35%		0.69%		0.54%	
<b>Inner West</b>	Flemington	0.30%		0.72%		0.36%		0.36%	
	Kensington	1.11%	<b>0.91%</b>	1.02%	<b>0.82%</b>	1.59%	<b>0.91%</b>	0.72%	<b>0.53%</b>
	Travancore	2.70%		NA%		1.25%		0.37%	
	West Melbourne	0.83%		0.60%		0.83%		0.20%	

Total sales for the period against total housing supply. Table compiled from data collected from June to November 2018.  
Total private dwellings information from the 2011 Census Report from the Australian Bureau of Statistics.

# Apartments

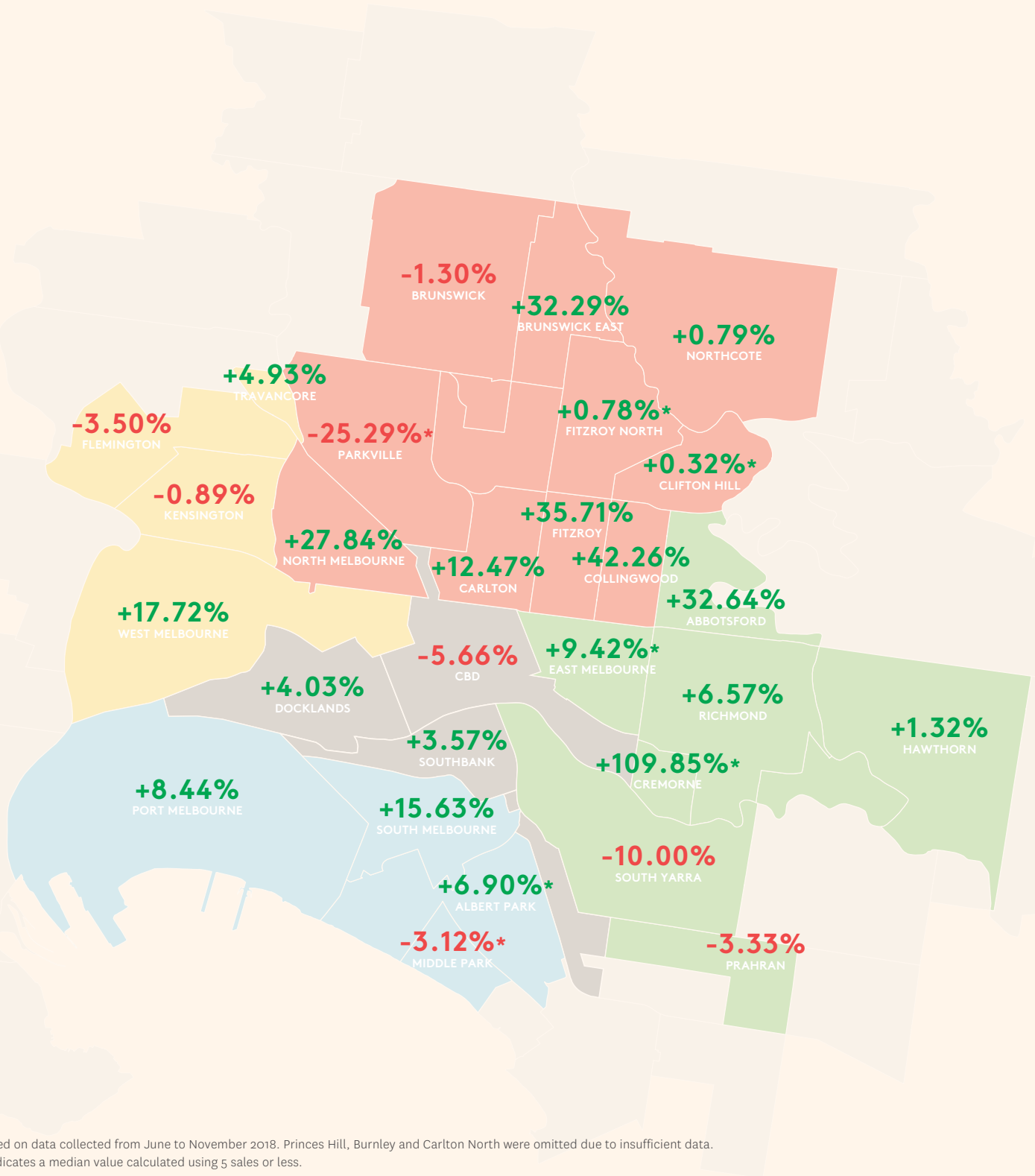
## PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (JUN, JUL, AUG 2018)				CURRENT QUARTER (SEP, OCT, NOV 2018)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	\$647,055	\$602,000	\$316,000	\$1,600,000	\$709,738	\$626,250	↑ 4.03%	\$330,000	\$1,600,000
Melbourne	\$568,599	\$530,000	\$3,000	\$2,310,000	\$657,507	\$500,000	↓ -5.66%	\$210,000	\$6,000,000
Southbank	\$605,065	\$560,000	\$287,500	\$2,300,000	\$624,740	\$580,000	↑ 3.57%	\$305,000	\$1,360,000
Brunswick	\$575,392	\$537,500	\$220,000	\$1,195,000	\$547,912	\$530,500	↓ -1.30%	\$370	\$1,025,000
Brunswick East	\$453,388	\$415,750	\$315,000	\$630,000	\$605,727	\$550,000	↑ 32.29%	\$229,000	\$1,175,000
Carlton	\$482,916	\$471,250	\$157,000	\$771,000	\$462,633	\$530,000	↑ 12.47%	\$179,000	\$880,000
Carlton North	*\$671,250	*\$705,000	\$480,000	\$795,000	-	-		-	-
Clifton Hill	*\$790,000	*\$790,000	\$790,000	\$790,000	*\$802,000	*\$792,500	↑ 0.32%	\$666,000	\$947,500
Collingwood	\$612,393	\$474,500	\$190,000	\$1,960,000	\$673,545	\$675,000	↑ 42.26%	\$332,000	\$1,100,000
Fitzroy	\$741,031	\$600,000	\$340,000	\$1,505,000	\$952,250	\$814,250	↑ 35.71%	\$567,500	\$1,550,000
Fitzroy North	\$690,136	\$640,000	\$330,500	\$2,135,000	*\$690,625	*\$645,000	↑ 0.78%	\$412,500	\$1,060,000
North Melbourne	\$515,682	\$485,000	\$305,000	\$848,600	\$577,578	\$620,000	↑ 27.84%	\$168,000	\$815,000
