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BETTER APARTMENTS: BEFORE THERE WERE STANDARDS

THIS MONTH'S ISSUE ALSO INCLUDES:

THE PERFECT RATIO OF PERIOD TERRACE HOUSE TO LAND

BOND YIELD UPDATE: FEBRUARY

The Inside Perspective

"A room is not a room without natural light."

Louis Kahn

View our Scorecard summary online

Better Apartments: Before There Were Standards

by Richard Rossmann, Jodie Walker and Sheng Yi Lee

In this report, Secret Agent reviews the quality of apartments built in the last 6 years and compares them with Victoria's new Better Apartments Design Standards.

If constructed today, how many are actually compliant?

The Better Apartment Design Standards will come into effect this month across Victoria. The aim of these standards is to create a benchmark that developers need to meet in order to achieve improved quality apartments in terms of their liveability and sustainability.

Qualitative analysis through observation alone tells us that most of the new apartments in inner Melbourne have not been designed with these important characteristics in mind. Many people are turned off from even thinking about buying an apartment because they are simply not liveable. Lack of natural light, second bedrooms with no windows, no storage, little or no outdoor space and tiny dimensions for bedrooms and living areas are common attributes of the modern day apartment in Melbourne.

Over the years, Secret Agent has walked through many apartment buildings and studied the floor plans of both new and old varieties. For this report, we decided to go one step further and investigate whether or not apartment buildings built in the last 6 years would meet the new standards if they were re-built today. We wanted to see if our qualitative research would match up on a quantitative level and highlight the importance of these standards in Melbourne's design and development space.

Our results are presented over the following pages. The sample consisted of 3000 apartments from 21 suburbs in inner Melbourne. Refer to Appendix A for the methodology used. The full list of all 33 buildings and the number of apartments sampled from each can be found in Appendix B. All apartment buildings in the sample were constructed within the past 6 years.

Results

While the majority of apartments in the sample performed well on one or two factors, the number of apartments that already meet the majority of standards is astonishingly small. Almost all apartments (98%) passed on at least one factor and 73% on two or less.

However, only a tiny 0.3% of all apartments (or 9 out of 3000) we sampled met the minimum requirements of the seven standards we assessed.

Figure 1 depicts how quickly the number of apartments decreases as the minimum number of standards met increases.

Looking at the individual factors, Table 1 summarises the pass rates for each. Apartments did best on meeting the maximum room depth standard, although this may not necessarily be a result of good design because the smaller an apartment, the more likely it is to be below the maximum.

This is confirmed when observing room dimensions of the main bedroom, smallest bedroom and living area - only between 15.6% and 21.5% of apartments meet the minimum standards. Combining all room dimension standards, only 7.7% of sampled apartments met all three. In other words, 92.3% of apartments were too small.

The worst pass rate was recorded for minimum private outdoor area and minimum private outdoor dimensions, with only 5.8% of apartments meeting this standard.

Next, we take a more in depth look at all seven factors.

Figure 1 Apartment pass rate by minimum number of factors

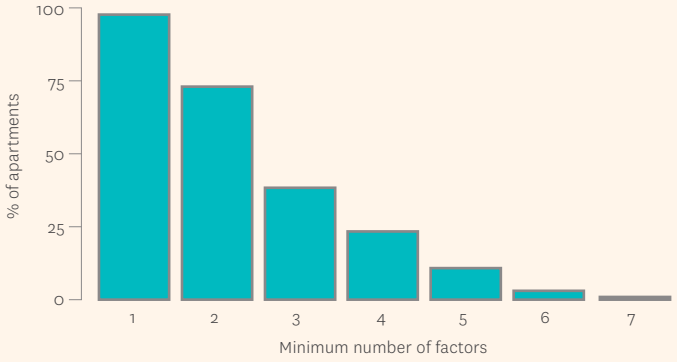


Table 1 Percentage of apartments meeting each new design standard

STANDARD	% OF APARTMENTS MEETING STANDARD
PRIVATE OUTDOOR SPACE	5.79%
LIVING ROOM DIMENSIONS	15.64%
SMALLEST BEDROOM DIMENSIONS	17.52%
MAIN BEDROOM DIMENSIONS	21.47%
WINDOWS IN HABITABLE ROOMS	48.02%
EXTERNAL STORAGE	54.59%
MAXIMUM ROOM DEPTH	84.39%

1. Functional Layout

Main Bedroom Standard
The main (i.e. biggest) bedroom should have minimum dimensions of 3.0m wide and 3.4m deep.

All Other Bedrooms Standard
All other bedrooms should have minimum dimensions of 3.0m wide and 3.0m deep.

Living Area Standard
Living areas should have a minimum width and area as described in Table 2.

Table 2 **Living area guidelines** (Source: Better Apartments Design Standards)

DWELLING TYPE	MINIMUM WIDTH	MINIMUM AREA
STUDIO & 1 BEDROOM DWELLING	3.3m	10sqm
2+ BEDROOM DWELLING	3.6m	12sqm

Figure 2 gives examples of apartments that meet the functional layout standards.

Main Bedroom Pass Rate: 21.47%
Minimum Bedroom Pass Rate: 17.52%
Living Room Pass Rate: 15.64%

Overall, just over 20% of main bedrooms met the minimum dimensions in our sample. The main bedroom is defined as the largest bedroom in square metres. Even fewer (17.5%) apartments met the minimum bedroom dimensions.

Living areas had the smallest pass rate at 15.6%. For all three standards, two bedroom apartments had the smallest pass rate, while three bedroom apartments did best. With three bedroom apartments still making up a relatively small percentage of the total apartment pool (our sample only contained 30), it is hard to see clear trends. However, only 2 out of 30 three bedroom apartments did not meet the main bedroom dimensions, while about half passed the living area standard.

Figure 2 **Functional layout standards** (Source: Better Apartments Design Standards)

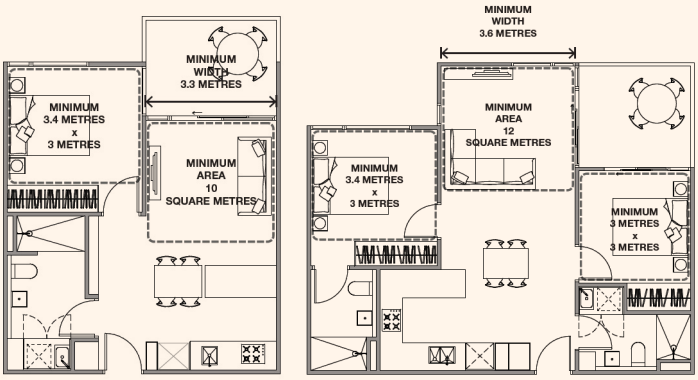


Figure 3 **Main Bedroom Dimensions Pass Rate**

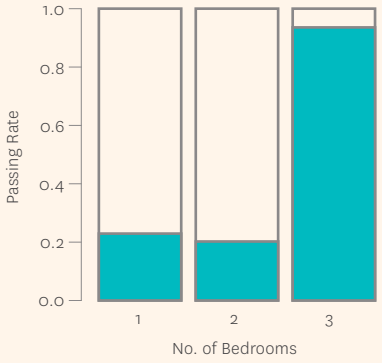


Figure 4 **Minimum Bedroom Dimensions Pass Rate**

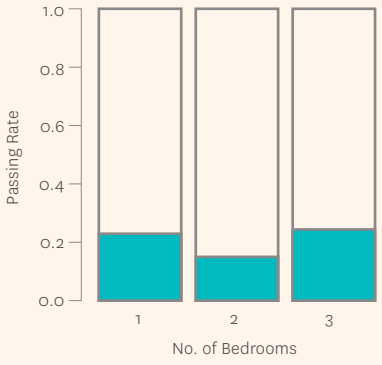
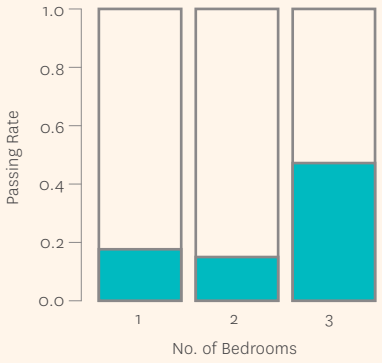


Figure 5 **Living Room Dimensions Pass Rate**



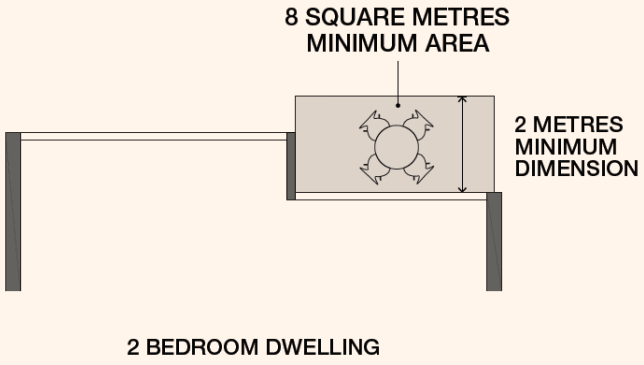
2. Private Open Space

Standard:
All dwellings should have at least the minimum outdoor areas and dimensions outlined in the table below:

