

SECRET

INSIDE PERSPECTIVE

AGENT



THE SECRET AGENT REPORT

VOLUME 20 - JUNE 2014

GARDENS

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“THE NEED TO CREATE GARDENS - TO FASHION FROM NATURE PLACES OF ORDER AND RETREAT - CONNECTS US TO THE ANCIENT CIVILIZATIONS OF SUMER AND EGYPT, GREECE AND ROME.”

- TERENCE CONRAN

COVER IMAGE

When thinking of gardens we usually think of the colour green, when in fact, plants can be many different colours, including fire engine red! Secret Agent's Instagram account will show you our appreciation of the unusual and the unexpected; moss on the roof tiles, reflections in glass, overlooked door handles, cracks in decade old paving.

Curated mostly by Cosmo McIntyre (our resident eyes for detail), it helps to broaden the mind to what can be beautiful and aesthetically pleasing if we keep ourselves open, looking and appreciating.



WWW.INSTAGRAM.COM/CURATION1

The data upon which this report is based was sourced from: The Australian Bureau of Statistics (www.abs.gov.au/census), The Department of Human Resources, Google Maps (maps.google.com.au), propertydata.com.au, Land Victoria (www.land.vic.gov.au), realestateveiw.com.au, [Domain \(domain.com.au\)](http://Domain.com.au), realestate.com.au, Fairfax, Residex, various individual real estate agents operating in inner Melbourne, and other specialised sources as noted in the following content.

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GARDENS

JODIE WALKER, COSMO MCINTYRE AND RICHARD ROSSMANN

“A GARDEN TO WALK IN AND IMMENSITY TO DREAM IN - WHAT MORE COULD HE ASK? A FEW FLOWERS AT HIS FEET AND ABOVE HIM THE STARS.”

Victor Hugo, Les Misérables

Green environments are essential components of a healthy human habitat. In dense urban areas where more and more of us live today, this is particularly true. The enjoyment of a garden is deeply biological, most likely stemming from our evolutionary past to seek sanctuary from hostile environments such as the Savannah.

Intuition tells us that a little bit of green goes a long way. In big cities, space is a premium. Modern day life means packed trains, trams, congested streets, and busy offices. The need for an oasis within the inner city has never been greater. In this report Secret Agent investigates the physical, mental and monetary value of the garden.

The first attempts to impose order to natural landscapes were most certainly driven by the need for food. This necessity has evolved to humans civilizing many other domains of the natural environment. This included creating cities, building roads and maintaining gardens.

The vibrant array of colours, including the essential green, has a deep impact on us. Think about a time you got out of your car in a forest after a long stint in the city. The fresh air and visuals help put one at ease. Or picture coming home from a stressful day at the office and spending some time on your rooftop deck surrounded by your private “green” sanctuary. This is a retreat. There has been a change of perception amongst home owners in regards to what a garden represents. Gardens are more than just a feature, they are an extension of a house and to many signify an escape, a place to relax and unwind.

The question on the value of the garden stem from a recent property purchase. Secret Agent was engaged to value and acquire a home with one of Melbourne’s most famous backyards. What was the backyard worth?

NON FINANCIAL BENEFITS OF GARDENS

Gardens have never been as important in our lives as they are in this day and age. They provide a sanctuary, a place to keep in touch with the elements and the ever changing seasons; a place to re-charge. As the modern landscape changes and the much talked about trend of urbanisation continues to proliferate, the humble garden becomes even more relevant. A garden that is functional as well as beautiful delivers a better quality of life.

Without doubt there are numerous benefits to a well thought out garden. A nourishment of the soul not quantifiable by a dollar value. Value of health both physically and mentally. *“...while our homes evolve in a series of distinct, controlled stages, as our priorities and circumstances alter, the garden is in a continual state of change. Gardens are dynamic, three-dimensional places which thwart out attempts to impose finite human plans on them. Yet they are often where we find harmony. This is perhaps to do with their capacity to arouse emotions on many levels. You have only to look at children playing outdoors to see how intuitively we adapt the natural landscape to human needs: climbing tree; damming streams; creating secret dens; following the progress of a ladybug across a path.”* -Terence Conran, The Essential Garden Book

It's hard not to be happy among the elements, outside surrounded by greenery, clean air, the sounds and fresh smells. The proven benefits of a short spell outside have shown it does wonders for the human psyche.

The sensory experience of gardening allows people to connect to this primal state; people understand this, but it is often hard to quantify in words. Having a garden to tend to (and remember this can be a little herb garden on a balcony, or a larger tropical paradise) can bring numerous health benefits. In addition to being a source of fresh produce (better nutrition) a garden can keep you fit, improve your mental well being (mood) and relieve stress. There are numerous scientific studies to support all these claims.

A recent study in the Netherlands suggested that gardening fights stress better than other common leisure activities. Two groups of people were instructed to either read indoors or garden for 30 minutes after having completed a series of stressful tasks. Afterward, the group that got their hands dirty gardening reported being in a better mood than the group that had chosen to read. Interestingly they also had lower levels of the stress hormone cortisol.

"We live in a society where we're just maxing ourselves out all the time in terms of paying attention," says Andrea Faber Taylor, Ph.D., a horticulture instructor and researcher in the Landscape and Human Health Laboratory at the University of Illinois. *"Humans have a finite capacity for the kind of directed attention required by cell phones and email and the like, and when that capacity gets used up we tend to become irritable, error-prone, distractible, and stressed out."* Fortunately we can replenish ourselves by engaging in 'involuntary attention', the effortless kind of attention we use to enjoy nature.

This effortless attention of gardening may even help decrease symptoms of depression. In a study conducted in Norway, people who had been diagnosed with depression, spent six hours a week growing flowers and vegetables. After three months, half of the participants had experienced a measurable decrease in symptoms of depression. What's more, their mood continued to be better three months after the gardening program ended. The researchers suggest that the novelty of gardening may have been enough to take people out of a dark space, but some experts suggest that a harmless bacteria commonly found in soil could be the answer, that exposure to this bacteria increased the release and metabolism of serotonin (popularly thought to be a contributor to feelings of well-being and happiness) in parts of the brain that control cognitive function and mood. Tending to a garden (if you are doing it yourself) can be physical enough to get a good dose of daily exercise. Some research even suggests that the physical activity associated with gardening could help lower the risk of developing dementia.

As gardening is goal orientated, people are more likely to stick with it and participate more often. It's not the type of activity you get bored of quickly, and sees results over a long term period. Gardening gets you out and about in the fresh air and sunshine.

Food you grow yourself is the freshest food you will find. Home gardens filled with fruits and vegetables, are the healthiest and generally the most nutritious food you can eat. And not surprisingly, several studies show that gardeners eat more fruits and vegetables than their non veggie growing peers.