Northcote	\$566,928	\$568,000	\$302,500	\$1,080,000	\$556,194	\$572,500	↑ 0.79%	\$337,000	\$850,000
Parkville	\$970,000	\$850,000	\$442,000	\$2,075,000	*\$645,000	*\$635,000	↓ -25.29%	\$495,000	\$805,000
Princes Hill	-	-	-	-	*\$420,000	*\$420,000		\$420,000	\$420,000
Abbotsford	\$528,169	\$442,944	\$351,000	\$930,000	\$590,409	\$587,500	↑ 32.64%	\$385,000	\$800,000
Burnley	*\$544,000	*\$544,000	\$544,000	\$544,000	-	-		-	-
Cremorne	*\$434,111	*\$434,111	\$434,111	\$434,111	*\$911,000	*\$911,000	↑ 109.85%	\$911,000	\$911,000
East Melbourne	\$705,892	\$674,000	\$258,500	\$1,275,000	*\$907,500	*\$737,500	↑ 9.42%	\$455,000	\$1,700,000
Hawthorn	\$670,556	\$567,500	\$340,000	\$2,675,000	\$673,885	\$575,000	↑ 1.32%	\$183,000	\$3,500,000
Prahran	\$516,334	\$540,000	\$130,000	\$930,000	\$558,799	\$521,999	↓ -3.33%	\$330,000	\$896,000
Richmond	\$651,656	\$563,000	\$311,000	\$1,720,000	\$667,470	\$600,000	↑ 6.57%	\$218,000	\$2,292,000
South Yarra	\$642,391	\$600,000	\$285,000	\$1,550,000	\$647,203	\$540,000	↓ -10.00%	\$275,000	\$2,925,750
Albert Park	*\$1,176,666	*\$1,050,000	\$530,000	\$1,950,000	*\$1,122,500	*\$1,122,500	↑ 6.90%	\$900,000	\$1,345,000
Middle Park	*\$802,500	*\$802,500	\$395,000	\$1,210,000	*\$777,500	*\$777,500	↓ -3.12%	\$735,000	\$820,000
Port Melbourne	\$808,026	\$640,000	\$422,000	\$2,740,000	\$792,276	\$694,000	↑ 8.44%	\$502,500	\$1,600,000
South Melbourne	\$587,875	\$588,500	\$295,000	\$950,000	\$683,821	\$680,500	↑ 15.63%	\$330,000	\$1,300,000
Flemington	*\$379,800	*\$400,000	\$189,000	\$589,000	\$403,000	\$386,000	↓ -3.50%	\$310,000	\$577,000
Kensington	\$470,678	\$477,250	\$282,000	\$652,000	\$479,075	\$473,000	↓ -0.89%	\$327,000	\$761,000
Travancore	\$367,307	\$355,000	\$292,500	\$490,000	\$399,333	\$372,500	↑ 4.93%	\$340,000	\$551,000
West Melbourne	\$502,285	\$378,000	\$268,000	\$952,000	\$495,071	\$445,000	↑ 17.72%	\$308,000	\$680,000