Table 3 **Private open space guidelines** (Source: Better Apartments Design Standards)

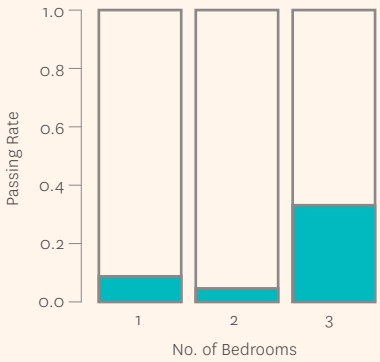
DWELLING TYPE	MINIMUM AREA	MINIMUM DIMENSION
STUDIO & 1 BEDROOM DWELLING	8sqm	1.8m
2 BEDROOM DWELLING	8sqm	2.0m
3+ BEDROOM DWELLING	12sqm	2.4m

Figure 6 **Private open space example** (Source: Better Apartments Design Standards)



Private Open Space Pass Rate: 5.79%

Figure 7 **Private Outdoor Dimensions Pass Rate**



Out of all the criteria analysed, the worst performing standard was balcony dimension and area. Even out of the three bedroom apartments sampled, only one third met the minimum outdoor space requirements. The minimum dimension of some balconies were as low as 0.4m. A typical door is 0.7m wide.

For one bedroom apartments, the passing rate was 8.6%, while for two bedroom apartments, only 3.6% met the standard. Most balconies were simply too small in area. For those in which square metre rates were above the minimum, less than half met the minimum dimension requirements.

Many of these balconies, especially in the inner city, include an air-conditioning unit. These were not accounted for in our calculations of private open space as they are not typically represented in floor plans. There is a high possibility that the pass rate may drop even further if we had included an allowance for these air-conditioners!

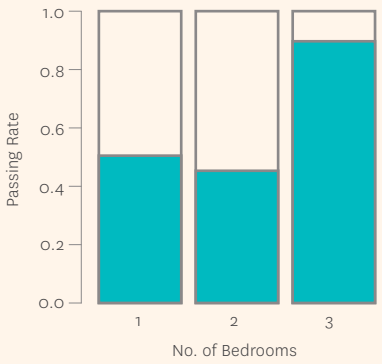
3. Windows

Habitable Room Windows Standard
Every habitable room, including all bedrooms, must have at least one window located on an external wall.

Snorkel Windows Standard
A window may provide daylight to a bedroom from a smaller section within the room, but should have a minimum width of 1.2m and a maximum depth of 1.5 times the width.

Habitable Windows Pass Rate: 52.79%
Snorkel Window Pass Rate: 20.45%

Figure 8 **External Windows Pass Rate**



Combining all types of windows, 48% of apartments in our sample were compliant with the new standards. However, of the 440 apartments that had a snorkel layout in at least one bedroom, only 20% passed the dimensions specified in the standards.

It's worth noting that we came across several apartments that toed the line between a pass and fail, representing a grey area in the new design standards.

Arguably, the apartment in Figure 9 presents another form of a snorkel window, created not by the depth of the bedroom's own snorkel window (which is compliant) but by the external balcony and wall. We decided to give this unit a pass, as it still met the standard.

In Figure 10, the bedroom faces an internal common lightwell in a 4-storey apartment building. The quality of light through the window is questionable. Whether the window is exactly 'clear to the sky' is up for debate, however in this instance we also passed this window.

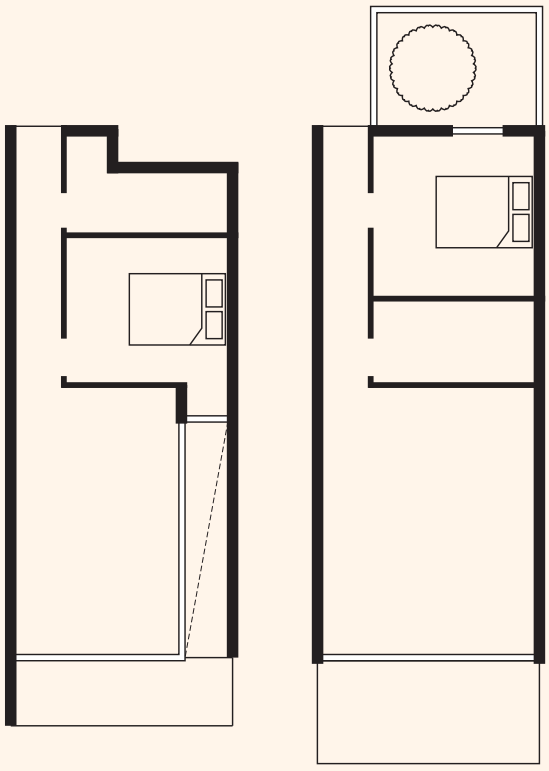


Figure 9 (left) **Snorkel window example**
Figure 10 (right) **Habitable window example**

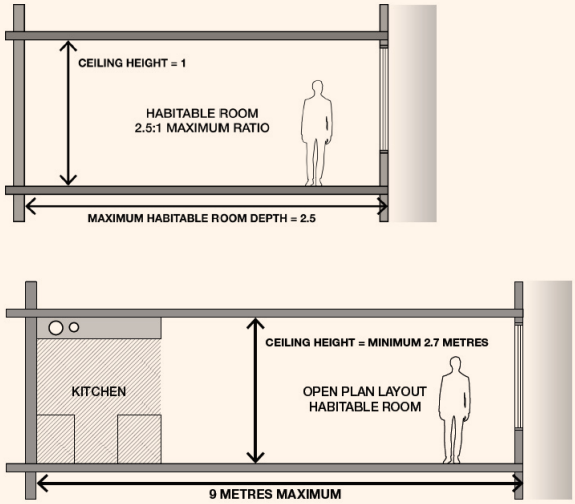
4. Room Depth

Maximum Room Depth Standard
Standard: A single habitable room (kitchen, living, dining, or a combination in open floorplans) should not exceed a room depth of 2.5 times the ceiling height.

Rear Kitchen Room Depth Standard
If, in an open plan habitable room, the area located furthest from the window is the kitchen, and the ceiling is at least 2.7m high, maximum room depth should not exceed 9.0m.

Figure 11 illustrates the room depth standards.

Figure 11 Room depth standard (Source: Better Apartments Design Standards)

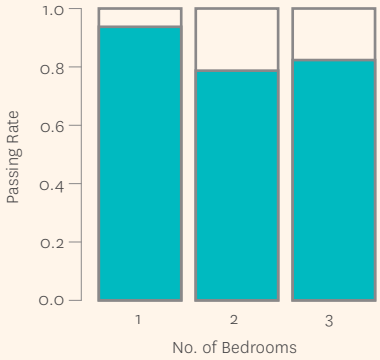


Room Depth Pass Rate: 84.39%

Room depth was only an issue for a small percentage of all sampled apartments, with nearly 85% passing. Most apartments featured a rear kitchen, which makes it easier for smaller apartments to comply with this standard due to the fixed 9.0m maximum room depth. Thus, one bedroom apartments had the highest passing rate for this standard.

For this standard, we assumed all apartments had an average ceiling height of 2.7m as this information is not readily available.

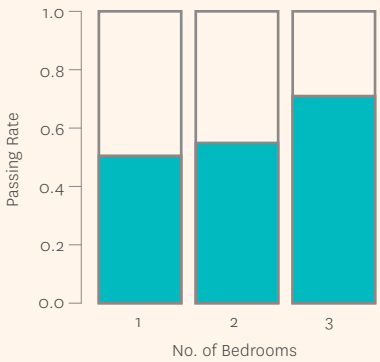
Figure 12 Room Depth Pass Rate



5. Storage

Standard:
Each dwelling should have convenient access to storage within and external to the dwelling.

Figure 13 External Storage Pass Rate



External Storage Pass Rate: 54.59%

While there were also requirements for storage within the apartment, all sampled properties were given a free pass on internal storage, as it is too difficult to determine from the available data. However, just over half of the apartments passed the external storage requirements, with three bedroom apartments performing best again (73%).

Building Analysis

The other design standards relate to the entire apartment building. To review these standards, Secret Agent only used buildings where measurements on at least 30% of apartments in the building could be obtained. This produced a sample of 2793 apartments in 22 different buildings across inner Melbourne.

Out of all sampled buildings, none met all 3 standards we measured. The biggest fail rate was recorded for accessibility, while buildings performed best on providing the minimum communal outdoor space. Table 4 summarises the pass rates for each factor.