THE MONETARY VALUE OF A GARDEN

The Global Garden Report (2011) investigated 5000 homeowners from 9 different countries in order to determine the effect that a well maintained garden has on property price. They invited a panel of 44 real estate agents and 120 garden designers to quantify this impact. It was found that globally, this effect (known as the garden effect), was 16%. In Australia, homeowners who invest in a well kept garden can expect to sell their property for 12% more. In terms of return on a well maintained garden, Australian's can expect to receive approximately 3.6 times more than what was initially invested when sold. In the study, investment was measured through the time and money spent on maintenance, plants, accessories and the costs of makeovers. *"This means that if you invested \$1000 on plants for the garden that would directly increase the value of your property by \$3600, \$10,000 on the garden increases it by \$36,000, and so on. This does not include the fact that the plants will actually grow and an established garden adds more value still."*

Top 5 Elements of a Garden that contribute to its value:

- Well maintained lawn
- Inviting social area
- Stone paths and walkways
- Decorative trees
- Decorative bushes

Secret Agent decided to investigate further and see how relevant these results were to the inner city property market in Melbourne.

Secret Agent looked at approximately 3000 house and townhouse sales from Melbourne's inner suburbs. Properties included were 2 and 3 bedroom dwellings, sold within the past three years (01/05/11 - 30/04/14). The features that were controlled to find the true value of landscaped gardens were the lot size, number of bathrooms and bedrooms, as well as the year the property was sold, beginning in May 2011 to the end of April 2012 as the base year.

For the total of inner Northern, Eastern, Western and Southern suburbs, data from each suburb was combined and an additional area variable was added to ensure the location of the property would not affect results.

Whether a property featured a notable garden or not was determined by looking at descriptions and photographs of the houses. Sales that had to be left out were ones that were missing any of the above variables. Parkville, West Melbourne and East Melbourne did not have sufficient housing sales data to allow us to accurately determine the value of landscaping.

Table 1: The Value of Landscaped Gardens - Inner Melbourne

		Number of Sales (Houses with Landscaped Gardens)	Average Price	Median Price	Value of Landscaped Gardens	% of Average House Price
INNER NORTH	Brunswick	342	733,183	709,500	90,250	12.31%
	Brunswick East	83	801,390	780,000	17,438	2.18%
	Carlton	38	1,056,787	981,000	171,759	16.25%
	Carlton North	85	963,100	872,000	115,702	12.01%
	Clifton Hill	112	945,482	868,500	51,804	5.48%
	Collingwood	58	721,284	682,500	111,883	15.51%
	Fitzroy	81	973,505	895,000	68,216	7.01%
	Fitzroy North	149	1,015,712	905,000	184,990	18.21%
	North Melbourne	59	793,640	750,000	55,282	6.97%
	Northcote	305	857,732	825,000	49,524	5.77%
	Parkville	12	1,373,625	1,507,500	N/A	N/A
TOTAL	1,324	857,959	800,000	92,646	10.80%	
INNER EAST	Abbotsford	108	796,917	746,500	38,851	4.88%
	East Melbourne	33	1,883,477	1,750,000	N/A	N/A
	Prahran	173	1,049,573	940,000	85,860	8.18%
	Richmond	366	936,807	860,000	81,607	8.71%
	South Yarra	139	1,301,324	1,150,000	43,103	3.31%
	TOTAL	819	1,042,190	900,000	87,987	8.44%
INNER SOUTH	Albert Park	166	1,368,419	1,271,250	17,299	1.26%
	Middle Park	77	1,390,974	1,245,000	43,399	3.12%
	Port Melbourne	232	999,363	927,500	38,751	3.88%
	South Melbourne	131	1,055,746	1,010,000	20,340	1.93%
	TOTAL	606	1,162,405	1,060,000	40,800	3.51%
INNER WEST	Kensington	157	681,625	660,000	64,969	9.53%
	West Melbourne	22	874,636	800,000	N/A	N/A
	TOTAL	179	705,347	682,000	64,969	9.21%

Table compiled from data collected from approximately 3000 sales that took place from May 2011 to April 2014. Only 2 and 3 bedroom dwellings were included in the study. Lot sizes, bed and bath count and year sold were controlled to achieve a more accurate result. N/A indicates insufficient data.

The results of our study show several interesting observations. Firstly, a landscaped garden can add anywhere up to 18% on average to the value of your property, as was the case in Fitzroy North. In the Western and Northern suburbs, notable gardens added the most, at about 10%, or \$65,000 and \$93,000 respectively. On the other hand, in the inner Southern suburbs, people paid about 3.5% more if the property featured landscaping, even as low as \$17,000 (1.3%) in Albert Park.

Perhaps the extent to which people value a proper garden depends very much on location and surroundings. The closer suburbs are to the city, the more denser they are, and the more people seem to value landscaped gardens.

The highest percentages were recorded in Fitzroy North (18.2%), Carlton (16.25%) and Collingwood (15.5%), all located within close proximity to the CBD. Further, suburbs such as Brunswick East and Abbotsford, slightly further away from the city centre recorded much lower values of 2.2% and 4.88% respectively.

Another factor to consider is the amount of parks, vegetation and open spaces in a suburb. In the inner Southern suburbs, streets will often feature median strips and an abundance of parks and greenery. In Albert Park where most houses would be within walking distance of the park and lake, the lowest added value of landscaped gardens was observed.

The connection between the two is clear: density and low levels of vegetation and open spaces increased the value of a private, landscaped garden.

DISADVANTAGES OF GARDENS

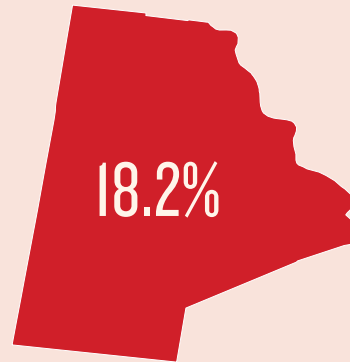
There is no doubt that a notable garden can add value to a property. It is important to remember that gardens cost money to maintain and constant upkeep is imperative. It would be interesting to see whether the opposite is true. Does a run down, unkept garden detract from the value of a house? In the Global Garden Report (2011) it was found that 70% of real estate agents believed that neglected gardens lowered property prices by 5-10%.

For some people, the time and resources spent on gardening can be seen as a hassle and is not worth the investment.

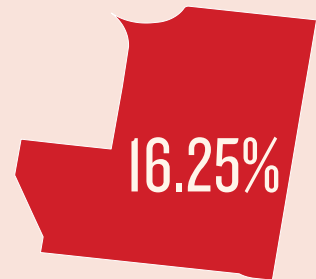
IN CONCLUDING...