Table compiled from data collected from June to November 2018. A dash indicates no recorded sales for the quarter, inability to show a quarterly change or no quarterly change. Directional arrows indicate change in comparison to the previous rolling quarter. \* indicates an average or median value calculated using 5 sales or less.

# Apartments

## QUARTERLY MEDIAN CHANGE BY SUBURB



Based on data collected from June to November 2018. Princes Hill, Burnley and Carlton North were omitted due to insufficient data.  
\* indicates a median value calculated using 5 sales or less.

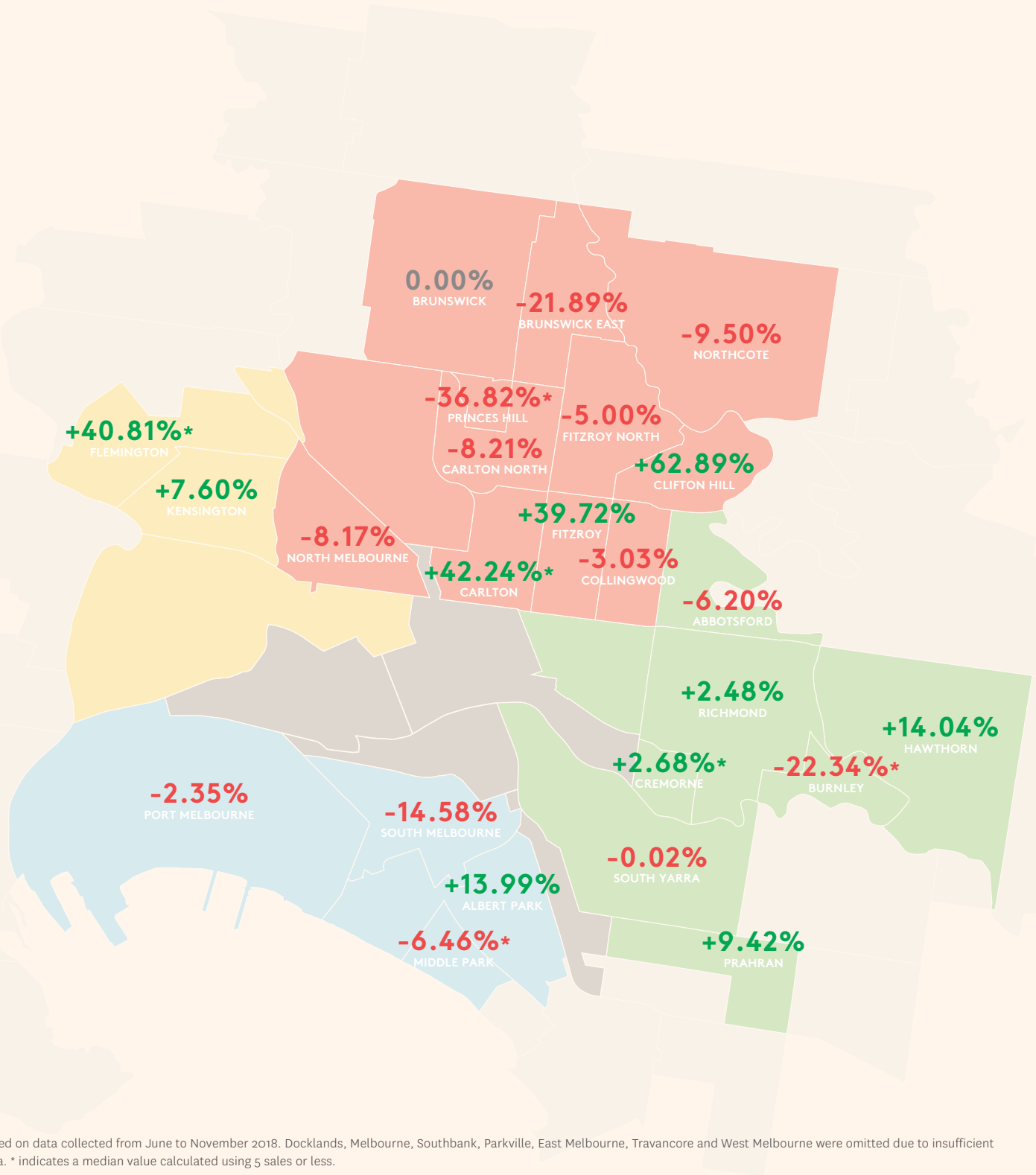
## PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (JUN, JUL, AUG 2018)				CURRENT QUARTER (SEP, OCT, NOV 2018)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	-	-	-	-	-	-		-	-
Melbourne	-	-	-	-	-	-		-	-
Southbank	-	-	-	-	-	-		-	-
Brunswick	\$1,151,642	\$1,075,000	\$860,000	\$1,789,000	\$1,081,660	\$1,075,000	0.00%	\$671,000	\$2,036,000
Brunswick East	\$1,239,700	\$1,285,000	\$920,000	\$1,600,000	\$997,500	\$1,003,750	↓ -21.89%	\$708,000	\$1,250,000
Carlton	\$1,228,111	\$1,160,000	\$455,000	\$2,400,000	*\$1,596,400	*\$1,650,000	↑ 42.24%	\$1,075,000	\$2,080,000
Carlton North	\$1,494,142	\$1,400,000	\$1,110,000	\$2,029,999	\$1,498,333	\$1,285,000	↓ -8.21%	\$950,000	\$2,715,000