Table 4 Building=Wide Standards Pass Rate

STANDARD	BUILDING PASS RATE	APARTMENT PASS RATE
BUILDING ENTRY	86.36%	86.36%
MINIMUM COMMUNAL OPEN SPACE	55.56%	55.56%
SOLAR ACCESS	31.82%	31.82%
NATURAL VENTILATION	27.27%	30.86%
ACCESSIBILITY	13.84%	16.11%

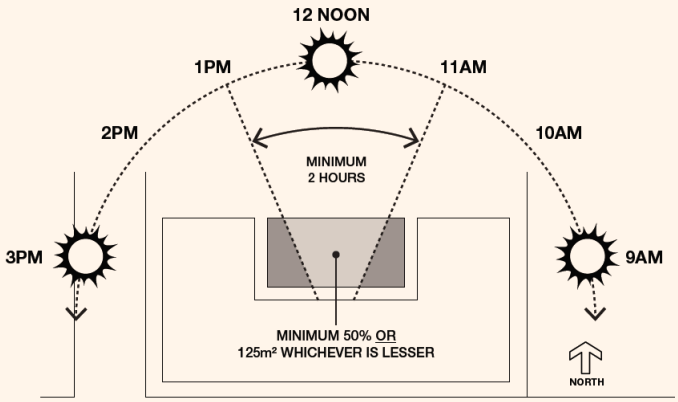
1. Communal Open Space

Minimum Communal Open Space Standard
Developments with 40 or more dwellings should provide a minimum area of communal open space of 2.5 square metres per dwelling or 250 square metres, whichever is less.

Solar Access Standard
At least 50 percent or 125 square metres, whichever is the lesser, of the primary communal outdoor open space area used by occupants should receive a minimum of two hours of sunlight between 9am and 3pm on 21 June.

To simplify this requirement, buildings were passed if they featured at least 125 sqm of communal outdoor space which was at least partially North-facing (i.e. North, North-West or North-East).

Figure 14 Solar access to communal open space standard
(Source: Better Apartments Design Standards)



Minimum Open Space Pass Rate: 55.56%
Solar Access Pass Rate: 31.82%
Overall Pass Rate: 33.33%

18 out of the 22 buildings sampled had at least 40 apartments, and just over half of these passed the minimum communal outdoor space requirements. 6 buildings provided no outdoor space, while 2 did not provide a large enough space. The average communal open space in our sample was 252sqm.

In terms of solar access, just under one third of buildings sampled met this requirement. Out of the 22 buildings, 9 had no communal outdoor area, while another 6 did not receive enough sunlight to pass the regulation.

2. Natural Ventilation

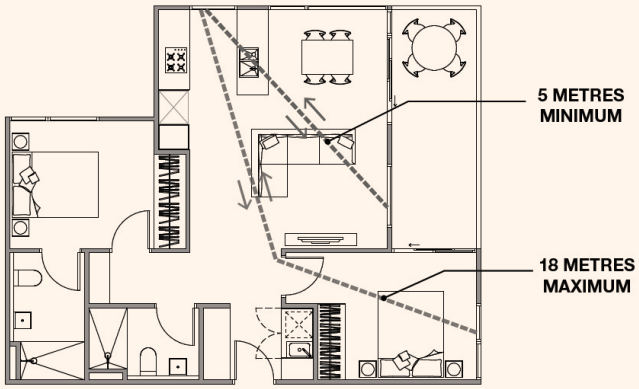
Standard
At least 40% of dwellings should be well ventilated. This is defined as:

- A maximum breeze path through the dwelling of 18 metres
- A minimum breeze path of 5 metres
- The breeze path runs between opening of the same size, located on different orientations of the dwelling

Natural Ventilation Pass Rate: 27.27%

Only 27% of buildings managed to pass this standard. That does not mean that only 27% of apartments are well ventilated. In fact, if instead of measuring whether 40% of apartments in each building pass the standard, we simply count the number of apartments that are well ventilated, the pass rate improves to about 30%. Many of the corner apartments meet this standard, while many of the rest fail because windows are only located along one side of the apartment.

Figure 15 Natural ventilation standard
(Source: Better Apartments Design Standards)



3. Accessibility

Standard
At least 50% of dwellings in the building should meet the following requirements:

- A clear opening of at least 850mm at the entrance to the dwelling and the main bedroom
- A clear path of at least 1.2 metres that connects the entrance to the main bedroom, an adaptable bathroom and the living area.
- An adaptable bathroom that meets the specifications in Figure 16.

Accessibility Pass Rate: 13.64%

Only 3 out of the 22 apartment buildings met this requirement. The main problem was that bathrooms were too small, leaving little open space to maneuver from the door to the shower area. Figure 17 shows the typical bathroom layouts in our sample.

Just over 16% of the total apartments sampled met the accessibility standard. This makes accessibility the worst performing building-wide standard we measured.

Figure 16 Accessible bathroom standard
(Source: Better Apartments Design Standards)

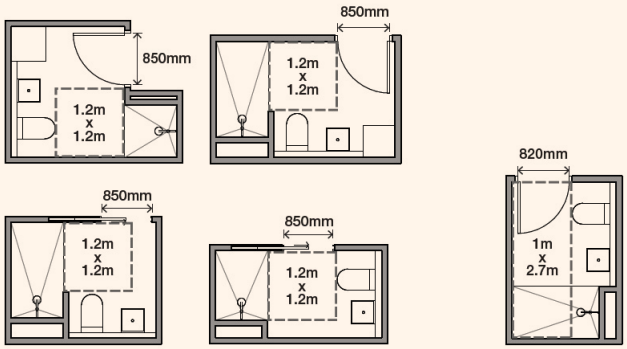
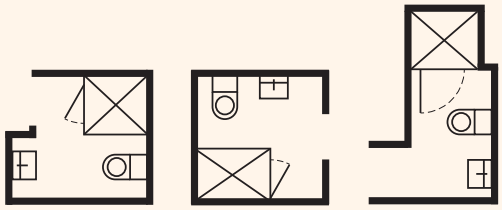


Figure 17 Examples of existing bathrooms failing accessibility standards



4. Building Entry

Standard
Entries to buildings should be easily identifiable, distinguish between residential and non-residential areas and provide windows to building entrance areas and lobbies.

Building Entry Pass Rate: 86.36%

Most apartment buildings seem to meet this standard and have a clearly separate entry area that is visible from the outside of the building.

Concluding remarks
Victoria has witnessed a building boom and large supply of apartments in the last 6 years.

The quantitative analysis only confirmed our observations that in general, many recently built apartments are barely liveable in terms of size, layout, outdoor space, accessibility and ventilation.

Whilst 98% of apartments passed one standard, less than 50% of apartments met 3 or more standards.

Apartment living is a necessity for urbanisation and to support the future population growth of our cities. There is an urgent need to begin building more apartments that are actually liveable and desired by people. The Better Apartments Design Standards will force developers to up their game and provide better quality apartments.

It will be interesting to repeat this study in 5 years' time to see if these standards are implemented correctly, how apartment prices are affected, and whether the ratio of owner occupiers to renters in apartments will change.

We can expect to see decreasing prices among apartments that don't meet guidelines, as they will be competing with new apartments that meet the standards and are more desirable. However, new apartments prices could rise further, as the increasing cost to developers is passed onto prospective purchasers.

The long-term legacy for poor apartment design will be an issue for Melbourne and other cities in times to come. Could these be the ghettos of tomorrow? Or will this added supply create cheap rent conditions for Melburnians who are presently struggling with the cost of living, and are happy to accept large design compromises. Only time will tell.

Appendix A - Methodology

The sampling method used was random cluster sampling, meaning that the number of apartments used from in each suburb roughly matches that suburb's proportion of the total pool of apartments built over the past 6 years in the sampled region. Within each suburb, apartment buildings were selected randomly.

Data collected on each apartment included: number of bedrooms, bathrooms, room dimensions, number of habitable rooms with no external windows, dimensions of private outdoor space and whether the apartment had external storage or not.

The factors that were not included in this study are:

- Building Setback – There is no exact number given for building setback minimums, leaving this open for interpretation
- Noise Impacts – Could not be accurately determined from floor plans
- Energy Efficiency - Could not be accurately determined from floor plans
- Landscaping – Also open to interpretation
- Waste and Recycling - Could not be accurately determined from floor plans
- Integrated and Stormwater Management - Could not be accurately determined from floor plans

Measurement Error

Different floorplans vary in accuracy and quality and so it can be hard to get exact measurements. For all measurements in metres, a leeway of 0.1m was applied. For example, for minimum bedroom size, which according to regulations is 3.0m by 3.0m, a bedroom that was measured as 2.9m x 2.9m was considered a pass. If measurements were in square metres, errors were applied twice. For example, if an area was measured as 2.0m by 2.0m (4m2), the error was calculated as (0.1/2.0)*2 = 0.1, or 10% (+0.4m2).