Whilst a renovated kitchen and bathroom depreciates in value over time, a well maintained garden will only grow in value as it becomes more established with each passing year. Gardens should be of central consideration when designing a home, as they provide not only monetary benefit at resale but significant health benefits. Our study shows that a landscaped garden can add up to 18% to the value of your property.

VALUE ADDED BY LANDSCAPED GARDENS:



FITZROY NORTH



CARLTON



COLLINGWOOD



WWW.INSTAGRAM.COM/CURATION1

CASH ON CASH - VIEWING YOUR INVESTMENT IN REAL TERMS

JULIAN FAELLI

$$\text{CASH ON CASH} = \frac{\text{ANNUAL CASH FLOW}}{\text{CASH INVESTED}}$$

Return on Investment (ROI) on property is typically looked at from the total purchase price to the amount of cashflow (rental) you are receiving each year. Here we see residential properties fall in the 2.5% to 4.5% range and commercial investments from 6%-8%. It's a useful test, however the key item it doesn't take into account is the cost of the financing to buy the property.

Everyone's financing circumstance is different, however for the purposes of this discussion lets assume that you are in you early 40's, comfortably own your own property (owe under 20%) in the suburbs and are looking to buy a inner city investment property.

There is a two bedroom apartment in Collingwood that you like, and the next Saturday at auction you have the keys in yours hands for \$645,000.

There is \$33,770 of stamp duty payable and you probably owe the solicitor around \$1,500 for conveyancing. To save on mortgage insurance you ensured that you put 20% of the purchase price down - \$129,000.

The deposit and up-front fees come to \$164,270. The apartment was chosen well and you have no trouble getting it rented for \$580 per week. A total of \$30,160 PA. We've laid out a summary of the outgoings each year, including the cost of financing.

Outgoings

Land tax	\$ 1,200
Rates	\$ 1,470
Owners Corp	\$ 2,400
Insurance	\$ 800
Management fee @ 7.7%	\$ 2,322
Interest Payment	\$ 28,272
Total Outgoing	\$ 36,464

Rent - Outgoings \$ -6,304 PA

Financing

Amount financed	\$ 480,730
Annual interest @ 5.88%	\$ 28,272 PA

To work out the cash return you simply divide your annual cash flow by the total amount of cash that you have invested up-front.

Using the numbers from the mock scenario we see a negative cash return of -3.84%. Negative returns are the norm for residential investment at the moment. As part of a sound financial strategy, they can work well and allow you to get a foot in the door for possible future capital growth.

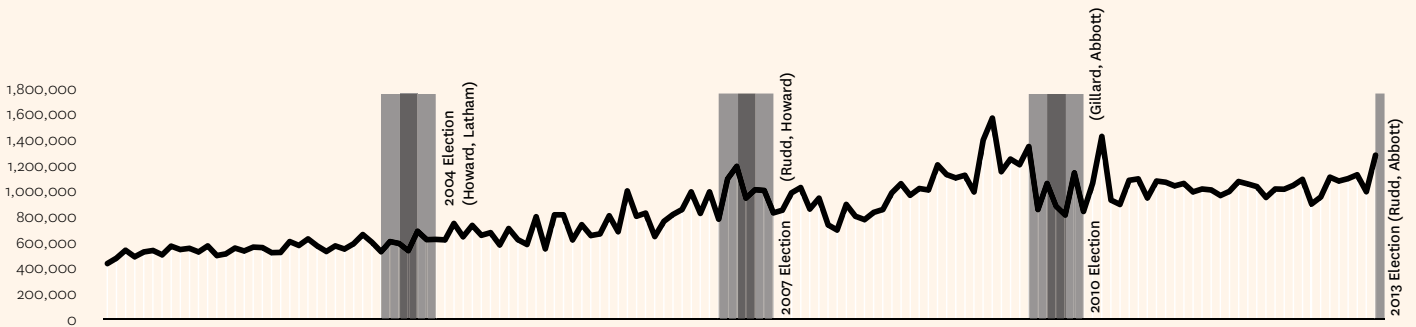
$$-3.48\% = \frac{-6304}{164,270}$$

RESIDENTIAL UPDATE

PAUL OSBORNE

The residential inner city market has been robust over the past rolling quarter. We were surprised with the increase in growth within many suburbs.

Late last year Secret Agent released research on the uplift in the property market after an election. Following previous elections there had been strong growth commencing 6 months after the election (see figure below) as the general political and economic sentiment become more confident.



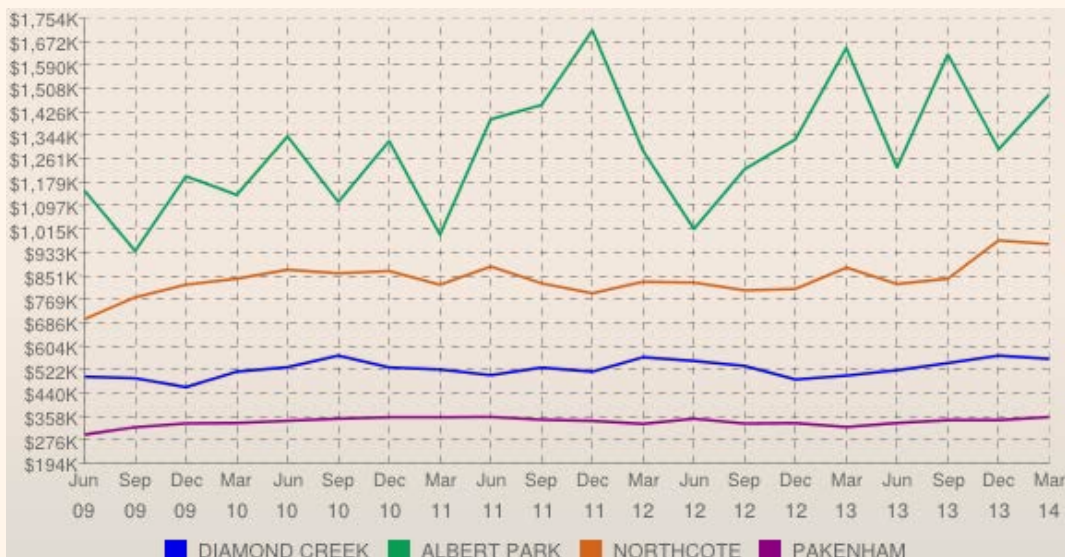
The data suggests that this is indeed happening this time round. The big question however is the spill over from the recent budget. The data doesn't show any negative consequences within the inner city market, we will need a few more months of activity to witness any possible side effects.

There are large divergences across regions within the residential property market. Note that many suburban areas have experienced stagnation within their markets for many years.