Clifton Hill	*\$930,000	*\$900,000	\$900,000	\$1,020,000	\$1,373,285	\$1,466,000	↑ 62.89%	\$967,000	\$1,630,000
Collingwood	\$959,333	\$907,500	\$843,000	\$1,291,000	\$1,011,666	\$880,000	↓ -3.03%	\$760,000	\$1,550,000
Fitzroy	\$1,206,666	\$1,252,500	\$850,000	\$1,400,000	\$1,860,653	\$1,750,000	↑ 39.72%	\$1,050,000	\$3,740,000
Fitzroy North	\$1,700,736	\$1,400,000	\$950,000	\$3,880,000	\$1,340,045	\$1,330,000	↓ -5.00%	\$960,000	\$1,757,000
North Melbourne	\$1,379,444	\$1,150,000	\$790,000	\$2,625,000	\$1,224,642	\$1,056,000	↓ -8.17%	\$915,000	\$2,063,000
Northcote	\$1,415,840	\$1,410,000	\$711,000	\$2,420,000	\$1,403,060	\$1,276,000	↓ -9.50%	\$565,000	\$2,500,000
Parkville	*\$1,937,500	*\$1,937,500	\$1,937,500	\$1,937,500	-	-		-	-
Princes Hill	*\$2,030,000	*\$2,030,000	\$2,030,000	\$2,030,000	*\$1,282,500	*\$1,282,500	↓ -36.82%	\$1,282,500	\$1,282,500
Abbotsford	\$1,259,388	\$1,250,000	\$727,000	\$1,630,000	\$1,155,500	\$1,172,500	↓ -6.20%	\$808,000	\$1,500,000
Burnley	*\$1,346,333	*\$1,307,000	\$1,232,000	\$1,500,000	*\$1,015,000	*\$1,015,000	↓ -22.34%	\$970,000	\$1,060,000
Cremorne	*\$1,735,000	*\$1,735,000	\$1,315,000	\$2,155,000	*\$1,688,750	*\$1,781,500	↑ 2.68%	\$900,000	\$2,292,000
East Melbourne	-	-	-	-	*\$1,580,000	*\$1,580,000		\$1,580,000	\$1,580,000