Appendix B – List of Sampled Buildings

Var1	Freq
118 High Street	2
150 Kerr St	27
155 Franklin Street	67
162 Rosslyn St	24
18 Hull St	32
201-209 High Street	88
21-27 Brunswick Road	69
2a Henry Street	6
31 A'Beckett St	287
318 Russell St	401
33 MacKenzie St	388
332 High Street	17
360 Lygon St	100
37-43 Breese Street	32
377 George Street	8
388-392 Queensberry St	137
4-10 Daly St	189
40-44 Pakington St	72
40-70 Mt Alexander Road	156
40 Beach St	5
42-50 Albert Rd	140
423-435 Spencer Street	13
466-482 Smith Street	16
518 Swanston St	110
53 Batman Street	73
589 Elizabeth St	49
65 Coventry St	237
675-677 La Trobe Street	129
690 Barkly St	21
71 Henry St	29
82 Flinders Street	24
85-87 High Street	14
9 Florence St	24

The Perfect Ratio of Period Terrace House to Land

by Richard Rossmann

For freestanding terraces, less house equals more value.

Last month, Secret Agent investigated the 'sweet spot' in the density of a townhouse. We found that a total indoor area that equalled or slightly exceeded the land area (i.e. 1:1 - 1:1.27) sold at a higher price than denser developments. This time we decided to see what the data says about period homes.

Our sample consisted of 705 terrace sales across 29 suburbs in inner Melbourne, all of which took place between January and December 2016. A hedonic regression model was used and controlled for area (suburb), sale date, number of bedrooms, bathrooms and car spaces, and size of indoor and outdoor habitable space. Note that the terraces used in this study were in habitable condition or recently renovated. All terraces found to be in dilapidated condition and sold specifically as development sites were excluded.

When analysing the sample as a whole, the best ratio according to the data was between 1:0.3 to 1:0.47. The average land area was a 286m2, while total indoor space only averaged about 110m2. As we are seeing a growing trend of inner city buyers preferring less backyard and more internal space, these results are most likely skewed by a smaller section of the market: the extremely wealthy. In this particular demographic, the focus isn't about trying to optimise within a budget; it's about securing a large land holding to build their ideal sanctuary.

To get a more accurate picture, the sample was broken down into freestanding and attached terraces, and the same regression model was applied again. **We found that for freestanding terraces, a 10% increase in the ratio of indoor to land area is expected to decrease sale price by 2.7% on average. For attached terraces, an overall increase in the ratio had no significant impact on expected sale price.** The results are shown in Tables 1 and 2.

The real value for most freestanding terraces lies in the land attached to the house, which can be developed or held as a valuable asset by investors. The sample median land area here is 453m2, more than 3 times bigger than the median land size of attached terraces (144m2). For freestanding period homes, the lower the indoor to land area ratio, the better. Even with a ratio of 1:0.36 to 1:0.55, slightly above the 'sweet spot', the sale price can be expected to increase by 8.06% over terraces with more than half as much indoor space as land area.

For attached terraces, a sweet spot exists when there is slightly less indoor space than land area. It may be that as further development pushes the average ratio up, these increasingly rare properties start to attract higher price premiums. However, with only a sample of sales from 2016 we cannot determine whether these ideal ratios have been changing over time.

Table 1 Results of the indoor to land area ratio analysis in attached terraces

IDEAL 'SWEET SPOT' RATIO (LAND TO INDOOR SIZE)	1:0.55 to 1:0.80
SAMPLE MEDIAN INDOOR AREA	90m²
SAMPLE MEDIAN LAND AREA	144m²
EXPECTED PRICE PREMIUM* *Relative to denser terraces with a ratio between 1:0.80 and 1:1.06	7.11%

Table 2 Results of the indoor to land area ratio analysis in freestanding terraces

IDEAL 'SWEET SPOT' RATIO (LAND TO INDOOR SIZE)	1:0.12 to 1:0.36
SAMPLE MEDIAN INDOOR AREA	123m²
SAMPLE MEDIAN LAND AREA	453m²
EXPECTED PRICE PREMIUM* *Relative to denser terraces with a ratio between 1:0.55 and 1:0.76	15.85%

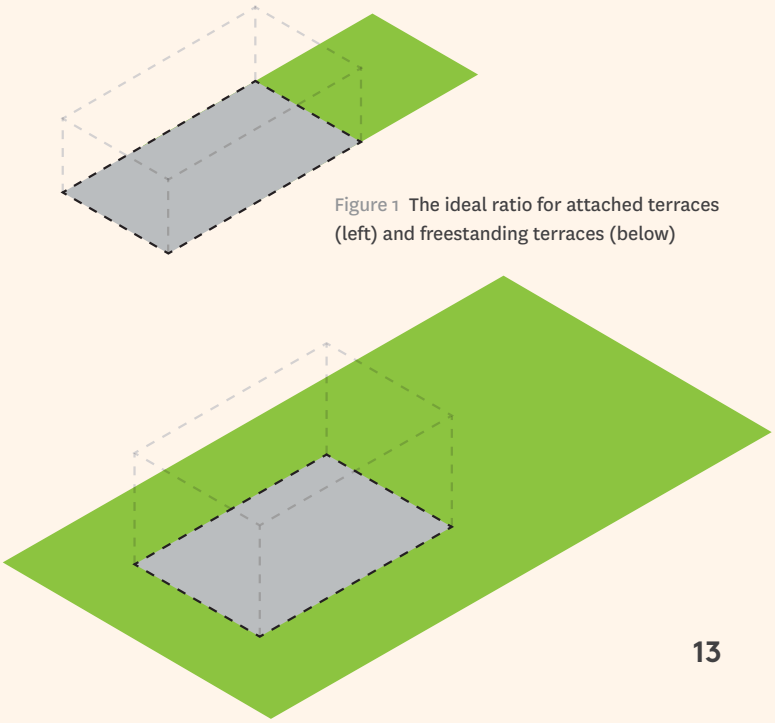


Figure 1 The ideal ratio for attached terraces (left) and freestanding terraces (below)

Bond Yield Update: February

by Richard Rossmann

While many media outlets paint a rather bleak and uncertain future for the world economy, long-term bond yields in Australia finished 2016 higher than at any other point throughout the year.

This is even more impressive considering that the cash rate (which has a strong correlation with bond yields) was cut twice for a total of 50 basis points over 2016. Figure 1 shows how much long-term rates increased towards the end of last year and into 2017. Yields on 10-year Australian government bonds have increased by 74 basis points since September and nearly 100 points since the last interest rate cut in August.

Table 1 shows the difference between yields on 10-year government bonds and 90-day treasury bills in basis points (1 point = 0.01%). This tells a similar story to the graph in Figure 1; a widening between short-term and long-term rates. The important point is that this widening from August until December last year is driven by an increase in long-term yields rather than a cut in short-term rates, as it was from July to August.

Often if the yield curve becomes too inverted, the RBA is forced to cut short term rates to improve liquidity by incentivising banks and other institutions to lend out money. An increase in long-term yields is a dream scenario for the Reserve Bank, as this is a signal of higher investor confidence and a better outlook for the Australian economy.

December was also the first month since September 2014 that the entire yield curve was positive (long term rates above medium, and medium term rates above short term). This is a sign that investors expect improving economic condition in the long run. It also shows investors' belief that the economy will do well over the next few years.

The ASX Cash Rate Futures market pegs the chances of a decrease in official cash rates at the next meeting (7th March) at 5%. While this may seem appropriately low, it does highlight that even with a rising yield curve, investors still believe an interest rate cut is more likely than a hike in 2017.

Figure 1 Official Yields on Australian Treasury Bonds

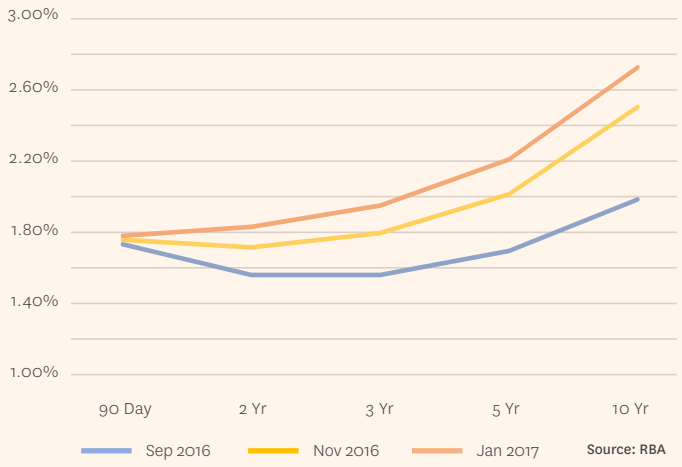


Table 1 Results of the indoor to land area ratio analysis in attached terraces

MONTH	BOND YIELD SPREAD (BASIS POINTS)
JUL 2016	-0.50
AUG 2016	12.00
SEP 2016	25.25
OCT 2016	45.50
NOV 2016	74.75
DEC 2016	101.25
JAN 2017	94.75

Market Review

by Richard Rossmann

There are some major changes planned for the Melbourne property market in 2017, especially in the apartment and rental markets.

