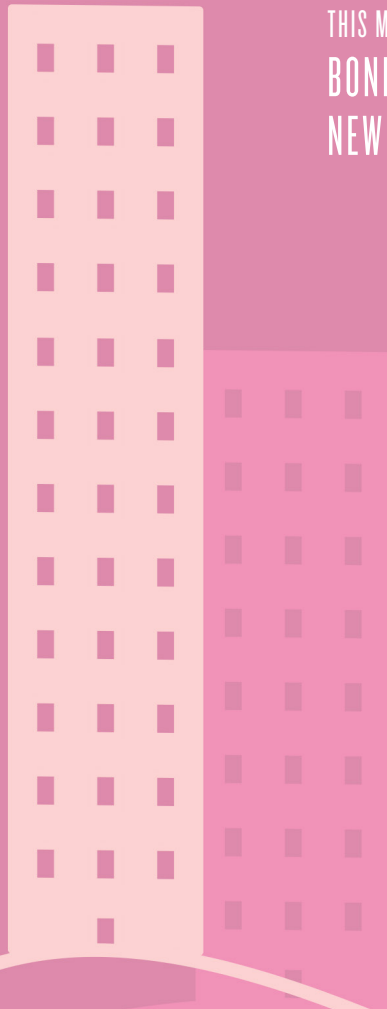


APARTMENTS: CAPITAL GROWTH

THIS MONTH'S ISSUE ALSO INCLUDES:
BOND YIELD UPDATE: SEPTEMBER
NEW APARTMENTS: WHAT TO EXPECT



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Apartments, houses and townhouses

"What gets measured
gets managed."

Peter Drucker



[View our Scorecard summary online](#)

Apartments: Capital Growth

by Richard Rossmann

Key findings:

1. Annualised growth of apartments in Q3 2016:-
 - Inner Melbourne: 4.04% (10 Yr growth 4.43%)
 - CBD: 2.68% (10 Yr growth 3.79%)
 - Inner North: 4.53% (10 Yr growth 4.94%)
 - Inner South: 4.20% (10 Yr growth 4.77%)
 - Inner East: 5.14% (10 Yr growth 4.94%)
 - Inner West: 0.51% (10 Yr growth 3.94%)
 2. Annual growth of houses & townhouses: 6.64%
-

Earlier this year, Secret Agent set about determining the true capital growth of houses and townhouses in inner Melbourne.

This month, apartments get their turn as we analyse the growth in prices over the past 16 years.

An updated index for the capital growth of houses and townhouses is also included.

There is a big problem with using averages (and medians) to value an investment decision. When using the changes in average prices to measure capital growth, this only accounts for the potential return on investment. It does not take into account the extra money spent on improving properties. The change in average prices indicates the growth in land value plus all additional money invested in the renovation, refurbishment and upkeep of a property, divided by the total number sold.

True capital growth is the average growth in prices after accounting for all additional investments made by the owners. The other more obvious issue is that statistics such as averages can vary greatly if the sample set is not big enough. In this case, the sale of a few very large properties can easily inflate average prices over that time period.

To provide investors with more accurate figures on previous growth in the Melbourne property market, Secret Agent developed a pricing index. The index works by tracking sales of the same, unchanged properties over time, then averaging

out the changes for each quarter. It excludes any properties that were significantly improved between sales, leaving us with just the underlying capital growth of the original money used to purchase property.

Methodology

To establish the inner Melbourne index and quarterly capital growth values, approximately 40,000 house and townhouse sales, as well as 82,000 apartment sales were collected. The properties were sold between 01/01/2000 to 19/09/2016. These were then matched based on their street address to establish repeat sales. Using a compounding growth formula, quarterly growth was then established between all sales of properties with the same addresses.

The following suburbs were selected from each region:

- CBD: Melbourne, Docklands and Southbank.
- Inner North: Brunswick, Brunswick East, Carlton, Carlton North, Clifton Hill, Collingwood, Fitzroy, Fitzroy North, North Melbourne, Northcote, Parkville, Princes Hill.
- Inner South: Albert Park, Middle Park, Port Melbourne, South Melbourne.
- Inner East: Abbotsford, Burnley, Cremorne, East Melbourne, Hawthorn, Prahran, Richmond, South Yarra.
- Inner West: Flemington, Kensington, West Melbourne, Travancore.
- Inner Melbourne was defined as including all of the above suburbs.

In order to minimise the impact of major structural changes between sales, any housing sales that changed in price by two or more standard deviations over any quarter between sale dates were removed. If the same house had a turnover of less than one year, it was removed. This is justified by both the likelihood of the sale being entered incorrectly (i.e. twice on the same day), and the lack of measurable, meaningful price changes in the short term.

Next, the capital growth of each remaining property was assigned to each period between and including the first and last time the property was sold. So if a house was bought in February 2014 and sold again in June 2015, with a quarterly growth of 2.5%, then 2.5% would be added to Q1, Q2, Q3 and Q4 of 2014, as well as Q1 and Q2 in 2015.

Once all houses had their growth assigned to all the time periods that applied, the median growth in each quarter was established. Annualised capital growth is calculated by

converting the quarterly median growth to annual values using the following formula:

$$\text{Annualised capital growth} \\ = (1 + \text{quarterly median growth})^4 - 1$$

Results

The ASX and Russell Investments recently released their 2016 Long-term Investing Report. This shows that in the 10 years leading up to December 2015, Australian stocks had an annual return of 5.5%, while Australian Bonds returned 6.2% per annum. Keeping in mind that returns on different asset classes also factor in the level of risk involved, these figures can serve as a rough comparison against the performance of investments in inner Melbourne apartments.

The analysis on the following pages shows annualised returns over each quarter since January 2000 in all of inner Melbourne, as well as sub-regions of the inner city.

Inner Melbourne (CBD and inner suburbs)

Before the global financial crisis, the capital growth of property around all areas of inner Melbourne was increasing with each passing quarter, reaching a maximum of 6.08% p.a.. From the end of 2007 until the start of 2016 however, growth slowed, dipping below 3% at the end of 2015. Since then, capital growth has risen to 4.04% in the third quarter of 2016, which can be seen by the sharp increase at the very end of the graph in Figure 1.

Over the 10 years between January 2005 and December 2015, annual growth of inner Melbourne apartments averaged 4.43%. This means that returns on apartments are about 2% behind returns on houses and townhouses in the same regions and over the same time period. However, apartments do offer a lower entry point for investors and often attract higher rental yields than other properties.

Figure 1
Inner Melbourne (CBD and inner suburbs) apartments
Annualised quarterly growth



Annualised capital growth, Q3 2016: **4.04%**

10-year average annual capital growth ending Dec 2015: **4.43%**

CBD

In previous studies on apartments in inner Melbourne, it has been found that apartments in Docklands, Southbank and Melbourne CBD offer lower capital growth than apartments in surrounding suburbs. At the same time, average prices in the CBD are lower and rental yields higher. This means investors face lower entry barriers and steady cash flow on positively geared property.