Hawthorn	\$2,078,500	\$1,905,000	\$1,150,000	\$3,660,000	\$2,371,250	\$2,172,500	↑ 14.04%	\$1,100,000	\$6,100,000
Prahran	\$1,823,863	\$1,427,500	\$1,000,000	\$3,600,000	\$1,593,900	\$1,562,000	↑ 9.42%	\$1,105,000	\$2,575,000
Richmond	\$1,393,586	\$1,330,000	\$730,000	\$2,420,000	\$1,437,019	\$1,363,000	↑ 2.48%	\$900,000	\$2,650,000
South Yarra	*\$2,092,000	*\$1,650,000	\$1,055,000	\$3,875,000	\$1,566,450	\$1,649,750	↓ -0.02%	\$1,002,000	\$1,980,000
Albert Park	\$2,392,777	\$2,305,000	\$1,250,000	\$3,320,000	\$2,551,125	\$2,627,500	↑ 13.99%	\$1,185,000	\$3,337,000
Middle Park	*\$3,133,333	*\$2,050,000	\$1,910,000	\$5,440,000	*\$2,665,000	*\$1,917,500	↓ -6.46%	\$1,525,000	\$5,300,000
Port Melbourne	\$1,473,529	\$1,320,000	\$880,000	\$2,150,000	\$1,595,261	\$1,289,000	↓ -2.35%	\$860,000	\$3,150,000
South Melbourne	\$1,711,571	\$1,560,000	\$940,000	\$2,700,000	\$1,400,080	\$1,332,500	↓ -14.58%	\$885,800	\$2,360,000
Flemington	\$938,562	\$905,500	\$780,000	\$1,200,000	*\$1,224,500	*\$1,275,000	↑ 40.81%	\$823,000	\$1,525,000
Kensington	\$1,118,966	\$1,050,000	\$770,000	\$1,720,000	\$1,159,521	\$1,129,750	↑ 7.60%	\$580,000	\$2,050,000
Travancore	-	-	-	-	*\$1,375,000	*\$1,375,000		\$1,375,000	\$1,375,000
West Melbourne	-	-	-	-	*\$820,000	*\$820,000		\$820,000	\$820,000