Looking at outer suburbs such as Diamond Creek and Pakenham compared to the upward trending markets of Northcote, and Albert Park which oscillates wildly thanks to smaller sales batches creating variable upward median values. The past 5 years have been flat for many of these outer districts.

The month of May produced large results for many inner city properties. Sales such as 7 Bath Street Abbotsford (\$3,020,000) set new benchmarks for their respective locations. House price growth was particularly strong in Brunswick (11%), Abbotsford (23%), Albert Park (19%), Prahran (21%) and East Melbourne (65%) while Middle Park (-26%) and Parkville (-18%) took a tumble. Parkville's price has started to show a downward trend as the East-West tunnel provides some uncertainty within the suburb.

Apartment sales were overall quite strong as well. CBD (16%), North Melbourne (14%), East Melbourne (10%), West Melbourne (30%) and Fitzroy (30%) dominating the inner suburbs. Collingwood eased slightly (-4.5%) as did Abbotsford (-5%) as new developments being offered in the market increased supply.

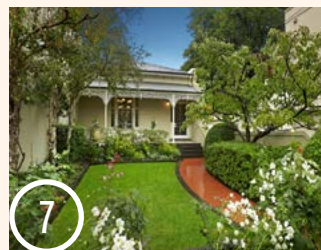


It's important to note that the figures have started from a lower base with the comparing rolling quarter (Dec 13, Jan, Feb 14) producing lower quality options for buyers at that point.

There has been a reduction in inspection and enquiry numbers over the past few weeks. It will be interesting to observe how this effects price movements over the next few months.

Turnover in the past quarter has been high with areas such as Prahran, South Yarra and Richmond having 2% of their total housing supply changing hands.

- ① 110 Vale Street, East Melbourne - \$3,025,000
- ② 32 Avoca Street, South Yarra - \$3,020,000
- ③ 1A College Place, Albert Part - \$3,705,000
- ④ 26 Jolimont Terrace, East Melbourne - \$4,100,000
- ⑤ 28 Jolimont Terrace, East Melbourne - \$2,650,000
- ⑥ 7 Bath Street, Abbotsford - \$3,020,000
- ⑦ 87 Grey Street, East Melbourne - \$3,700,000
- ⑧ 10 Bridport Street, South Melbourne
Undisclosed Price between \$2.4-2.6m



COMMERCIAL UPDATE

PAUL OSBORNE

The commercial market was much more active in the passing month of May. The looming end of financial year forces turnover between buyers and sellers.

The hunt for yield is still strong. For a secure lease, buyers are willing to secure property for 4-5% net to get ahead of bank interest. The most lucrative purchase is a vacant commercial property, installing the tenant quickly after purchase. However, we note that investor risk tolerance is low and the security of a fixed long term lease is driving the stronger results.

Development sites have shows mixed results. Reformed residential zoning laws for Victoria that are introduced as of the 1st July 2014 will mean a changing market for many inner city locations.



- ① 2-6 Shelley Street, Richmond - \$2,958,000 (\$3,411/m²)
- ② 185 Glenferrie Road, Malvern East - \$2,275,000 (\$8,922/m²) 3.55% Yield
- ③ 42 Charles Street, Prahran - \$2,900,000 (\$6,98/m²)
- ④ 18 Albert Street, Northcote - \$1,135,000 (\$3,847/m²)
- ⑤ 375 Nicholson Street, Carlton North - \$670,000 (\$4,527/m²)
- ⑥ 586 Burwood Road, Hawthorn - \$1,367,500 (\$6,837/m²) 6.15% Yield
- ⑦ 141 Cecil Street South Melbourne - \$1,850,000 (\$10,755/m²) 4.5% Yield



INNER MELBOURNE TURNOVER

Table 2: Inner Melbourne Quarterly Turnover

		PREVIOUS QUARTER (DEC 2013, JAN & FEB 2014)				CURRENT QUARTER (MAR, APR & MAY 2014)			
		Apartments	Apartments (By Area)	Houses & Townhouses	Houses & Townhouses (By Area)	Apartments	Apartments (By Area)	Houses & Townhouses	Houses & Townhouses (By Area)
CENTRAL	Docklands	2.68%		0.00%		3.29%		2.22%	
	Melbourne	1.67%	1.79%	3.03%	1.26%	1.70%	1.78%	0.00%	0.42%
	Southbank	1.67%		0.79%		1.23%		0.00%	
INNER NORTH	Brunswick	1.47%		0.89%		1.86%		1.28%	
	Brunswick East	1.98%		0.68%		1.70%		1.40%	
	Carlton	1.06%		0.61%		0.87%		0.53%	
	Carlton North	1.14%		1.24%		0.76%		0.81%	
	Clifton Hill	1.20%		1.25%		2.20%		1.80%	
	Collingwood	0.62%	1.03%	0.57%	0.82%	1.41%	1.25%	0.89%	1.33%
	Fitzroy	0.68%		1.02%		1.32%		1.72%	
	Fitzroy North	0.25%		0.87%		0.91%		1.49%	
	North Melbourne	0.92%		0.68%		1.10%		1.20%	
	Northcote	1.40%		0.63%		1.09%		1.41%	
	Parkville	0.23%		1.58%		1.52%		2.30%	
	Princes Hill	0.00%		0.00%		0.00%		1.29%	
INNER EAST	Abbotsford	2.43%		0.80%		3.47%		2.31%	
	Burnley	0.68%		0.49%		0.68%		1.96%	
	Cremorne	1.66%		0.39%		0.55%		0.79%	
	East Melbourne	1.13%	1.30%	1.25%	0.98%	1.94%	1.99%	3.02%	1.96%
	Hawthorn	1.19%		0.70%		1.81%		1.53%	
	Prahran	1.53%		0.97%		2.23%		2.30%	
	Richmond	1.03%		1.22%		2.01%		1.95%	
	South Yarra	1.40%		1.06%		1.94%		2.15%	
INNER SOUTH	Albert Park	0.20%		0.86%		1.18%		1.19%	
	Middle Park	0.84%	0.98%	1.11%	1.08%	1.46%	1.77%	1.45%	1.55%
	Port Melbourne	1.16%		1.47%		1.88%		1.77%	
	South Melbourne	0.94%		0.79%		1.82%		1.83%	
INNER WEST	Flemington	0.59%		1.65%		0.89%		1.51%	
	Kensington	1.99%	1.22%	1.16%	1.30%	1.19%	1.31%	1.26%	1.39%
	Travancore	1.25%		0.74%		1.25%		0.74%	
	West Melbourne	1.30%		1.40%		2.36%		2.20%	

(Total Sales for the period against total housing supply) Table compiled from data collected from December 2013 to May 2014. Total private dwellings information from the 2011 Census Report from the Australian Bureau of Statistics.