Firstly, the Victorian Government is introducing apartment regulations for all new apartment developments, which are the main topic of this month's report. In total, there are 16 different regulations being introduced in March, including minimum apartment room dimensions, and building-wide factors such as communal outdoor space, ventilation and accessibility. These were very much needed: as our research discovered, only a very small percentage of apartments built over the last several years are already in line with the new standards.

Secondly, the government is reviewing longer term leasing agreements, with the intention of giving families and long-term tenants more certainty. This may allow more people to consider moving into apartments, but nothing is concrete yet.

Houses are beginning to pick up steam as the year moves forward, with median prices up 4% over the past three months. Additionally, listings are up 75% in February compared to January, which is generally the case as buyers and sellers return to the market after the summer break. House and townhouse prices are up in all inner regions compared to February last year. The inner North and East have both seen the biggest price increases since last year, however there is always a lot of variance even when comparing median prices (i.e. large houses entering the mix). Next month we are going to update our capital growth index to get a better idea of actual returns over the first three months of 2017.

This month, similar to last, nearly a third of all inner suburbs are on the house bust list, meaning two or more rolling quarters of consecutive price falls. This shows momentum has been halted, which often happens at the beginning of a new year. However, many of these suburbs are expected to drop off the list, especially if both prices and trade volumes increase by the same magnitude again next month. In terms of price per square metre of land, both houses and townhouses are up, by 6% and 9% respectively.

Apartments have had a rough 2017, with median prices down 3% over the past three months (Dec-Feb). Compared to a price increase of 0.2% over the previous three-month period (Nov-Jan), this shows that February in particular saw most of the three-month price decline. Brunswick and Southbank have seen apartment prices decline for five consecutive rolling quarters now, while Docklands, Hawthorn and South Melbourne are in their third month of falling prices. Having said that, CBD apartments were well above levels this time last month, with real median prices (adjusted for inflation) of around $510,000, nearly returning to levels last seen in October/November of 2016.

Apartment listings are also up by 3.6% this month compared to last. While this may seem like a much smaller increase when compared to the increase in house listings, many more apartments are traded each month than houses. In fact, if we look at number of new listings instead of percentages, both increased by the same amount (an increase in total listings of around 100).

While the new apartment standards are no doubt going to have a drastic impact on the market, the effects are likely to not be fully felt for a while, as the standards only apply to new developments not already in planning.

Another important announcement is the changes in stamp duty. A waiver in stamp duty for first home buyers could reintroduce fuel to the fire within the sub-$600k price bracket. Investors, on the other hand, are set to have stamp duty concessions rolled back for an off-the-plan purchase. This will be unwelcomed by developers and property investors.

Also, watch the inner city single-fronted market over the next month. Many terraces within the inner city have taken a step up when it comes to price. There has also been a lift in supply within the $2million+ inner city market, which will test the depth of the market for the remaining part of the month.

Top Sales

FEBRUARY 2017

1 **$2,710,000** 5 Davis Avenue, South Yarra
2 **$1,745,000** 16 French Avenue, Northcote
3 **$2,705,000** 21 Grattan Street, Carlton
4 **$1,510,000** 28 Frederick Street, Brunswick
5 **$1,730,000** 10 Chaucer Street, Moonee Ponds
6 **$1,942,500** 50 Albert Street, Port Melbourne
7 **$2,410,000** 59 Mason Street, Hawthorn
8 **$2,500,000** 81 Kerferd Road, Albert Park
9 **$1,600,000** 506/6 Victoria Street, St Kilda
10 **$2,012,000** 665 Canning Street, Carlton North

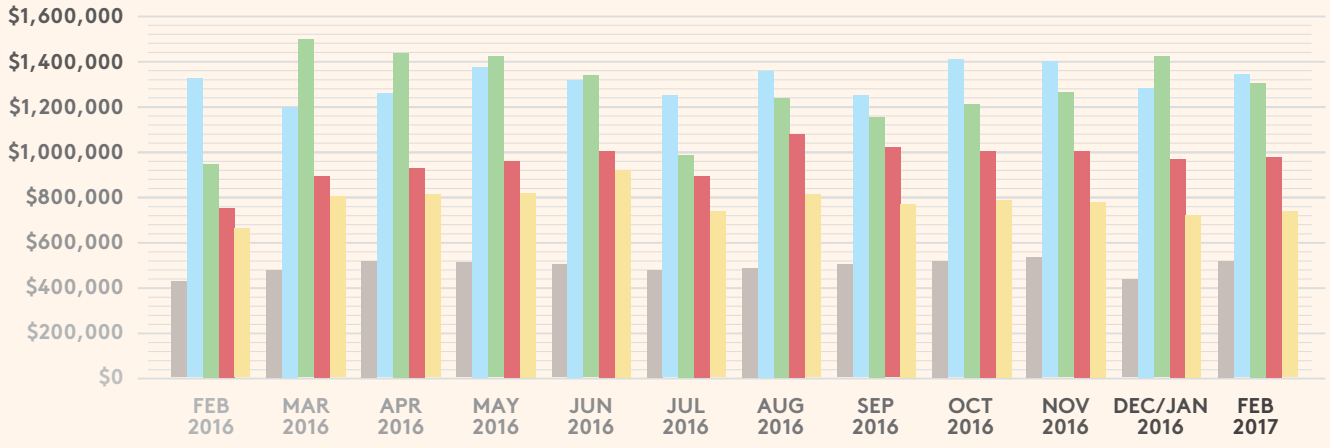
Quarterly Scorecard

NOV - FEB 2017

	Apartments	Houses	Townhouses
QUARTERLY GROWTH/DECLINE	-2.91% ↓	+4.07% ↑	+4.30% ↑
MEDIAN PRICE	$534,950	$1,405,000	$957,500
AVERAGE PRICE	$616,181	$1,616,515	$1,087,660
MEDIAN SQM	$8,415	$7,358 +6.02% ↑	$9,587 +8.68% ↑
STOCK INVENTORY	3346 +3.6% ↑	353 +74% ↑	114 -
BOOM	Parkville ↑	Albert Park ↑ Brunswick ↑ Hawthorn ↑ Richmond ↑	-
BUST	Brunswick ↓ Carlton ↓ Docklands ↓ Hawthorn ↓ South Melbourne ↓ Southbank ↓	Brunswick East ↓ Clifton Hill ↓ Fitzroy North ↓ Flemington ↓ Middle Park ↓ Parkville ↓ Port Melbourne ↓ South Melbourne ↓ Travancore ↓	-

YEAR ON YEAR LOOK

Median Prices



FEB 2016 - FEB 2017 GROWTH/DECLINE

CBD Apartments	Inner South Apartments, Townhouses and Houses (A,T & H)	Inner East (A,T & H)	Inner North (A,T & H)	Inner West (A,T & H)
+22.87%	+1.97%	+38.94%	+31.15%	+13.47%

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

NOV - FEB 2017

		PREVIOUS QUARTER (AUG, SEP, OCT 2016)				CURRENT QUARTER (NOV, DEC/JAN, FEB 2017)			
		Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)	Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)
Central	Docklands	1.50%	**0.98%**	2.22%	**5.50%**	2.07%	**1.15%**	NA	**12.18%**
	Melbourne	0.91%		-		1.07%		3.03%	
	Southbank	0.91%		0.79%		0.89%		NA	
Inner North	Brunswick	1.40%	**0.84%**	1.20%	**1.10%**	0.62%	**0.79%**	0.63%	**0.65%**
	Brunswick East	1.32%		0.96%		1.23%		0.80%	
	Carlton	0.48%		0.68%		0.61%		0.61%	
	Carlton North	0.38%		0.91%		0.95%		0.62%	
	Clifton Hill	1.00%		1.25%		0.60%		0.92%	
	Collingwood	1.59%		1.02%		1.32%		0.32%	
	Fitzroy	0.32%		1.21%		0.91%		0.83%	
	Fitzroy North	0.66%		0.96%		0.83%		0.65%	
	North Melbourne	0.81%		1.25%		0.85%		0.62%	
	Northcote	1.03%		0.97%		0.88%		0.73%	
	Parkville	0.94%		1.00%		0.58%		0.57%	
	Princes Hill	-		0.16%		NA%		0.16%	
Inner East	Abbotsford	2.08%	**1.18%**	1.91%	**1.20%**	1.73%	**0.94%**	1.04%	**0.54%**
	Burnley	0.68%		0.49%		NA%		0.49%	
	Cremorne	0.55%		1.97%		NA%		NA%	
	East Melbourne	1.38%		0.53%		0.63%		1.07%	
	Hawthorn	1.19%		1.18%		0.86%		0.70%	
	Prahran	0.97%		1.98%		0.93%		1.13%	
	Richmond	1.33%		1.67%		0.98%		1.10%	
	South Yarra	1.06%		1.13%		1.03%		0.80%	
Inner South	Albert Park	0.59%	**1.22%**	1.07%	**1.30%**	0.20%	**1.03%**	0.53%	**1.19%**
	Middle Park	1.88%		0.94%		0.42%		0.43%	
	Port Melbourne	1.66%		1.17%		1.35%		0.90%	
	South Melbourne	0.54%		1.04%		0.89%		0.99%	
Inner West	Flemington	0.30%	**0.75%**	1.73%	**1.60%**	0.59%	**1.05%**	0.65%	**0.80%**
	Kensington	0.72%		1.63%		1.11%		0.92%	
	Travancore	2.29%		0.74%		2.91%		0.37%	
	West Melbourne	0.83%		1.00%		0.83%		0.80%	

Total sales for the period against total housing supply. Table compiled from data collected from August 2016 to February 2017.
Total private dwellings information from the 2011 Census Report from the Australian Bureau of Statistics.