Annual capital growth of CBD apartments peaked in early 2007 at 5.58% and was on a steady decline until the second quarter of 2015, where growth reached its lowest point of 2.25%. Since then returns have been improving again, especially at the start of 2016. In quarter three of 2016, annualised capital growth of CBD apartments was 2.68%. Over the 10 years until December 2015, annual capital growth averaged 3.79%, with most of the growth occurring between 2005 and 2010.

Figure 2
Melbourne CBD, Southbank and Docklands apartments
Annualised quarterly growth



Annualised capital growth, Q3 2016: **2.68%**

10-year average annual capital growth ending Dec 2015: **3.79%**

Inner suburbs

Apartments in the suburbs surrounding the CBD tend to be boutique, meaning smaller apartment blocks and larger average floor areas. The other feature that makes them more attractive is their suburban feel: local shops, schools, parks and other amenities all add to the charm.

The best performing region in the previous quarter was the inner East (5.14% p.a.), while the worst performing region was the inner West with only 0.51% annualised growth (based on 10 sales).

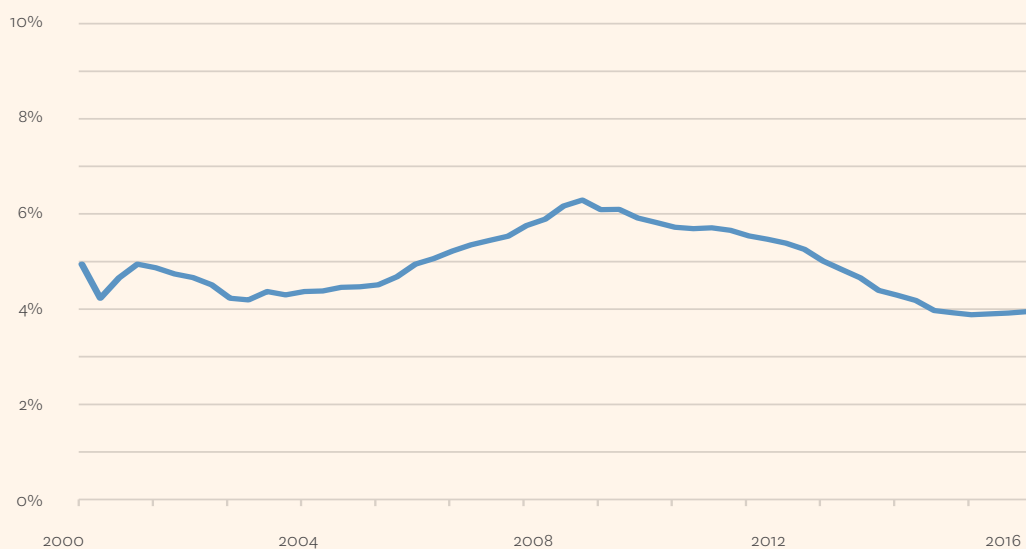
Figure 3
Inner North apartments
Annualised quarterly growth



Annualised capital growth, Q3 2016: **4.53%**

10-year average annual capital growth ending Dec 2015: **4.94%**

Figure 4
Inner South apartments
Annualised quarterly growth



Annualised capital growth, Q3 2016: **4.20%**

10-year average annual capital growth ending Dec 2015: **4.77%**

Figure 5
Inner East apartments
Annualised quarterly growth



Annualised capital growth,
Q3 2016: **5.14%**

10-year average annual
capital growth ending Dec
2015: **4.94%**

Figure 6
Inner West apartments
Annualised quarterly growth



Annualised capital growth,
Q3 2016: **0.51%***

*Based on only 10 resales.

10-year average annual
capital growth ending Dec
2015: **3.94%**

House and townhouse index update

Over the previous quarter, only four properties were resales usable for our capital growth index. As such, it may be more noise than anything else to base this update on such a small sample. However, by combining all resales over this year and annualising growth, we can make a comparison to previous years for a better idea of the momentum in the market.

So far this year, **capital growth of inner Melbourne houses and townhouses is at a median annual value of 6.64%**, only slightly lower than last year's growth of 6.81% and above growth levels in 2014 of about 6.44%. Figure 7 shows how annual capital growth has changed since January 2000.

Figure 7
Inner Melbourne houses and townhouses
Annual capital growth




Median annual capital growth:
Q3 2016: **6.64%**
2015: **6.81%**
2014: **6.44%**

Conclusion

The aim of this report was to provide a better overview of the inner Melbourne apartment market. Warren Buffet once said that the ideal period to hold an investment is forever. This is especially true in the property market, where investing for the long term has always been the most feasible option.

Both inner city apartments, houses and townhouses offer great returns, especially while interest rates are at an all-time low.

While apartments offer capital growth about 2% lower than houses and townhouses, they can often be purchased at much lower prices (which can make a big difference to loan repayments) and can also offer better rental yields.

Secret Agent will continue to update our indexes for all types of properties quarterly, with the next update scheduled for the start of 2017. 

Like this report? [Click here to provide your feedback](#)

Share this report!

If you felt like this was a good read, please share it with your colleagues, friends and family. The purpose of The Secret Agent Reports is to help buyers make better informed decisions in the Melbourne property market!

Read more reports on apartments:

[Apartments: Price per square metre, April 2016](#)

[Upcoming Supply of Apartments, September 2016](#)

Bond Yield Update: September

by Richard Rossmann

There are two ways to be a consistent winner in investment: information asymmetry (mostly through insider trading, which is illegal) and holding assets in the long term. Both of these methods are protected from short-term volatility.

The first expects and profits from these movements (often very risky as all public information is already factored in the price), while the latter can safely ignore the daily peaks and troughs, knowing that these will cancel out over a longer period of time. Investing for long-term returns and robustness is the appropriate reason to buy treasury bonds, yet it is very counterintuitive for most of us to ignore weekly or monthly yields (even changes over one year can be irrelevant with the right strategy).

Business Insider recently published a story called “The week is underway and Australian bonds are getting destroyed” with an image of a building being demolished. Yet as the article correctly points out, yields are still below pre-Brexit levels (bond yields rise as prices fall), which was less than three months ago. It can be difficult to separate signal and noise from information when there is such an abundance of data.

In our April report on the bond market, the connection between the yield curve (which is a reflection of investor expectations) and changes in the official cash rate was established. A flattening or inverted yield curve almost always leads to interest rate cuts, as the RBA tries to reduce the cost of borrowing. If short-term rates are equal or above long-term rates, there is a disincentive for banks to lend out money.

Looking at the yield curve for August, while the 25-point rate cut at the start of the month has lowered interest rates across the entire range, it has pushed short-term rates below 10-year yields, meaning the curve is no longer fully inverted. This see-saw action (investors lowering long-term expectations, followed by cuts to short-term rates) can be clearly seen in Figure 1.