INNER MELBOURNE APARTMENTS PRICE COMPARISONS BY ROLLING QUARTERS



Table 3: Inner Melbourne Apartments - Price Comparisons

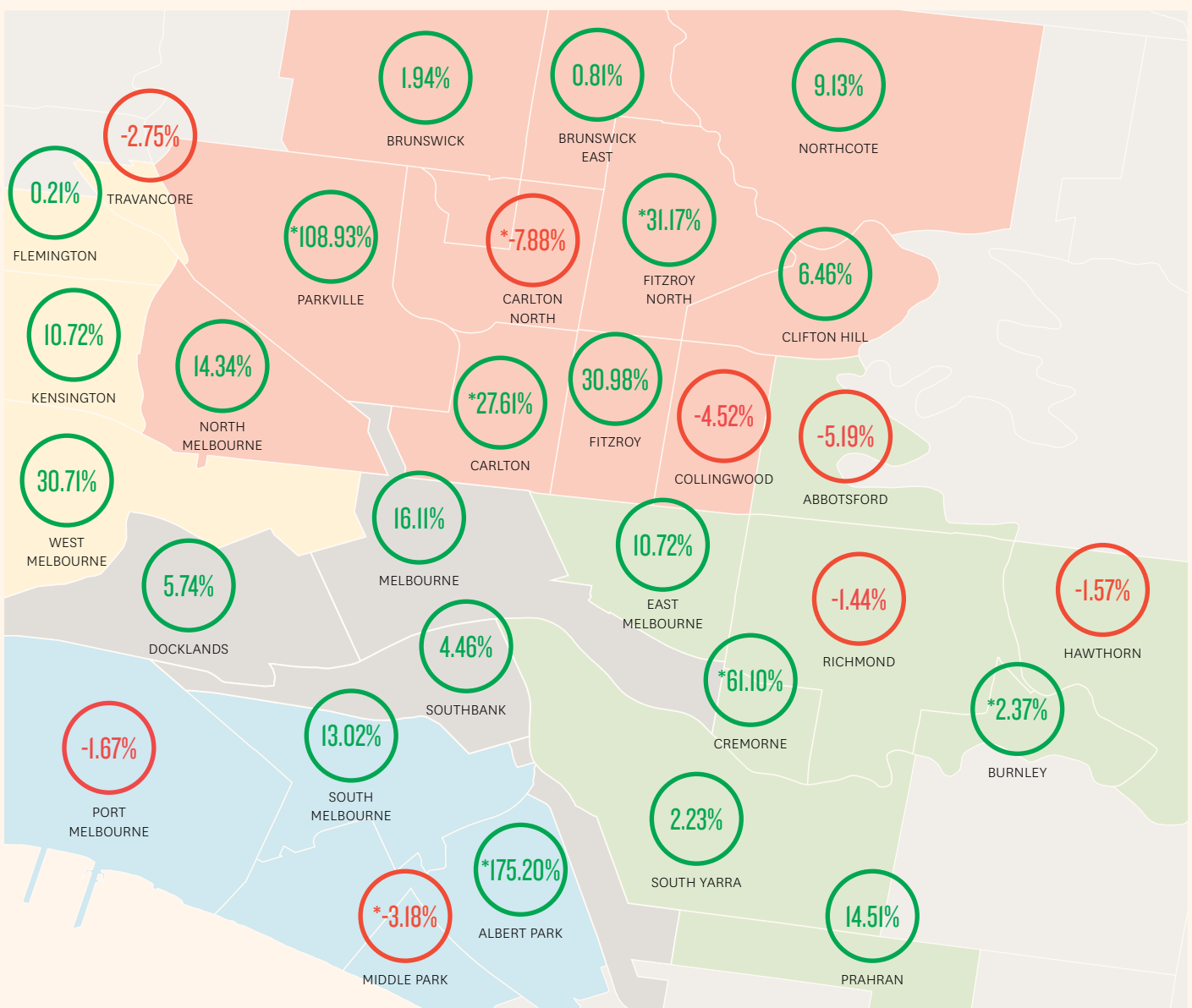
	PREVIOUS QUARTER (DEC 2013, JAN & FEB 2014)				CURRENT QUARTER (MAR, APR & MAY 2014)					
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	% CHANGE	Median Price	% CHANGE	Lowest Sale	Highest Sale
Docklands	696,915	610,000	375,000	2,500,000	806,906 ↑	15.78%	645,000 ↑	5.74%	373,000	3,750,000
Melbourne	509,157	416,000	110,000	1,710,000	598,589 ↑	17.56%	483,000 ↑	16.11%	145,000	3,150,000
Southbank	550,391	526,500	345,000	1,880,000	610,202 ↑	10.87%	550,000 ↑	4.46%	378,000	1,600,000
Brunswick	420,714	451,250	295,000	545,000	446,532 ↑	6.14%	460,000 ↑	1.94%	229,500	930,000
Brunswick East	481,912	491,000	256,000	750,000	458,667 ↓	-4.82%	495,000 ↑	0.81%	245,000	690,000
Carlton	*363,765	*297,000	140,000	1,031,000	366,300 ↑	0.70%	379,000 ↑	27.61%	130,000	680,000
Carlton North	*465,200	*520,000	300,000	613,000	*750,500 ↑	61.33%	*479,000 ↓	-7.88%	320,000	1,724,000
Clifton Hill	472,900	511,000	320,000	687,000	543,000 ↑	14.82%	544,000 ↑	6.46%	353,000	650,000
Collingwood	503,333	542,000	225,000	645,000	602,000 ↑	19.60%	517,500 ↓	-4.52%	375,000	1,015,000
Fitzroy	518,897	518,000	255,000	906,000	696,792 ↑	34.28%	678,500 ↑	30.98%	285,000	1,105,000
Fitzroy North	*415,167	*385,000	310,500	550,000	504,725 ↑	21.57%	505,000 ↑	31.17%	331,000	850,000
North Melbourne	451,667	437,500	292,000	610,000	488,846 ↑	8.23%	500,250 ↑	14.34%	135,000	1,050,000
Northcote	463,200	451,750	305,000	625,000	458,281 ↓	-1.06%	493,000 ↑	9.13%	318,000	605,000
Parkville	*280,000	*280,000	280,000	280,000	675,692 ↑	141.32%	585,000 ↑	108.93%	278,000	1,020,000
Princes Hill	-	-	-	-	-	-	-	-	-	-
Abbotsford	469,731	443,000	399,000	657,500	488,105 ↑	3.91%	420,000 ↓	-5.19%	339,000	835,000
Burnley	*295,000	*295,000	295,000	295,000	*302,000 ↑	2.37%	*302,000 ↑	2.37%	302,000	302,000
Cremorne	*419,000	*419,000	418,000	420,000	*675,000 ↑	61.10%	*675,000 ↑	61.10%	675,000	675,000
East Melbourne	1,177,545	557,500	370,000	5,500,000	679,344 ↓	-42.31%	617,250 ↑	10.72%	210,000	2,000,000
Hawthorn	568,727	525,500	373,500	1,260,000	556,047 ↓	-2.23%	517,250 ↓	-1.57%	100,000	1,380,000
Prahran	480,250	482,500	145,000	726,000	580,018 ↑	20.77%	552,500 ↑	14.51%	368,000	1,170,000
Richmond	508,176	485,000	265,000	1,288,000	529,095 ↑	4.12%	478,000 ↓	-1.44%	282,500	1,190,000
South Yarra	632,043	516,000	272,000	5,550,000	625,842 ↓	-0.98%	527,500 ↑	2.23%	290,000	3,400,000
Albert Park	*863,000	*863,000	863,000	863,000	*1,699,200 ↑	96.89%	*2,375,000 ↑	175.20%	510,000	2,470,000
Middle Park	*785,000	*785,000	785,000	785,000	*791,400 ↑	0.82%	*760,000 ↓	-3.18%	630,000	1,100,000
Port Melbourne	862,348	660,000	405,000	2,790,000	713,207 ↓	-17.29%	649,000 ↓	-1.67%	370,000	2,075,000
South Melbourne	620,641	530,000	398,000	1,850,000	673,140 ↑	8.46%	599,000 ↑	13.02%	337,500	1,950,000
Flemington	338,000	365,000	220,000	388,000	407,458 ↑	20.55%	365,750 ↑	0.21%	273,000	675,000
Kensington	411,025	415,000	300,000	545,000	455,050 ↑	10.71%	459,500 ↑	10.72%	360,000	600,000
Travancore	369,500	382,500	185,000	467,000	373,167 ↑	0.99%	372,000 ↓	-2.75%	307,500	440,000
West Melbourne	418,232	420,000	272,088	551,000	510,933 ↑	22.16%	549,000 ↑	30.71%	250,000	750,000