Apartments

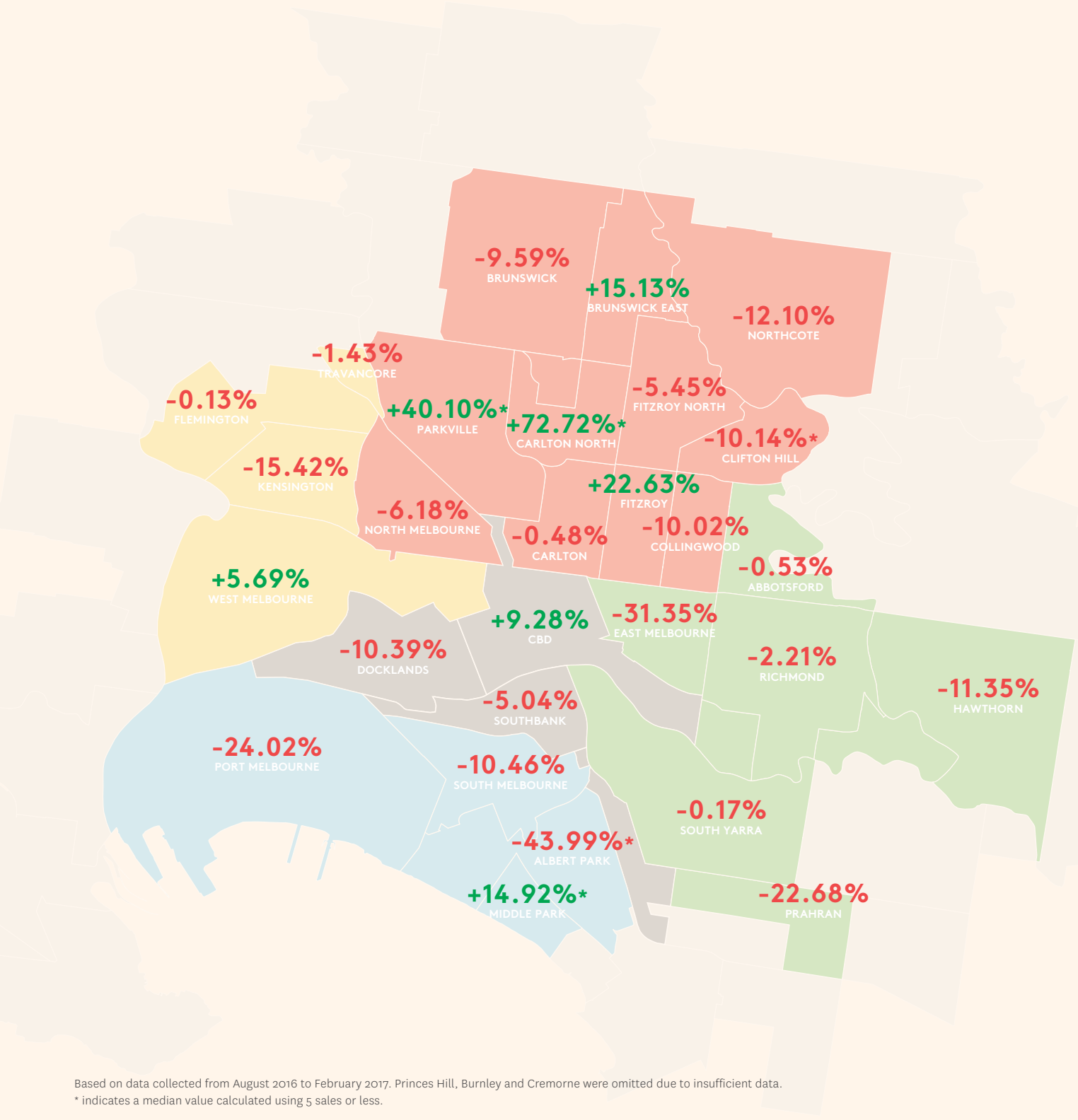
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (AUG, SEP, OCT 2016)				CURRENT QUARTER (NOV, DEC/JAN, FEB 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	$812,046	$701,000	$390,000	$1,960,000	$618,220	$573,500	↓ -10.39%	$230,000	$1,400,000
Melbourne	$665,063	$484,000	$162,500	$8,100,000	$646,538	$530,000	↑ 9.28%	$162,500	$2,800,000
Southbank	$705,475	$600,000	$300,500	$2,700,000	$572,005	$565,000	↓ -5.04%	$300,000	$868,000
Brunswick	$525,333	$499,000	$279,500	$1,100,000	$476,718	$448,000	↓ -9.59%	$262,000	$880,000
Brunswick East	$514,083	$461,000	$338,000	$930,000	$626,958	$530,750	↑ 15.13%	$325,000	$2,000,000
Carlton	$398,527	$230,000	$155,000	$1,190,000	$417,000	$310,000	↓ -0.48%	$139,500	$1,560,000
Carlton North	*$437,000	*$437,000	$437,000	$437,000	*$978,500	*$975,000	↑ 72.72%	$404,000	$1,560,000
Clifton Hill	*$708,600	*$533,000	$345,000	$1,580,000	*$476,250	*$476,250	↓ -10.14%	$357,500	$595,000
Collingwood	$802,673	$683,000	$372,000	$1,500,000	$621,984	$570,000	↓ -10.02%	$190,000	$1,420,000
Fitzroy	$629,285	$662,000	$366,000	$895,000	$701,444	$691,000	↑ 22.63%	$302,000	$1,210,000
Fitzroy North	$509,875	$563,500	$317,000	$660,000	$522,928	$598,000	↓ -5.45%	$348,000	$720,000
North Melbourne	$519,486	$545,000	$140,000	$686,500	$539,605	$516,000	↓ -6.18%	$340,000	$880,000
Northcote	$555,735	$583,000	$357,500	$810,000	$514,107	$479,500	↓ -12.10%	$306,500	$806,000
Parkville	$602,728	$541,000	$307,000	$1,040,000	*$785,500	*$693,500	↑ 40.10%	$395,000	$1,360,000
Princes Hill	-	-	-	-	-	-		-	-
Abbotsford	$472,583	$360,000	$300,000	$1,325,000	$650,375	$470,000	↓ -0.53%	$340,000	$1,755,000
Burnley	*$527,500	*$527,500	$527,500	$527,500	-	-		-	-
Cremorne	*$546,000	*$546,000	$546,000	$546,000	-	-		-	-
East Melbourne	$847,321	$825,000	$400,000	$1,400,000	$915,857	$611,000	↓ -31.35%	$250,000	$2,950,000
Hawthorn	$603,151	$560,000	$198,888	$1,860,000	$547,636	$488,000	↓ -11.35%	$307,500	$1,510,000
Prahran	$524,382	$500,000	$240,000	$814,000	$497,711	$445,000	↓ -22.68%	$115,000	$1,300,000
Richmond	$575,706	$516,000	$265,000	$1,830,000	$590,573	$530,000	↓ -2.21%	$300,000	$1,600,000
South Yarra	$647,729	$596,500	$299,000	$1,420,000	$813,523	$597,500	↓ -0.17%	$295,000	$3,795,000
Albert Park	*$719,000	*$730,000	$452,000	$975,000	*$442,500	*$442,500	↓ -43.99%	$442,500	$442,500
Middle Park	$1,164,687	$675,000	$377,500	$3,070,000	*$837,500	*$837,500	↑ 14.92%	$700,000	$975,000
Port Melbourne	$817,439	$780,000	$420,000	$1,378,000	$799,681	$620,000	↓ -24.02%	$396,000	$2,900,000
South Melbourne	$679,150	$541,500	$380,000	$1,450,000	$514,708	$533,000	↓ -10.46%	$297,500	$795,000
Flemington	*$373,600	*$391,000	$240,000	$486,000	$407,722	$380,000	↓ -0.13%	$165,000	$838,000
Kensington	$496,222	$500,000	$325,000	$666,000	$414,500	$425,000	↓ -15.42%	$260,000	$551,000
Travancore	$370,888	$359,000	$320,000	$475,000	$406,277	$345,000	↓ -1.43%	$316,000	$680,000
West Melbourne	$561,857	$480,000	$370,000	$860,000	$652,357	$650,000	↑ 5.69%	$485,000	$942,000

Table compiled from data collected from August 2016 to February 2017. 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 August 2016 to February 2017. Princes Hill, Burnley and Cremorne were omitted due to insufficient data.
* indicates a median value calculated using 5 sales or less.