In the past few weeks there has been some saving grace for the reserve bank. Investors have improved their long-term outlook, pushing bond yields up and prices down. This makes another rate cut in the next few months unlikely. ♦

Figure 1
Official Yields on Australian Treasury Bonds

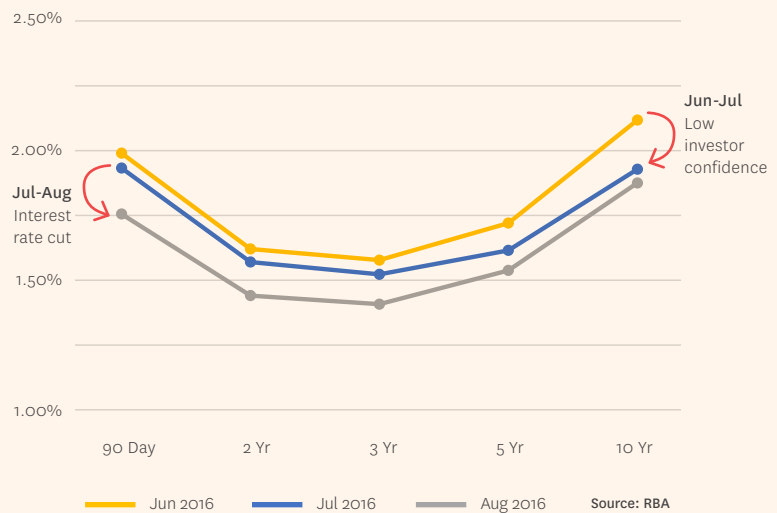
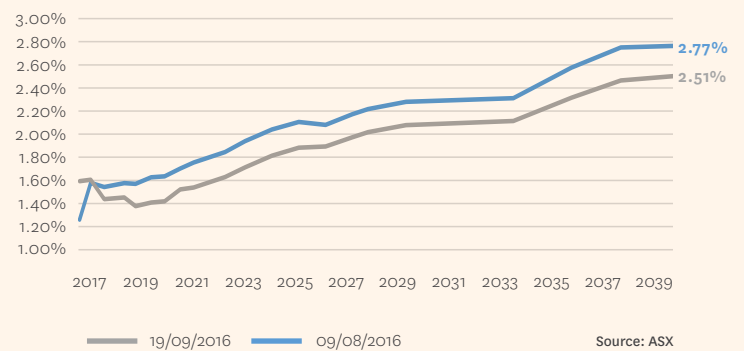


Figure 2
Yield on Australian Treasury Bonds



New apartments: What to expect

by Richard Rossmann

Key findings

- 1 bedroom apartments will be 8% bigger on average.
- 2 bedroom apartments remain the same size.
- 3 bedroom apartments will be 4% smaller and remain rare.
- Little to no 4 bedroom apartments are being proposed.
- Most apartments meet the minimum balcony size.

Following up on our recent Supply report, Secret Agent wanted to dig deeper into what sort of apartment buildings are being proposed by developers. Using planning permit applications sent to local Melbourne councils, we sampled 1,680 proposed apartments from 34 buildings in 15 suburbs of metropolitan Melbourne.

Our findings are summarised in Table 2. We've noted the composition of one, two and three bedroom apartments in each suburb, as well as the average sizes of internal and outdoor (balcony) areas. As a benchmark for comparison, Table 1 shows the current average apartment size (indoor area only) in inner Melbourne.

Table 1 Average apartment size for inner Melbourne

1 BEDROOM	2 BEDROOM	3 BEDROOM
47m ²	73m ²	119m ²

Note that the majority of Cremorne apartments sampled are from the proposed development at 2 Gough Street and is thus more of a reflection of this specific building than the entire suburb.

Where to find the biggest two bedroom apartments?

Looking at just two bedroom apartments, here are the suburbs with proposed developments that are bigger than average, followed by those below the average:

- Above average two bedroom apartments: Abbotsford, Collingwood, Fitzroy, Richmond, South Melbourne.
- Exactly average: Coburg and Thornbury.
- Below average two bedroom apartments: Box Hill, Brunswick East, Cremorne, Highett, Preston, Reservoir.

Balconies

The Victorian Government's Better Apartments draft design standards suggests a minimum of 8m² of outdoor area for 1 bedroom apartments and 10m² for two bedrooms or more. Most regions seem to exceed this standard, with the only exception being Cremorne one bedroom apartments (7m²). ♦

Table 2 Proposed apartments in sampled suburbs

SUBURB	BEDS	AV. INT. SIZE (M ²)	AV. OUT. SIZE (M ²)	%
Abbotsford	1	64	13	60%
	2	85	27	27%
	3	141	49	13%
				COUNT
				37
Box Hill	1	50	8	27%
	2	67	10	72%
	3	85	26	1%
				COUNT
				234
Brunswick East	1	46	11	51%
	2	63	18	48%
	3	116	60	1%
				COUNT
				140
Brunswick	1	54	9	33%
	2	71	16	62%
	3	122	18	5%
				COUNT
				57
Coburg	1	54	10	55%
	2	73	14	45%
				COUNT
				148
Collingwood	1	51	8	23%
	2	98	14	61%
	3	139	33	16%
				COUNT
				82
Cremorne	1	50	7	69%
	2	72	10	31%
	3	110	17	> 1%
				COUNT
				312
Fitzroy	1	52	10	34%
	2	82	23	46%
	3	107	17	20%
				COUNT
				116
Highett	1	50	17	33%
	2	68	27	67%
				COUNT
				60
Mentone	2	71	35	100%
				COUNT
				9
Preston	1	50	11	53%
	2	69	11	47%
				COUNT
				90
Reservoir	1	49	19	67%
	2	67	17	33%
				COUNT
				18
Richmond	1	50	9	61%
	2	74	15	31%
	3	101	17	8%
				COUNT
				282
South Melbourne	2	76	11	64%
	3	116	23	36%
				COUNT
				11
Thornbury	1	52	12	45%
	2	73	16	55%
				COUNT
				84
Total sample	1	51	9	49%
	2	73	15	47%
	3	114	23	4%
				TOTAL SAMPLE
				1680

Market Review

by Richard Rossmann

This report set out to determine how investments in the inner Melbourne apartment market have been faring. Tying the results in with last month's insights into the upcoming supply of apartments and townhouses across metropolitan Melbourne gives us the most complete picture of the Melbourne property market to date.

Over the past three months, median house prices in inner Melbourne grew by 2.2%. Per square metre, buyers paid \$6,849 on average, which is 6.65% higher than last quarter. Total listings are up nearly 2% this month compared to last month. This figure is likely to continue rising as we get deeper into Spring.

Looking at specific suburbs, Northcote, Travancore and Carlton have been the most consistent performers, with consecutive price increases over the past five, four and three rolling quarters respectively. On the other side, house prices have been falling for three rolling quarters in Albert Park, Flemington and Prahran, while all other suburbs show mixed results.

Median townhouse prices are down 2.0% over the quarter, currently sitting at \$886,750. While still more expensive per square metre than houses, buyers only spent \$7,495/sqm on average. In previous quarters the average price per square metre was well above \$8,000, which could mean that this quarter saw more low quality sales that helped push down median prices.