Table compiled from data collected from June to November 2018. A dash indicates no recorded sales for the quarter, inability to show a quarterly change or no quarterly change. Directional arrows indicate change in comparison to the previous rolling quarter. \* indicates an average or median value calculated using 5 sales or less.

# Houses

## QUARTERLY MEDIAN CHANGE BY SUBURB



Based on data collected from June to November 2018. Docklands, Melbourne, Southbank, Parkville, East Melbourne, Travancore and West Melbourne were omitted due to insufficient data. \* indicates a median value calculated using 5 sales or less.

# Townhouses

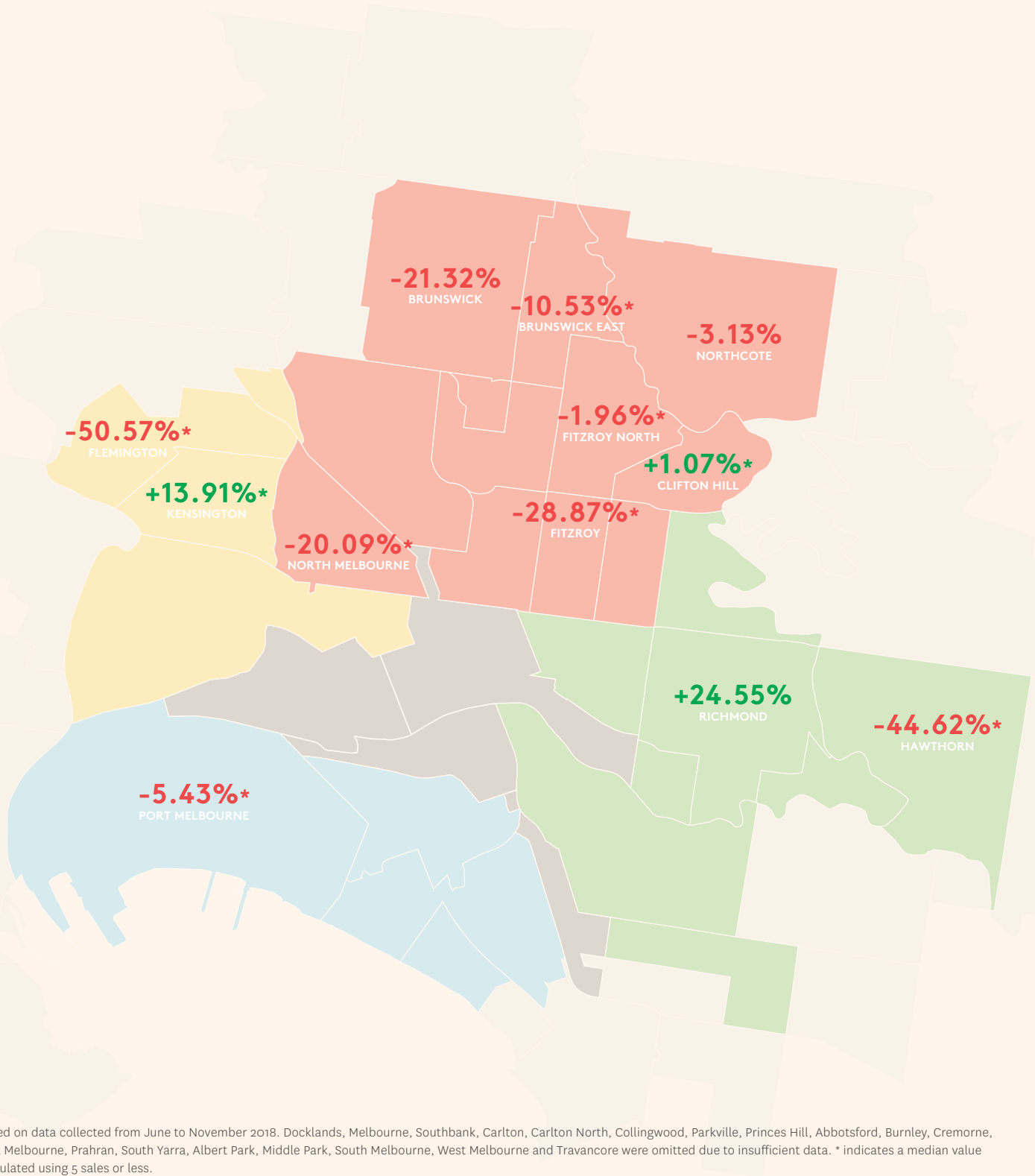
## PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (JUN, JUL, AUG 2018)				CURRENT QUARTER (SEP, OCT, NOV 2018)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	-	-	-	-	-	-		-	-
Melbourne	-	-	-	-	-	-		-	-
Southbank	-	-	-	-	-	-		-	-
Brunswick	*\$910,300	*\$912,500	\$740,000	\$1,100,000	\$933,428	\$718,000	↓ -21.32%	\$597,500	\$1,950,000
Brunswick East	*\$899,833	*\$878,500	\$746,000	\$1,075,000	*\$812,666	*\$786,000	↓ -10.53%	\$702,000	\$950,000
Carlton	-	-	-	-	*\$1,752,500	*\$1,752,500		\$1,255,000	\$2,250,000
Carlton North	*\$1,036,000	*\$1,036,000	\$1,036,000	\$1,036,000	-	-		-	-
Clifton Hill	*\$891,000	*\$935,000	\$685,000	\$1,015,000	*\$945,000	*\$945,000	↑ 1.07%	\$910,000	\$980,000
Collingwood	*\$1,095,000	*\$1,095,000	\$1,095,000	\$1,095,000	-	-		-	-
Fitzroy	*\$1,328,500	*\$1,328,500	\$1,157,000	\$1,500,000	*\$945,000	*\$945,000	↓ -28.87%	\$440,000	\$1,450,000
Fitzroy North	*\$919,500	*\$842,000	\$795,000	\$1,199,000	*\$825,500	*\$825,500	↓ -1.96%	\$736,000	\$915,000
North Melbourne	*\$1,211,666	*\$1,120,000	\$950,000	\$1,565,000	*\$982,500	*\$895,000	↓ -20.09%	\$826,500	\$1,226,000
Northcote	\$869,785	\$877,500	\$685,000	\$1,110,000	\$965,714	\$850,000	↓ -3.13%	\$690,000	\$1,600,000
Parkville	-	-	-	-	*\$1,050,000	*\$1,050,000		\$1,050,000	\$1,050,000
Princes Hill	-	-	-	-	-	-		-	-
Abbotsford	*\$942,500	*\$942,500	\$765,000	\$1,120,000	-	-		-	-
Burnley	-	-	-	-	-	-		-	-