Table compiled from data collected from December 2013 to May 2014. 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.

INNER MELBOURNE APARTMENTS QUARTERLY MEDIAN PRICES MAPPED



Figure 1: Inner Melbourne Apartments - Quarterly Median Change (%)



Map compiled from data collected from December 2013 to May 2014. Princes Hill was omitted due to insufficient data.
* indicates an average or median value calculated using 5 sales or less.

INNER MELBOURNE TOWNHOUSES PRICE COMPARISONS BY ROLLING QUARTERS



Table 4: Inner Melbourne Townhouses - Price Comparisons

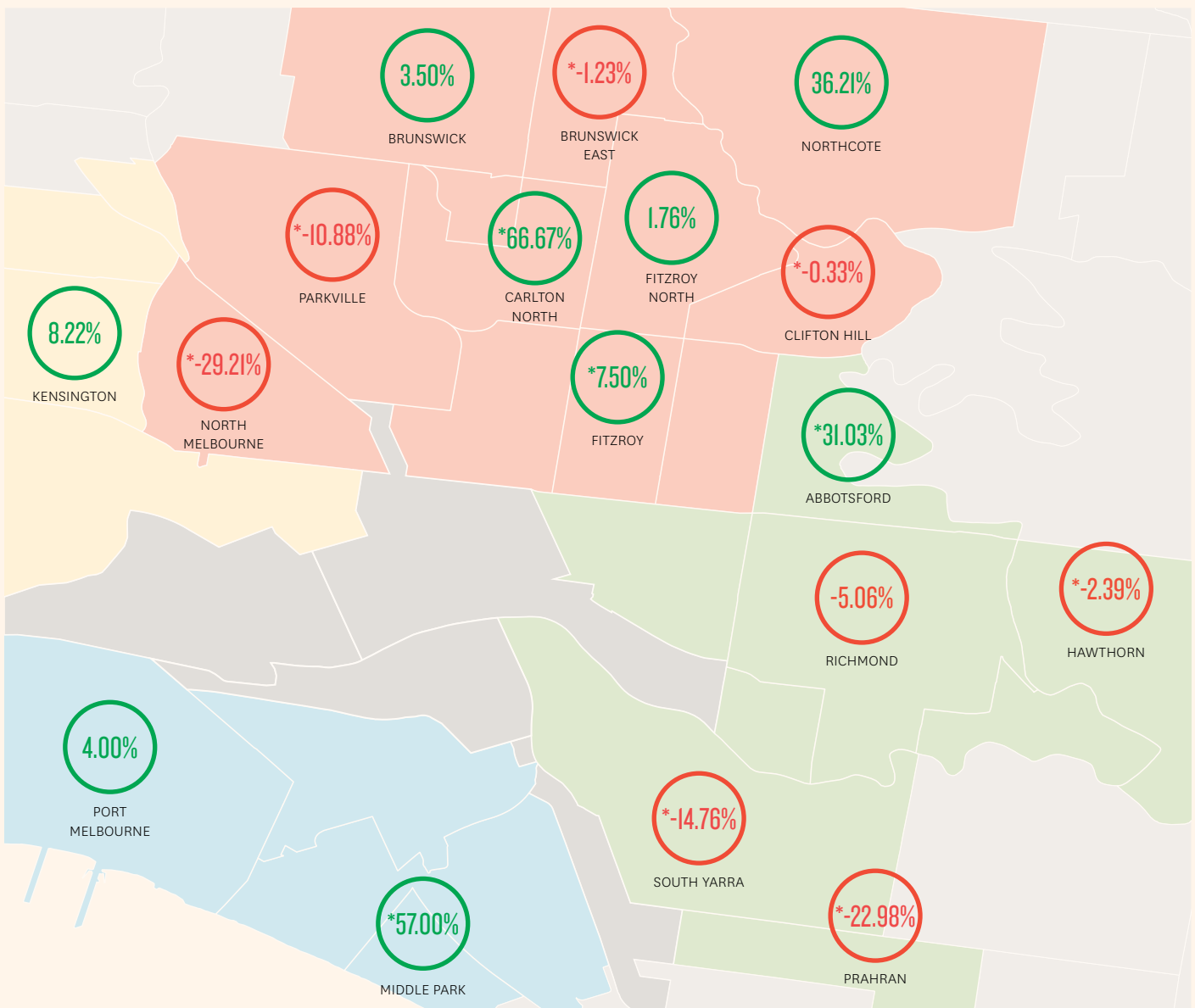
	PREVIOUS QUARTER (DEC 2013, JAN & FEB 2014)				CURRENT QUARTER (MAR, APR & MAY 2014)					
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	% CHANGE	Median Price	% CHANGE	Lowest Sale	Highest Sale
Brunswick	676,483	642,500	600,000	827,000	694,471 ↑	2.66%	665,000 ↑	3.50%	560,000	900,000
Brunswick East	*635,750	*648,000	502,000	745,000	682,350 ↑	7.33%	640,000 ↓	-1.23%	552,000	820,000
Carlton	-	-	-	-	*866,000 -	-	*866,000 -	-	840,000	892,000
Carlton North	*600,000	*600,000	600,000	600,000	*1,000,000 ↑	66.67%	*1,000,000 ↑	66.67%	1,000,000	1,000,000
Clifton Hill	771,913	762,500	650,000	890,000	*831,800 ↑	7.76%	*760,000 ↓	-0.33%	702,500	1,100,000
Collingwood	-	-	-	-	-	-	-	-	-	-
Fitzroy	*795,333	*800,000	746,000	840,000	*906,667 ↑	14.00%	*860,000 ↑	7.50%	725,000	1,135,000
Fitzroy North	1,014,214	850,000	720,000	1,333,500	816,806 ↓	-19.46%	865,000 ↑	1.76%	625,250	1,160,000
North Melbourne	*950,000	*950,000	950,000	950,000	639,667 ↓	-32.67%	672,500 ↓	-29.21%	459,000	759,000
Northcote	655,167	607,500	535,000	1,115,000	819,333 ↑	25.06%	827,500 ↑	36.21%	590,000	1,175,000
Parkville	*735,000	*735,000	650,000	820,000	*655,000 ↓	-10.88%	*655,000 ↓	-10.88%	655,000	655,000
Princes Hill	-	-	-	-	-	-	-	-	-	-
Abbotsford	*585,000	*585,000	585,000	585,000	*777,000 ↑	32.82%	*766,500 ↑	31.03%	525,000	1,050,000
Burnley	-	-	-	-	*1,750,000 -	-	*1,750,000 -	-	1,750,000	1,750,000
Cremorne	*789,000	*789,000	789,000	789,000	-	-	-	-	-	-
East Melbourne	-	-	-	-	*1,028,333 -	-	*760,000 -	-	760,000	1,565,000
Hawthorn	*1,058,333	*1,005,000	835,000	1,335,000	1,111,857 ↑	5.06%	981,000 ↓	-2.39%	745,000	2,071,000
Prahran	*1,321,083	*1,363,250	1,065,000	1,535,000	*1,056,100 ↓	-20.06%	*1,050,000 ↓	-22.98%	963,000	1,150,000
Richmond	965,896	913,750	558,000	2,000,000	936,354 ↓	-3.06%	867,500 ↓	-5.06%	691,000	1,850,000
South Yarra	*1,632,250	*1,270,000	739,000	3,250,000	1,232,000 ↓	-24.52%	1,082,500 ↓	-14.76%	761,000	2,500,000
Albert Park	-	-	-	-	*2,303,333 -	-	*2,310,000 -	-	1,995,000	2,605,000
Middle Park	*1,000,000	*1,000,000	1,000,000	1,000,000	*1,570,000 ↑	57.00%	*1,570,000 ↑	57.00%	1,570,000	1,570,000
Port Melbourne	*958,200	*1,000,000	685,000	1,190,000	1,088,389 ↑	13.59%	1,040,000 ↑	4.00%	775,000	1,460,000
South Melbourne	*1,218,000	*1,218,000	826,000	1,610,000	-	-	-	-	-	-
Flemington	-	-	-	-	*601,500 -	-	*601,500 -	-	601,500	601,500
Kensington	635,250	603,375	482,000	810,000	652,800 ↑	2.76%	653,000 ↑	8.22%	380,000	807,000
Travancore	-	-	-	-	-	-	-	-	-	-
West Melbourne	-	-	-	-	*855,500 -	-	*855,500 -	-	810,000	901,000