Comparing prices of houses and townhouses over the past month to prices in September last year shows that price levels are higher in all inner regions. While there may have been a slowdown in property price growth throughout inner Melbourne over the past few months, median prices are still well above last year's levels.

Apartments in the inner suburbs and Melbourne CBD saw median prices decrease by 1.7% since the start of July. No region in inner Melbourne managed to gain value for more than two consecutive rolling quarters. Additionally, Kensington and North Melbourne have seen four consecutive rolling quarters of price declines. Carlton, Clifton Hill, East Melbourne, South Melbourne and South Yarra have all experienced falling prices for three rolling quarters in a row. The good news is that CBD apartments have had a great month, with real median prices up over 16% compared to September last year. This, however, is most likely more noise than signal. ♦

Top Sales

SEPTEMBER 2016

Apartments: Capital Growth
Vol.49 October 2016



- 1 **\$1,691,500** 2 Chambers Street, Brunswick
- 2 **\$2,100,150** 9/27 Hodgson Street, Brunswick
- 3 **\$2,920,000** 10 Canning Street, North Melbourne
- 4 **\$2,325,000** 18 Violet Grove, Hawthorn
- 5 **\$1,795,000** 11 Nottingham Street, Kensington
- 6 **\$2,120,000** 29 Faussett Street, Albert Park
- 7 **\$3,010,000** 32 Caroline Street, Clifton Hill
- 8 **\$1,785,000** 60 Hamilton Street, Yarraville
- 9 **\$4,300,000** 167 Clarke Street, Northcote
- 10 **\$2,100,000** 51 James Street, Prahran

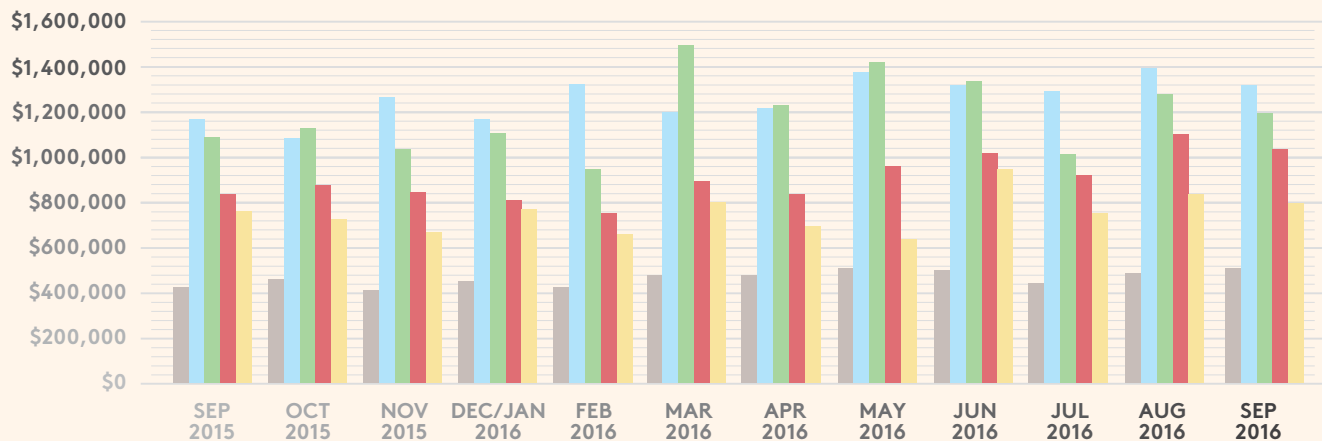
Quarterly Scorecard

Apartments: Capital Growth
Vol.49 October 2016

JUL - SEP 2016

	Apartments			Houses			Townhouses		
QUARTERLY GROWTH/DECLINE	-1.67%	↓		+2.20%	↑		-2.02%	↓	
MEDIAN PRICE	\$530,000			\$1,298,000			\$886,750		
AVERAGE PRICE	\$592,741			\$1,464,565			\$1,006,099		
MEDIAN SQM	\$8,679			\$6,849	+6.65%	↑	\$7,495	-13.34%	↓
STOCK INVENTORY	3292	-0.27%	↓	312	+1.96%	↑	105	-13.22%	↓
BOOM	-			Carlton	↑		-		
				Northcote	↑				
				Travancore	↑				
BUST	Carlton	↓		Albert Park	↓				
	Clifton Hill	↓		Abbotsford	↓				
	East Melbourne	↓		East Melbourne	↓				
	Kensington	↓		Flemington	↓				
	North Melbourne	↓		Parkville	↓				
	South Melbourne	↓		Prahran	↓				
	South Yarra	↓		West Melbourne	↓				

YEAR ON YEAR LOOK Median Prices



SEP 2015 - SEP 2016 GROWTH/DECLINE
 CBD Apartments **+16.87%** Inner South Apartments, Townhouses and Houses (A,T & H) **+9.69%** Inner East (A,T & H) **+7.63%** Inner North (A,T & H) **+22.78%** Inner West (A,T & H) **+1.85%**

- 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

JUL - SEP 2016

Apartments: Capital Growth
Vol.49 October 2016

		PREVIOUS QUARTER (APR, MAY, JUN 2016)				CURRENT QUARTER (JUL, AUG, SEP 2016)			
		Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)	Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)
Central	Docklands	2.07%		0.00%		1.50%		0.00%	
	Melbourne	1.05%	1.21%	1.52%	1.52%	0.92%	0.96%	0.00%	9.24%
	Southbank	1.19%		0.00%		0.81%		0.79%	
Inner North	Brunswick	1.18%		1.09%		1.01%		0.84%	
	Brunswick East	1.13%		0.88%		1.23%		0.60%	
	Carlton	0.43%		1.29%		0.52%		0.61%	
	Carlton North	0.19%		0.72%		0.38%		0.62%	
	Clifton Hill	0.80%		0.87%		0.80%		0.60%	
	Collingwood	1.06%	0.64%	0.51%	0.83%	1.59%	0.72%	0.57%	0.65%
	Fitzroy	0.64%		0.70%		0.36%		1.08%	
	Fitzroy North	0.50%		0.73%		0.50%		0.56%	
	North Melbourne	0.33%		0.68%		0.51%		0.99%	
	Northcote	0.62%		0.71%		0.83%		0.60%	
	Parkville	0.23%		1.00%		0.94%		0.57%	
Princes Hill	0.00%		0.49%		NA		0.16%		
Inner East	Abbotsford	1.21%		0.88%		2.77%		1.51%	
	Burnley	0.68%		0.98%		0.68%		NA	
	Cremorne	0.00%		0.39%		NA		0.79%	
	East Melbourne	0.63%	0.75%	1.60%	1.11%	0.81%	1.12%	0.36%	0.89%
	Hawthorn	0.52%		0.80%		1.14%		0.73%	
	Prahran	0.86%		1.69%		0.97%		1.29%	
	Richmond	0.75%		1.07%		1.33%		1.22%	
	South Yarra	0.90%		1.24%		0.98%		0.69%	
Inner South	Albert Park	0.20%		0.62%		0.39%		0.77%	
	Middle Park	1.26%	0.81%	1.11%	0.95%	0.84%	1.06%	0.51%	0.89%
	Port Melbourne	0.91%		1.26%		1.28%		0.90%	
	South Melbourne	0.69%		0.89%		0.94%		0.59%	
Inner West	Flemington	0.48%		0.50%		0.30%		0.86%	
	Kensington	1.11%	0.80%	0.99%	1.04%	1.75%	0.98%	0.92%	0.73%
	Travancore	0.83%		1.49%		1.46%		0.37%	
	West Melbourne	0.94%		2.61%		0.94%		0.40%	