Cremorne	-	-	-	-	-	-		-	-
East Melbourne	-	-	-	-	*\$1,410,000	*\$1,410,000		\$1,410,000	\$1,410,000
Hawthorn	*\$1,600,000	*\$1,600,000	\$1,600,000	\$1,600,000	*\$932,000	*\$886,000	↓ -44.62%	\$795,000	\$1,115,000
Prahran	*\$1,310,000	*\$1,310,000	\$1,310,000	\$1,310,000	-	-		-	-
Richmond	\$1,065,999	\$967,500	\$737,000	\$1,615,000	\$1,261,142	\$1,205,000	↑ 24.55%	\$780,000	\$2,150,000
South Yarra	*\$1,575,500	*\$1,575,500	\$1,301,000	\$1,850,000	-	-		-	-
Albert Park	-	-	-	-	*\$1,420,000	*\$1,420,000		\$1,420,000	\$1,420,000
Middle Park	-	-	-	-	-	-		-	-
Port Melbourne	*\$1,351,666	*\$1,400,000	\$970,000	\$1,685,000	*\$1,324,000	*\$1,324,000	↓ -5.43%	\$1,324,000	\$1,324,000
South Melbourne	-	-	-	-	*\$875,000	*\$875,000		\$875,000	\$875,000
Flemington	*\$795,000	*\$795,000	\$790,000	\$800,000	*\$393,000	*\$393,000	↓ -50.57%	\$393,000	\$393,000
Kensington	\$908,773	\$942,000	\$570,900	\$1,420,000	*\$1,102,666	*\$1,073,000	↑ 13.91%	\$1,060,000	\$1,175,000
Travancore	-	-	-	-	-	-		-	-
West Melbourne	*\$1,155,333	*\$940,000	\$920,000	\$1,606,000	-	-		-	-

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# Townhouses

## QUARTERLY MEDIAN CHANGE BY SUBURB




Based on data collected from June to November 2018. Docklands, Melbourne, Southbank, Carlton, Carlton North, Collingwood, Parkville, Princes Hill, Abbotsford, Burnley, Cremorne, East Melbourne, Prahran, South Yarra, Albert Park, Middle Park, South Melbourne, West Melbourne and Travancore were omitted due to insufficient data. \* indicates a median value calculated using 5 sales or less.

# SECRET

INSIDE PERSPECTIVE

# AGENT



**The Zoning Effect**  
**Vol.74 Dec 2018**

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The Australian Bureau of Statistics ([abs.gov.au/census](http://abs.gov.au/census)),  
REIV ([reiv.com.au/property-data/auction-results](http://reiv.com.au/property-data/auction-results)),  
The Department of Human Resources, Google Maps,  
Land Victoria ([land.vic.gov.au](http://land.vic.gov.au)), [realestateview.com.au](http://realestateview.com.au),  
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