Table compiled from data collected from December 2013 to May 2014. 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.

INNER MELBOURNE TOWNHOUSES QUARTERLY MEDIAN PRICES MAPPED



Figure 2: Inner Melbourne Townhouses - Quarterly Median Change (%)



Map compiled from data collected from December 2013 to May 2014. Albert Park, Burnley, Carlton, Collingwood, Cremorne, East Melbourne, Flemington, Princes Hill, South Melbourne, Travancore and West Melbourne were omitted due to insufficient data. * indicates an average or median value calculated using 5 sales or less.

INNER MELBOURNE HOUSES PRICE COMPARISONS BY ROLLING QUARTERS



Table 5: Inner Melbourne Houses - Price Comparisons

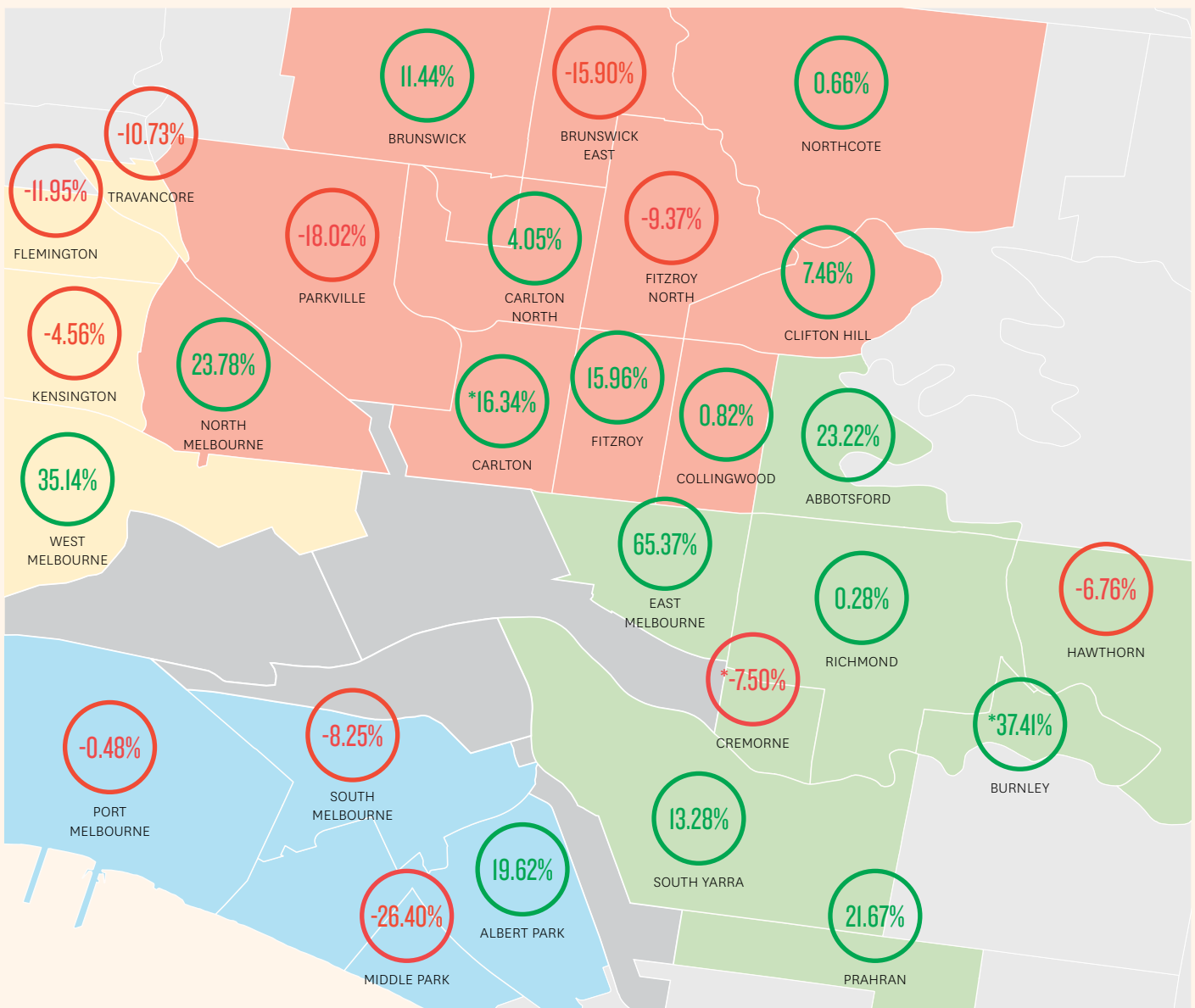
	PREVIOUS QUARTER (DEC 2013, JAN & FEB 2014)				CURRENT QUARTER (MAR, APR & MAY 2014)					
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	% CHANGE	Median Price	% CHANGE	Lowest Sale	Highest Sale
Brunswick	817,476	765,000	550,000	1,500,000	898,588 ↑	9.92%	852,500 ↑	11.44%	515,000	1,606,000
Brunswick East	1,034,655	1,000,000	640,000	1,535,000	984,373 ↓	-4.86%	841,000 ↓	-15.90%	650,000	1,575,000
Carlton	991,667	1,025,000	700,000	1,150,000	*1,131,250 ↑	14.08%	*1,192,500 ↑	16.34%	740,000	1,400,000
Carlton North	1,274,045	1,018,750	715,000	3,850,000	1,190,133 ↓	-6.59%	1,060,000 ↑	4.05%	715,000	2,550,000
Clifton Hill	1,025,429	938,000	712,500	1,740,000	1,098,565 ↑	7.13%	1,008,000 ↑	7.46%	680,000	1,685,000
Collingwood	754,429	730,000	630,000	1,002,000	787,500 ↑	4.38%	736,000 ↑	0.82%	700,000	1,140,000
Fitzroy	1,136,000	940,000	671,000	2,065,000	1,188,286 ↑	4.60%	1,090,000 ↑	15.96%	755,000	1,775,000
Fitzroy North	1,147,662	1,147,500	729,000	1,955,000	1,289,488 ↑	12.36%	1,040,000 ↓	-9.37%	740,000	3,724,000
North Melbourne	902,500	687,500	442,500	2,000,000	952,214 ↑	5.51%	851,000 ↑	23.78%	560,000	2,200,000
Northcote	1,044,128	905,000	670,000	2,150,000	1,023,801 ↓	-1.95%	911,000 ↑	0.66%	590,000	2,100,500
Parkville	1,620,833	1,720,000	710,000	2,100,000	1,441,727 ↓	-11.05%	1,410,000 ↓	-18.02%	935,000	2,100,000
Princes Hill	-	-	-	-	1,137,125 -	-	1,116,000 -	-	875,000	1,460,000