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

Apartments

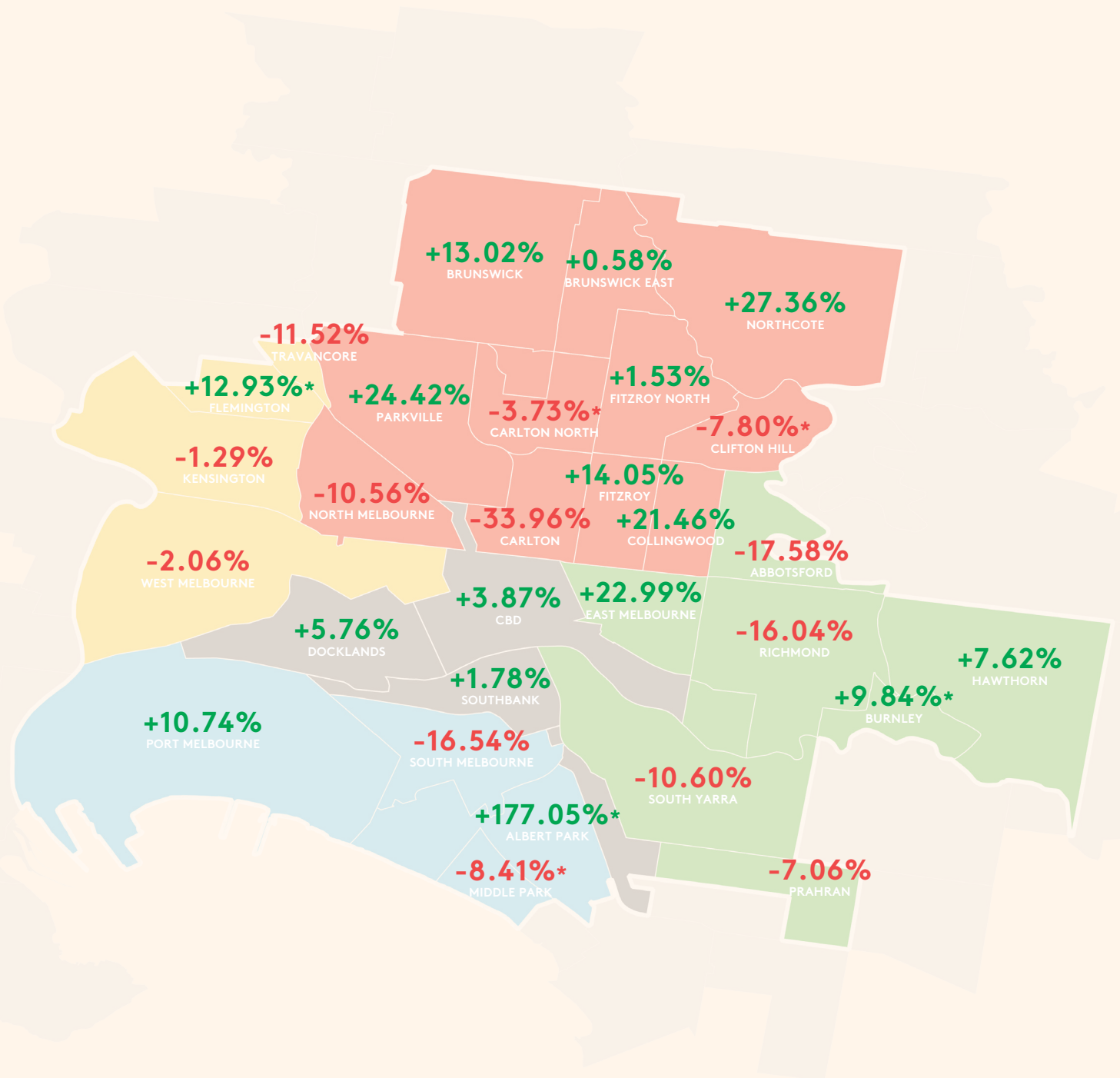
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (APR, MAY, JUN 2016)				CURRENT QUARTER (JUL, AUG, SEP 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	\$702,117	\$600,000	\$348,000	\$1,900,000	\$766,561	\$666,300	↑ 5.76%	\$324,000	\$1,910,000
Melbourne	\$615,470	\$487,500	\$138,500	\$3,500,000	\$560,649	\$483,000	↑ 3.87%	\$162,500	\$2,350,000
Southbank	\$599,208	\$572,000	\$315,000	\$1,250,000	\$711,285	\$600,000	↑ 1.78%	\$300,500	\$2,700,000
Brunswick	\$539,745	\$473,000	\$300,000	\$1,700,000	\$534,775	\$499,000	↑ 13.02%	\$271,000	\$1,044,000
Brunswick East	\$602,909	\$570,000	\$400,000	\$1,010,000	\$569,250	\$523,000	↑ 0.58%	\$338,000	\$930,000
Carlton	\$586,283	\$589,000	\$210,000	\$1,126,000	\$381,772	\$261,500	↓ -33.96%	\$155,000	\$1,110,000
Carlton North	*\$570,000	*\$570,000	\$570,000	\$570,000	*\$413,500	*\$413,500	↓ -3.73%	\$390,000	\$437,000
Clifton Hill	*\$907,125	*\$1,022,750	\$363,000	\$1,220,000	*\$490,750	*\$514,000	↓ -7.80%	\$345,000	\$590,000
Collingwood	\$668,100	\$585,000	\$360,000	\$1,645,000	\$747,340	\$665,000	↑ 21.46%	\$366,000	\$1,500,000
Fitzroy	\$677,177	\$684,500	\$150,000	\$1,330,000	\$664,750	\$690,000	↑ 14.05%	\$366,000	\$895,000
Fitzroy North	\$467,500	\$417,500	\$270,000	\$775,000	\$518,166	\$563,500	↑ 1.53%	\$317,000	\$660,000
North Melbourne	\$562,278	\$510,000	\$435,000	\$950,000	\$465,933	\$483,000	↓ -10.56%	\$140,000	\$630,000
Northcote	\$408,000	\$400,000	\$280,000	\$601,000	\$562,031	\$586,500	↑ 27.36%	\$357,500	\$810,000
Parkville	*\$442,500	*\$442,500	\$335,000	\$550,000	\$676,325	\$647,000	↑ 24.42%	\$510,000	\$1,040,000
Princes Hill	-	-	-	-	-	-	-	-	-
Abbotsford	\$578,250	\$470,500	\$340,000	\$970,000	\$553,133	\$457,000	↓ -17.58%	\$312,000	\$1,325,000
Burnley	*\$505,500	*\$505,500	\$505,500	\$505,500	*\$527,500	*\$527,500	↑ 9.84%	\$527,500	\$527,500
Cremorne	-	-	-	-	-	-	-	-	-
East Melbourne	\$1,179,000	\$803,000	\$114,000	\$3,500,000	\$751,710	\$776,050	↑ 22.99%	\$425,000	\$1,155,000
Hawthorn	\$590,405	\$525,000	\$275,000	\$1,015,000	\$565,439	\$565,000	↑ 7.62%	\$198,888	\$1,000,000
Prahran	\$570,581	\$541,000	\$275,000	\$1,400,000	\$526,684	\$500,000	↓ -7.06%	\$240,000	\$814,000
Richmond	\$667,820	\$565,000	\$250,000	\$2,020,000	\$516,853	\$450,000	↓ -16.04%	\$190,000	\$1,400,000
South Yarra	\$718,798	\$580,000	\$119,000	\$2,100,000	\$606,500	\$523,000	↓ -10.60%	\$220,000	\$1,722,000
Albert Park	*\$647,000	*\$647,000	\$647,000	\$647,000	*\$1,850,000	*\$1,850,000	↑ 177.05%	\$1,850,000	\$1,850,000
Middle Park	\$991,333	\$701,500	\$380,000	\$2,750,000	*\$1,080,625	*\$642,500	↓ -8.41%	\$377,500	\$2,660,000
Port Melbourne	\$933,870	\$720,000	\$450,000	\$2,260,000	\$775,821	\$670,000	↑ 10.74%	\$347,500	\$1,300,000
South Melbourne	\$926,250	\$731,250	\$375,000	\$2,100,000	\$712,093	\$555,000	↓ -16.54%	\$380,000	\$2,355,000
Flemington	\$374,500	\$376,250	\$262,000	\$465,000	*\$420,600	*\$463,000	↑ 12.93%	\$240,000	\$556,000
Kensington	\$580,875	\$600,000	\$330,000	\$845,000	\$444,251	\$422,500	↓ -1.29%	\$312,000	\$666,000
Travancore	*\$355,000	*\$330,000	\$315,000	\$420,000	\$368,714	\$334,000	↓ -11.52%	\$320,000	\$475,000
West Melbourne	\$755,125	\$627,500	\$418,000	\$1,325,000	\$542,625	\$476,000	↓ -2.06%	\$370,000	\$860,000