Houses

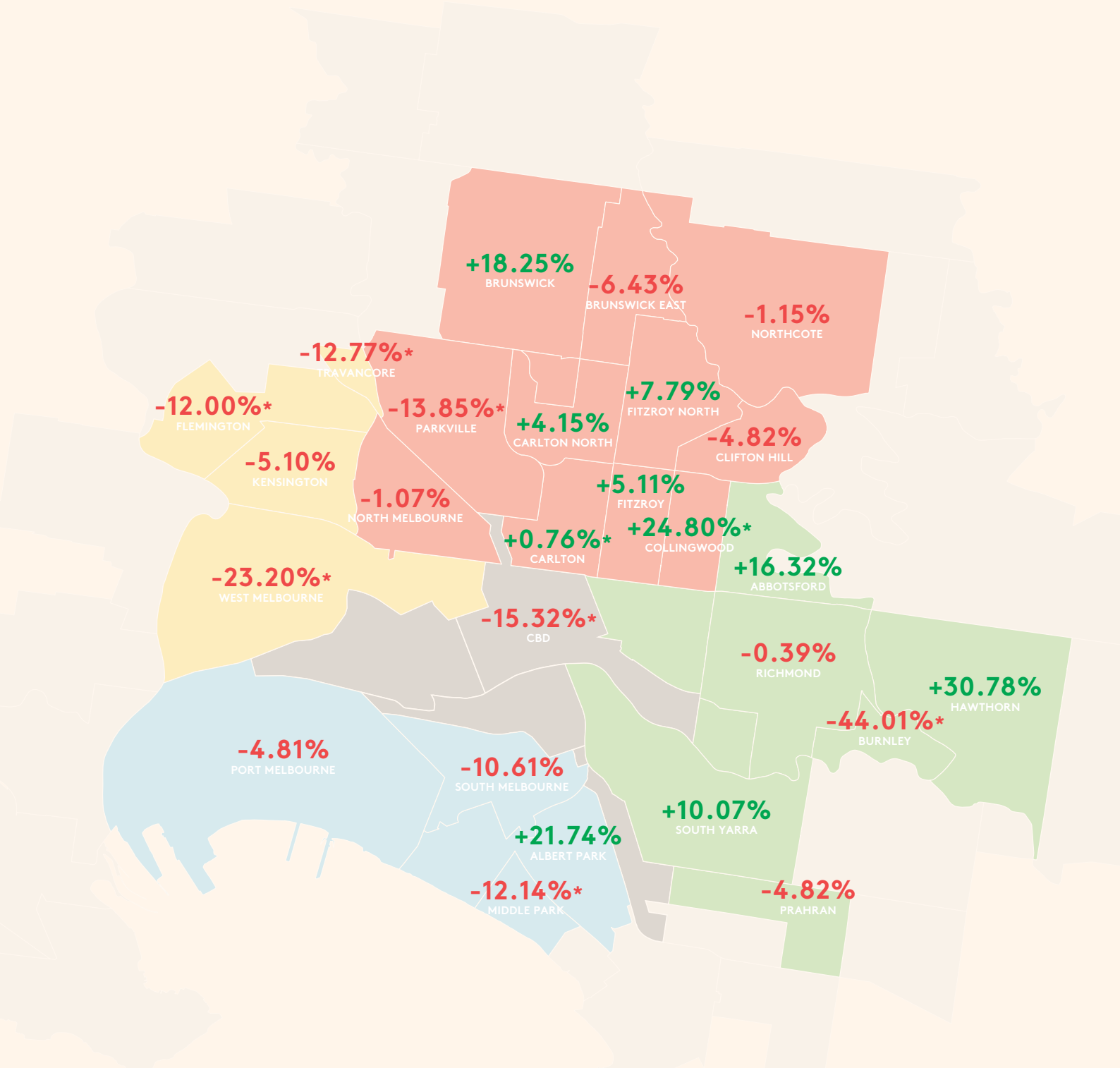
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (AUG, SEP, OCT 2016)				CURRENT QUARTER (NOV, DEC/JAN, FEB 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	-	-	-	-	-	-		-	-
Melbourne	-	-	-	-	*$1,630,000	*$1,630,000	↓ -15.32%	$1,630,000	$1,630,000
Southbank	*$815,000	*$815,000	$815,000	$815,000	-	-		-	-
Brunswick	$1,071,570	$1,047,500	$755,000	$1,755,000	$1,213,229	$1,247,500	↑ 18.25%	$500,000	$1,802,500
Brunswick East	$1,218,207	$1,170,000	$600,000	$1,900,000	$1,276,445	$1,310,000	↓ -6.43%	$599,900	$1,880,000
Carlton	$1,750,428	$1,584,000	$957,000	$2,850,000	*$1,726,500	*$1,713,000	↑ 0.76%	$775,000	$2,705,000
Carlton North	$1,561,833	$1,381,000	$960,000	$2,550,000	$1,687,545	$1,630,000	↑ 4.15%	$890,000	$2,825,000
Clifton Hill	$1,580,650	$1,402,500	$905,000	$3,020,000	$1,379,041	$1,358,750	↓ -4.82%	$882,000	$2,230,000
Collingwood	$1,329,300	$1,036,000	$715,000	$3,560,000	*$1,248,000	*$1,248,000	↑ 24.80%	$1,236,000	$1,260,000
Fitzroy	$1,483,687	$1,276,000	$715,000	$3,310,000	$1,471,666	$1,440,000	↑ 5.11%	$653,000	$2,600,000
Fitzroy North	$1,572,714	$1,320,000	$750,000	$4,135,000	$1,587,406	$1,417,500	↑ 7.79%	$820,000	$2,860,000
North Melbourne	$1,491,066	$1,255,000	$815,000	$3,500,000	$1,240,500	$1,252,500	↓ -1.07%	$550,000	$1,900,000
Northcote	$1,454,320	$1,300,000	$745,000	$4,300,000	$1,311,757	$1,285,000	↓ -1.15%	$400,000	$2,620,000
Parkville	$1,627,000	$1,805,000	$965,000	$2,200,000	*$1,551,666	*$1,555,000	↓ -13.85%	$1,300,000	$1,800,000
Princes Hill	*$1,041,000	*$1,041,000	$1,041,000	$1,041,000	*$1,380,000	*$1,380,000		$1,380,000	$1,380,000
Abbotsford	$1,192,547	$1,172,500	$882,500	$1,636,000	$1,377,000	$1,390,000	↑ 16.32%	$1,000,000	$1,863,000
Burnley	*$1,795,000	*$1,795,000	$1,795,000	$1,795,000	*$1,005,000	*$1,005,000	↓ -44.01%	$1,005,000	$1,005,000
Cremorne	$1,148,875	$1,062,500	$895,000	$1,610,000	-	-		-	-
East Melbourne	*$1,505,000	*$1,505,000	$1,450,000	$1,560,000	*$3,573,000	*$3,573,000		$2,621,000	$4,525,000
Hawthorn	$2,392,378	$1,940,000	$1,187,000	$5,250,000	$2,795,269	$2,560,000	↑ 30.78%	$1,400,000	$5,760,000
Prahran	$1,663,065	$1,545,000	$952,750	$3,890,000	$1,694,206	$1,580,002	↓ -4.82%	$650,000	$3,000,000
Richmond	$1,290,990	$1,190,500	$720,000	$2,260,000	$1,541,071	$1,265,000	↓ -0.39%	$935,000	$3,414,000
South Yarra	$1,987,815	$1,700,000	$1,036,500	$5,400,000	$2,216,041	$2,328,000	↑ 10.07%	$1,111,500	$3,500,000
Albert Park	$1,916,928	$1,762,500	$985,000	$3,755,000	$2,404,800	$2,100,000	↑ 21.74%	$1,300,000	$5,100,000
Middle Park	$2,704,750	$2,211,500	$1,130,000	$5,670,000	*$1,922,000	*$2,073,500	↓ -12.14%	$1,191,000	$2,350,000
Port Melbourne	$1,627,080	$1,405,000	$825,000	$3,850,000	$1,511,452	$1,485,000	↓ -4.81%	$930,000	$2,365,000
South Melbourne	$1,900,433	$1,643,500	$1,026,000	$4,360,000	$1,498,794	$1,475,000	↓ -10.61%	$882,000	$2,500,000
Flemington	$1,038,250	$975,000	$730,000	$1,805,000	*$942,200	*$836,000	↓ -12.00%	$805,000	$1,410,000
Kensington	$1,165,822	$1,165,000	$785,000	$1,795,000	$1,088,222	$1,070,000	↓ -5.10%	$765,000	$1,520,000
Travancore	*$1,409,500	*$1,409,500	$1,257,000	$1,562,000	*$1,257,000	*$1,257,000	↓ -12.77%	$1,257,000	$1,257,000
West Melbourne	*$1,242,000	*$1,242,000	$1,242,000	$1,242,000	*$907,000	*$907,000	↓ -23.20%	$907,000	$907,000

Table compiled from data collected from August 2016 to February 2017. 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 August 2016 to February 2017. Docklands, Southbank, Princes Hill, Cremorne and East Melbourne were omitted due to insufficient data.
* indicates a median value calculated using 5 sales or less.