Abbotsford	814,056	732,000	595,000	1,060,000	965,700 ↑	18.63%	902,000 ↑	23.22%	600,000	3,002,000
Burnley	*800,500	*800,500	800,500	800,500	*1,068,333 ↑	33.46%	*1,100,000 ↑	37.41%	820,000	1,285,000
Cremorne	*900,000	*900,000	900,000	900,000	*932,500 ↑	3.61%	*832,500 ↓	-7.50%	750,000	1,315,000
East Melbourne	1,863,333	1,602,500	1,300,000	3,300,000	2,623,409 ↑	40.79%	2,650,000 ↑	65.37%	432,500	5,275,000
Hawthorn	1,726,368	1,700,000	960,000	2,680,000	2,013,023 ↑	16.60%	1,585,000 ↓	-6.76%	576,000	4,350,000
Prahran	1,120,059	902,000	706,500	1,950,000	1,347,868 ↑	20.34%	1,097,500 ↑	21.67%	725,000	4,060,000
Richmond	1,031,628	901,000	577,000	3,000,000	1,046,853 ↑	1.48%	903,500 ↑	0.28%	650,000	4,480,000
South Yarra	2,089,853	1,280,000	857,000	5,850,000	2,028,799 ↓	-2.92%	1,450,000 ↑	13.28%	735,000	5,700,000
Albert Park	1,351,289	1,300,000	790,000	2,310,000	1,745,953 ↑	29.21%	1,555,000 ↑	19.62%	860,000	4,300,000
Middle Park	2,350,143	2,025,000	1,190,000	4,300,000	1,665,800 ↓	-29.12%	1,490,500 ↓	-26.40%	1,270,000	2,560,000
Port Melbourne	1,158,924	1,035,000	710,000	3,275,000	1,175,688 ↑	1.45%	1,030,000 ↓	-0.48%	690,000	2,650,000
South Melbourne	1,548,563	1,455,000	851,000	2,850,000	1,422,606 ↓	-8.13%	1,335,000 ↓	-8.25%	700,000	2,880,000
Flemington	843,786	816,000	532,500	1,625,000	754,250 ↓	-10.61%	718,500 ↓	-11.95%	595,000	990,000
Kensington	828,583	827,750	387,000	1,591,000	851,118 ↑	2.72%	790,000 ↓	-4.56%	591,250	1,430,000
Travancore	*983,000	*983,000	861,000	1,105,000	*877,500 ↓	-10.73%	*877,500 ↓	-10.73%	585,000	1,170,000
West Melbourne	1,109,000	906,500	791,000	1,900,000	*1,272,000 ↑	14.70%	*1,225,000 ↑	35.14%	995,000	1,870,000

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INNER MELBOURNE HOUSES QUARTERLY MEDIAN PRICES MAPPED



Figure 3 : Inner Melbourne Houses - Quarterly Median Change (%)



Map compiled from data collected from December 2013 to May 2014. Princes Hill was omitted due to insufficient data.
* indicates an average or median value calculated using 5 sales or less.

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