Table compiled from data collected from April to September 2016. 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 April to September 2016. Princes Hill and Cremorne were omitted due to insufficient data.

* indicates a median value calculated using 5 sales or less.

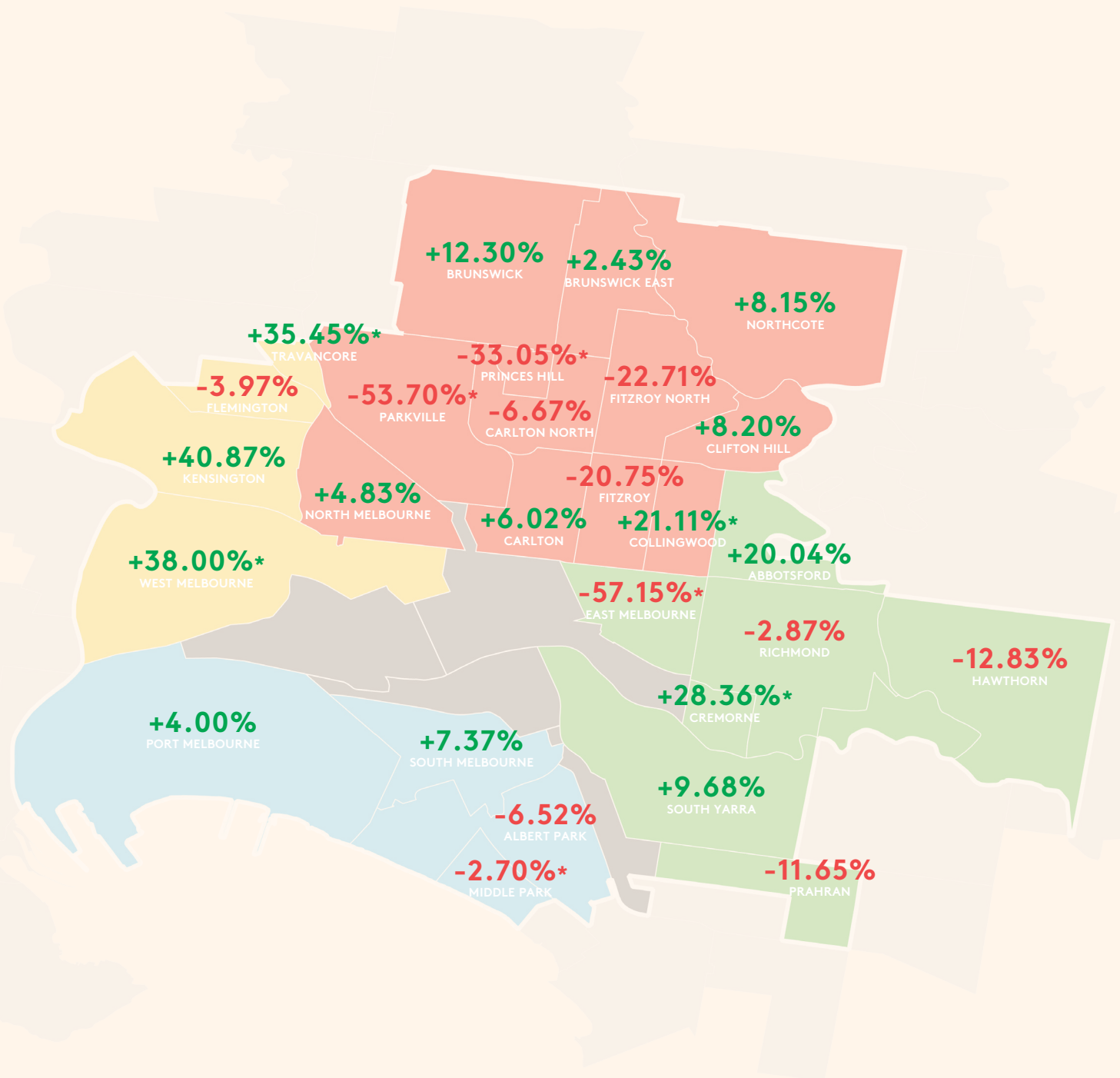
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (APR, MAY, JUN 2016)				CURRENT QUARTER (JUL, AUG, SEP 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	-	-	-	-	-	-		-	-
Melbourne	-	-	-	-	-	-		-	-
Southbank	-	-	-	-	*\$815,000	*\$815,000		\$815,000	\$815,000
Brunswick	\$1,046,471	\$935,500	\$542,000	\$1,875,000	\$1,104,251	\$1,050,000	↑ 12.30%	\$755,000	\$1,755,000
Brunswick East	\$1,099,912	\$1,027,000	\$106,183	\$1,750,000	\$1,139,000	\$1,052,000	↑ 2.43%	\$600,000	\$1,900,000
Carlton	\$1,559,006	\$1,590,000	\$780,000	\$2,600,000	\$1,780,500	\$1,707,000	↑ 6.02%	\$957,000	\$2,850,000
Carlton North	\$1,571,214	\$1,371,000	\$876,000	\$2,800,000	\$1,634,461	\$1,400,000	↓ -6.67%	\$960,000	\$2,550,000
Clifton Hill	\$1,271,909	\$1,220,000	\$730,000	\$2,610,000	\$1,488,625	\$1,320,000	↑ 8.20%	\$970,000	\$3,010,000
Collingwood	*\$1,066,800	*\$1,075,000	\$810,000	\$1,280,000	*\$976,000	*\$981,000	↑ 21.11%	\$890,000	\$1,057,000
Fitzroy	\$1,630,429	\$1,600,000	\$1,115,000	\$2,675,000	\$1,445,285	\$1,276,000	↓ -20.75%	\$715,000	\$3,310,000
Fitzroy North	\$1,584,688	\$1,428,000	\$770,000	\$3,400,000	\$1,483,882	\$1,222,000	↓ -22.71%	\$750,000	\$4,135,000
North Melbourne	\$1,338,333	\$1,350,000	\$710,000	\$1,800,000	\$1,596,333	\$1,357,500	↑ 4.83%	\$815,000	\$3,500,000
Northcote	\$1,325,256	\$1,170,000	\$839,000	\$2,785,000	\$1,506,741	\$1,300,000	↑ 8.15%	\$859,000	\$4,300,000
Parkville	*\$2,836,200	*\$2,935,000	\$1,340,000	\$3,950,000	*\$1,493,500	*\$1,540,500	↓ -53.70%	\$965,000	\$1,928,000
Princes Hill	*\$2,218,333	*\$1,555,000	\$1,100,000	\$4,000,000	*\$1,041,000	*\$1,041,000	↓ -33.05%	\$1,041,000	\$1,041,000