Townhouses

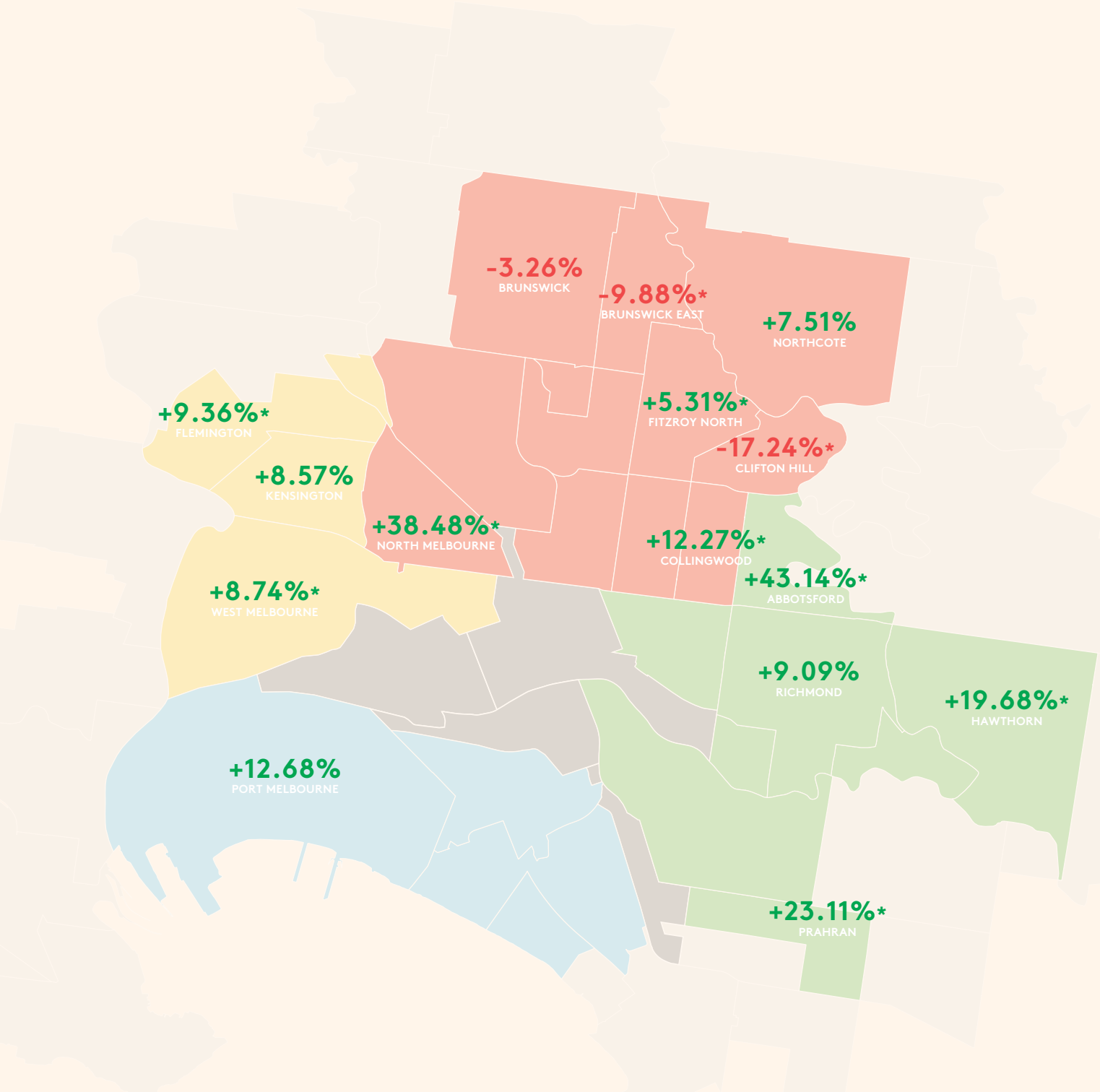
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (AUG, SEP, OCT 2016)				CURRENT QUARTER (NOV, DEC/JAN, FEB 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	$4,250,000	$4,250,000	$4,250,000	$4,250,000	-	-		-	-
Melbourne	-	-	-	-	*$1,475,000	*$1,475,000		$1,475,000	$1,475,000
Southbank	-	-	-	-	-	-		-	-
Brunswick	$1,090,076	$880,000	$675,000	$2,100,150	$816,950	$800,500	↓ -3.26%	$620,000	$1,190,000
Brunswick East	$863,857	$892,000	$725,000	$985,000	*$772,600	*$780,000	↓ -9.88%	$679,000	$862,000
Carlton	*$1,113,500	*$1,113,500	$872,000	$1,355,000	*$1,972,500	*$1,972,500		$1,972,500	$1,972,500
Carlton North	*$765,000	*$765,000	$765,000	$765,000	-	-		-	-
Clifton Hill	*$784,666	*$825,000	$647,500	$881,500	*$780,000	*$750,000	↓ -17.24%	$720,000	$870,000
Collingwood	*$1,004,800	*$1,051,000	$750,000	$1,260,000	*$1,180,000	*$1,180,000	↑ 12.27%	$1,180,000	$1,180,000
Fitzroy	*$870,000	*$870,000	$860,000	$880,000	-	-		-	-
Fitzroy North	*$961,000	*$1,015,000	$671,000	$1,135,000	*$1,163,333	*$1,110,000	↑ 5.31%	$980,000	$1,400,000
North Melbourne	$936,166	$785,500	$690,000	$1,375,000	*$1,094,000	*$1,094,000	↑ 38.48%	$888,000	$1,300,000
Northcote	$809,000	$760,500	$658,500	$1,060,000	$1,160,550	$930,000	↑ 7.51%	$690,000	$2,333,000
Parkville	-	-	-	-	-	-		-	-
Princes Hill	-	-	-	-	-	-		-	-
Abbotsford	$798,500	$795,000	$700,000	$927,000	*$1,053,500	*$1,053,500	↑ 43.14%	$962,000	$1,145,000
Burnley	-	-	-	-	-	-		-	-
Cremorne	*$1,065,000	*$1,065,000	$955,000	$1,175,000	-	-		-	-
East Melbourne	*$1,650,000	*$1,650,000	$1,650,000	$1,650,000	-	-		-	-
Hawthorn	*$1,428,333	*$1,451,000	$774,000	$2,060,000	*$1,094,500	*$1,094,500	↑ 19.68%	$1,000,000	$1,189,000
Prahran	*$1,125,000	*$1,125,000	$1,050,000	$1,200,000	*$1,385,000	*$1,385,000	↑ 23.11%	$1,050,000	$1,720,000
Richmond	$1,202,750	$1,090,500	$750,000	$1,795,000	$1,284,066	$1,200,000	↑ 9.09%	$775,000	$2,250,000
South Yarra	*$1,493,200	*$1,630,000	$1,010,000	$1,800,000	-	-		-	-
Albert Park	*$927,500	*$927,500	$927,500	$927,500	-	-		-	-
Middle Park	-	-	-	-	-	-		-	-
Port Melbourne	*$1,201,100	*$1,035,000	$779,000	$1,945,000	$1,529,571	$1,440,000	↑ 12.68%	$1,200,000	$2,180,000
South Melbourne	*$1,475,000	*$1,475,000	$1,150,000	$1,800,000	-	-		-	-
Flemington	*$863,666	*$761,000	$625,000	$1,205,000	*$821,333	*$911,000	↑ 9.36%	$553,000	$1,000,000
Kensington	$720,343	$737,500	$533,000	$918,000	$738,000	$785,500	↑ 8.57%	$410,000	$933,000
Travancore	-	-	-	-	-	-		-	-
West Melbourne	*$1,183,250	*$1,042,500	$1,010,000	$1,638,000	*$1,050,666	*$1,120,000	↑ 8.74%	$907,000	$1,125,000

Table compiled from data collected from August 2016 to February 2017. 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.

Townhouses

QUARTERLY MEDIAN CHANGE BY SUBURB



Based on data collected from August 2016 to February 2017. Docklands, Melbourne, Southbank, Carlton, Carlton North, Fitzroy, Parkville, Princes Hill, Burnley, Cremorne, East Melbourne, South Yarra, Albert Park, Middle Park, South Melbourne and Travancore were omitted due to insufficient data. * indicates a median value calculated using 5 sales or less.

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