Abbotsford	\$1,090,500	\$1,012,500	\$750,000	\$1,876,000	\$1,171,561	\$1,172,500	↑ 20.04%	\$882,500	\$1,542,000
Burnley	-	-	-	-	-	-		-	-
Cremorne	*\$1,017,500	*\$1,017,500	\$725,000	\$1,310,000	*\$1,028,666	*\$1,015,000	↑ 28.36%	\$961,000	\$1,110,000
East Melbourne	\$3,695,125	\$3,705,500	\$1,475,000	\$5,850,000	*\$1,505,000	*\$1,505,000	↓ -57.15%	\$1,450,000	\$1,560,000
Hawthorn	\$2,673,842	\$2,260,000	\$1,155,000	\$6,000,000	\$2,327,666	\$1,970,000	↓ -12.83%	\$1,187,000	\$4,300,000
Prahran	\$1,791,161	\$1,679,000	\$845,000	\$3,330,000	\$1,581,290	\$1,365,000	↓ -11.65%	\$952,750	\$3,890,000
Richmond	\$1,335,173	\$1,240,000	\$800,000	\$3,020,000	\$1,275,150	\$1,185,000	↓ -2.87%	\$720,000	\$2,240,000
South Yarra	\$2,000,432	\$1,550,000	\$906,000	\$5,750,000	\$1,640,954	\$1,700,000	↑ 9.68%	\$1,036,500	\$2,682,000
Albert Park	\$2,295,938	\$1,955,000	\$980,000	\$7,805,000	\$1,854,700	\$1,650,000	↓ -6.52%	\$985,000	\$3,755,000
Middle Park	\$2,102,500	\$2,002,500	\$1,005,000	\$4,050,000	*\$1,937,600	*\$1,800,000	↓ -2.70%	\$1,130,000	\$2,650,000
Port Melbourne	\$1,400,865	\$1,365,500	\$825,000	\$2,950,000	\$1,577,195	\$1,405,000	↑ 4.00%	\$1,010,000	\$3,850,000
South Melbourne	\$1,591,091	\$1,595,000	\$970,000	\$2,900,000	\$1,645,937	\$1,530,000	↑ 7.37%	\$1,139,000	\$2,475,000
Flemington	\$1,244,000	\$957,000	\$815,000	\$2,370,000	\$951,181	\$918,000	↓ -3.97%	\$730,000	\$1,315,000
Kensington	\$1,020,588	\$877,000	\$707,750	\$1,675,000	\$1,146,973	\$1,165,000	↑ 40.87%	\$785,000	\$1,795,000
Travancore	*\$1,076,500	*\$928,000	\$700,000	\$1,750,000	*\$1,257,000	*\$1,257,000	↑ 35.45%	\$1,257,000	\$1,257,000
West Melbourne	\$1,385,833	\$1,245,000	\$585,000	\$2,370,000	*\$1,242,000	*\$1,242,000	↑ 38.00%	\$1,242,000	\$1,242,000

Table compiled from data collected from April to September 2016. 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 April to September 2016. Docklands, Melbourne, Southbank and Burnley were omitted due to insufficient data.
* indicates a median value calculated using 5 sales or less.

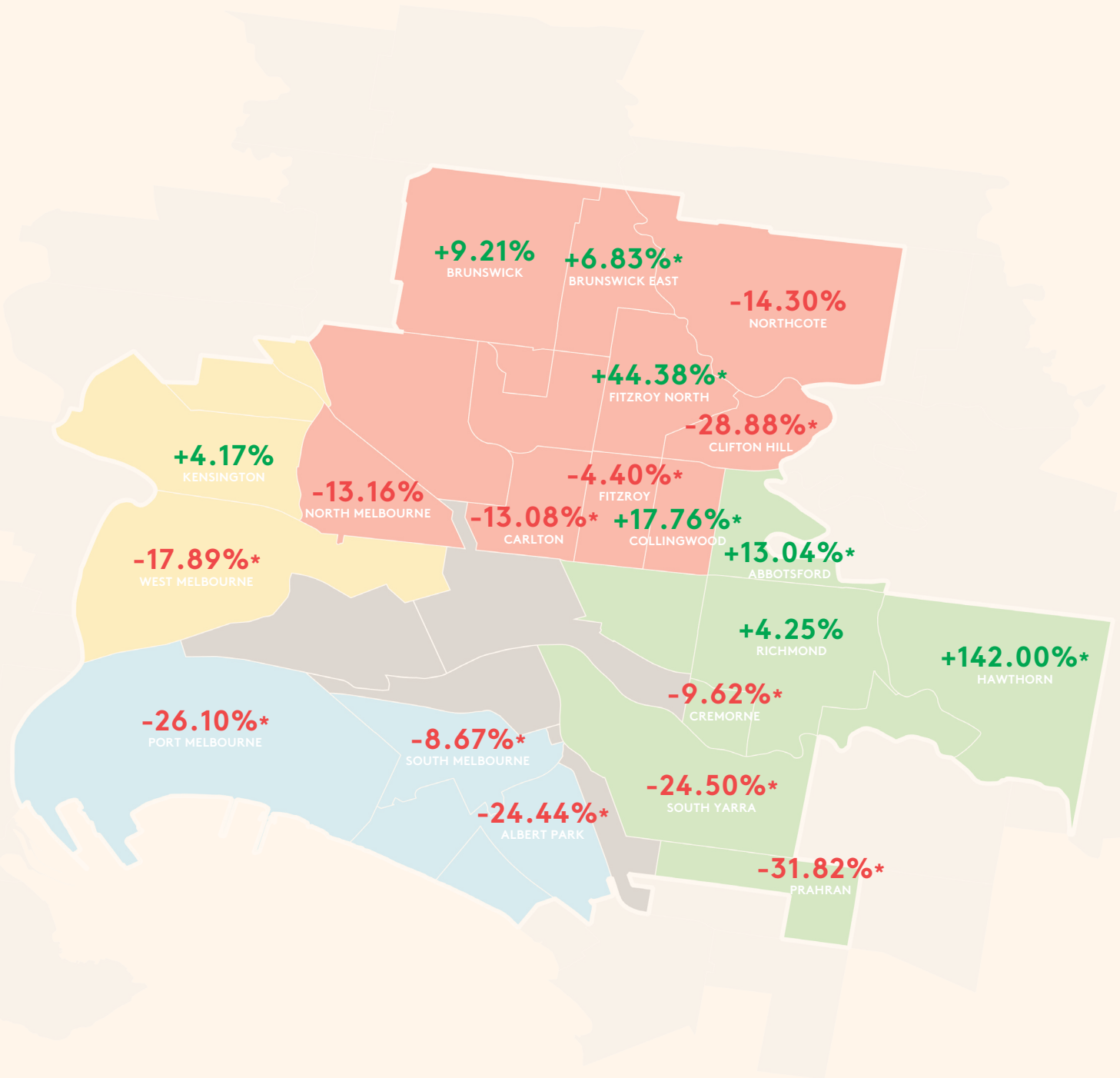
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (APR, MAY, JUN 2016)				CURRENT QUARTER (JUL, AUG, SEP 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	-	-	-	-	-	-		-	-
Melbourne	*\$2,100,000	*\$2,100,000	\$2,100,000	\$2,100,000	-	-		-	-
Southbank	-	-	-	-	-	-		-	-
Brunswick	\$766,000	\$797,500	\$641,000	\$872,000	\$1,100,796	\$830,000	↑ 9.21%	\$675,000	\$2,100,150
Brunswick East	\$833,833	\$835,000	\$677,000	\$1,010,000	*\$884,400	*\$892,000	↑ 6.83%	\$800,000	\$985,000
Carlton	*\$1,281,000	*\$1,281,000	\$1,281,000	\$1,281,000	*\$1,113,500	*\$1,113,500	↓ -13.08%	\$872,000	\$1,355,000
Carlton North	-	-	-	-	-	-		-	-
Clifton Hill	*\$1,106,400	*\$1,160,000	\$917,000	\$1,220,000	*\$784,666	*\$825,000	↓ -28.88%	\$647,500	\$881,500
Collingwood	*\$892,500	*\$892,500	\$887,500	\$897,500	*\$1,004,800	*\$1,051,000	↑ 17.76%	\$750,000	\$1,260,000
Fitzroy	*\$857,500	*\$845,000	\$710,000	\$1,030,000	*\$870,000	*\$870,000	↓ -4.40%	\$860,000	\$880,000
Fitzroy North	*\$915,000	*\$915,000	\$915,000	\$915,000	*\$1,039,666	*\$1,054,000	↑ 44.38%	\$930,000	\$1,135,000
North Melbourne	*\$968,500	*\$968,500	\$872,000	\$1,065,000	\$936,166	\$785,500	↓ -13.16%	\$690,000	\$1,375,000
Northcote	*\$922,500	*\$890,000	\$810,000	\$1,100,000	\$766,857	\$722,000	↓ -14.30%	\$658,500	\$915,000
Parkville	-	-	-	-	-	-		-	-
Princes Hill	-	-	-	-	-	-		-	-
Abbotsford	*\$612,000	*\$612,000	\$429,000	\$795,000	*\$809,200	*\$845,000	↑ 13.04%	\$700,000	\$927,000
Burnley	-	-	-	-	-	-		-	-
Cremorne	-	-	-	-	*\$1,175,000	*\$1,175,000	↓ -9.62%	\$1,175,000	\$1,175,000
East Melbourne	-	-	-	-	-	-		-	-
Hawthorn	*\$851,250	*\$851,250	\$752,500	\$950,000	*\$2,060,000	*\$2,060,000	↑ 142.00%	\$2,060,000	\$2,060,000
Prahran	*\$1,160,000	*\$1,160,000	\$780,000	\$1,540,000	*\$1,050,000	*\$1,050,000	↓ -31.82%	\$1,050,000	\$1,050,000
Richmond	\$1,242,500	\$1,074,000	\$930,000	\$2,020,000	\$1,122,937	\$1,055,000	↑ 4.25%	\$750,000	\$1,695,000
South Yarra	-	-	-	-	*\$1,490,333	*\$1,661,000	↓ -24.50%	\$1,010,000	\$1,800,000
Albert Park	*\$1,227,500	*\$1,227,500	\$1,085,000	\$1,370,000	*\$927,500	*\$927,500	↓ -24.44%	\$927,500	\$927,500
Middle Park	-	-	-	-	-	-		-	-
Port Melbourne	*\$1,466,000	*\$1,565,000	\$1,130,000	\$1,625,000	*\$1,259,250	*\$1,156,500	↓ -26.10%	\$779,000	\$1,945,000
South Melbourne	*\$1,633,333	*\$1,615,000	\$1,185,000	\$2,100,000	*\$1,475,000	*\$1,475,000	↓ -8.67%	\$1,150,000	\$1,800,000
Flemington	-	-	-	-	*\$625,000	*\$625,000		\$625,000	\$625,000
Kensington	\$734,944	\$750,000	\$387,500	\$980,000	\$697,571	\$750,000	↑ 4.17%	\$533,000	\$790,000
Travancore	-	-	-	-	-	-		-	-
West Melbourne	*\$1,182,250	*\$1,245,000	\$914,000	\$1,325,000	*\$1,010,000	*\$1,010,000	↓ -17.89%	\$1,010,000	\$1,010,000

Table compiled from data collected from April to September 2016. 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 April to September 2016. Docklands, Melbourne, Southbank, Carlton North, Parkville, Princes Hill, Burnley, East Melbourne, Middle Park, Flemington and Travancore were omitted due to insufficient data. * indicates a median value calculated using 5 sales or less.

SECRET

INSIDE PERSPECTIVE

AGENT



Apartments: Capital Growth
Vol.49 October 2016

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The Australian Bureau of Statistics (abs.gov.au/census),
REIV (reiv.com.au/property-data/auction-results),
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