



SUPPLY

THIS MONTH'S ISSUE ALSO INCLUDES:
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INNER MELBOURNE'S MOST AFFORDABLE,
EXPENSIVE, SMALLEST AND LARGEST APARTMENTS

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For apartments, houses and townhouses.

"If I had asked people what they wanted, they would have said faster horses."

Henry Ford



[View our Scorecard summary online](#)

Supply

by Jodie Walker, Richard Rossmann, Bin Rong and Sheng Yi Lee

Demand is a hot topic in the apartment market at the moment, and assumptions about what buyers want are being made by almost everyone with the right to an opinion.

Predicting future demand for a property is one way for investors to estimate the future capital growth of an asset. However, too little attention is paid to the supply side of the equation.

In this report, Secret Agent will move the focus from demand to supply, and forecast Melbourne's upcoming stock of new developments.

Secret Agent believes that knowledge about supply is crucial to making an informed and successful investment. This report will forecast what the supply of apartments and townhouses in Melbourne will be over the next 12-36 months.

Why is supply important?

Basic economics tells us that when supply is high, unless the market is in equilibrium, prices will drop because demand will not be able to keep up.

There is a less obvious reason that makes supply important. One of the biggest differences between supply and demand is that it is possible to forecast supply, and almost impossible to accurately predict demand.

It can seem like demand is certain. An investor might think he has struck gold when he discovers a suburb with rapidly rising rents and a growing demographic of people moving into the "hot new area" to live. Yet, in the background, a surge in planning proposals may cause supply to expand considerably. Supply created by developers does not trickle into the market but arrives in large batches, as each developer tries to use the same metrics to make guesses about demand into the future. All of a sudden, a glut starts to weaken rents and can drive away owner occupiers who had previously wanted to live within the area.

Demand is so difficult to accurately forecast that even the world's biggest companies are often wrong when it comes to this. A great example is the large oil producers who have seen their profits diminished. They had continually invested in new wells with the expectation that the price of oil would continue to increase as demand intensified, only to see it collapse due to fracking and other factors. World iron ore producers who made substantial long term investment decisions based

on high iron ore prices made a similar error. There was too much focus on present demand rather than on future supply conditions, which could have helped them make sensible decisions over the business cycle.

Another example is this season's avocado prices. Strong demand and a tough growing season caused prices to soar at the beginning of the season. As the season went on, prices started to moderate as supply caught up. No doubt avocado trees are being planted in record numbers with some producers seeking to benefit further from high prices. However, the likely outcome is diminished prices as supply starts to surpass demand. To maintain margins, differentiation is required, such as higher quality or varying varieties. The lesson here is that it is also the structure of supply that is crucial to evaluate.

The Australian property market has seen a sharp rise in supply. Developers have become much more comfortable with higher supply levels of their own product. Demand has been strong but it is only a matter of time before they too will have to differentiate.

How do we predict future supply?

Forecasting supply is especially useful in the property market. It is possible to know how many and where the upcoming apartments and townhouse developments will be, due to publicly accessible approved planning applications. This has huge implications for investors and home buyers.

Using data published by the Australian Bureau of Statistics (ABS), Secret Agent modelled Building Approvals by Statistical Area 2 (SA2) over the past financial year (July 2015 – June 2016) for two categories: apartments and townhouses. This report summarises our findings. Note that the figures may be slightly underestimated because it does not take into account approvals made prior to July 2015, which may still be in construction stages.

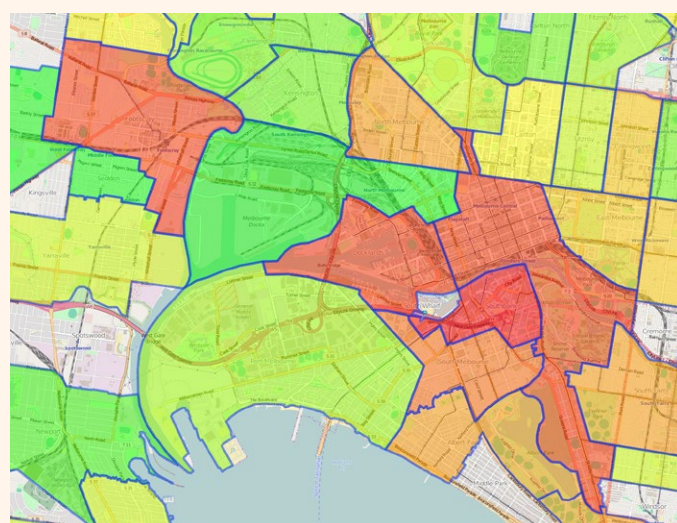
Part 1: Flats, units or apartments (including those attached to a house)

This is a measure of the upcoming supply of apartments. For larger buildings (4 stories and above), construction usually takes between 12 and 18 months, while for smaller buildings it can take up to 12 months. Therefore, the number of building approvals over the past 12 months in this category reflect the amount of supply for the next 12-18 months. Table 1 shows the ten suburbs with the highest amount of new developments of this type.

As expected, development in inner Melbourne (CBD, Southbank and Docklands) is much higher than anywhere else. Combined, these three suburbs account for almost 30% of growth of new apartments in metropolitan Melbourne. Southbank has by far the highest density of development, as its total area is much smaller than the CBD, yet there are nearly 2,000 more apartments being built here. West of the city, Footscray is the only major site for development.

Table 1 New developments (flats, units, apartments) by suburb

SUBURB/LOCALITY	NO. OF NEW FLATS, UNITS OR APARTMENTS
Southbank	5660
Melbourne (CBD)	3700
Docklands	2328
Footscray	2284
Box Hill	1940
South Melbourne	1234
Doncaster	1056
Cheltenham	942
Preston	934
Albert Park	932



Source: ABS

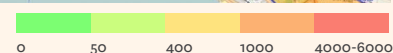
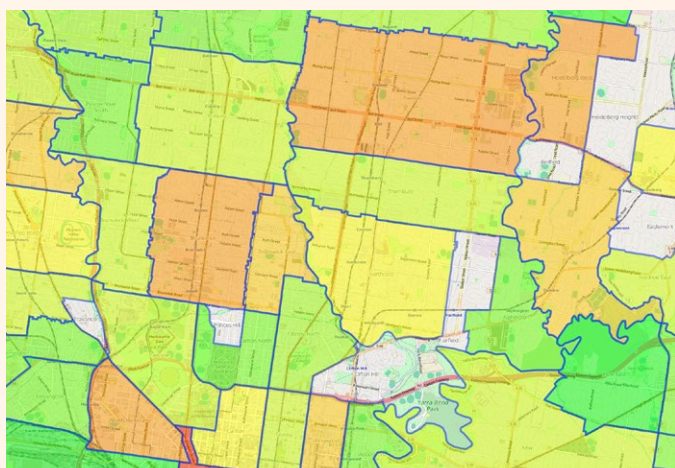


Figure 1 (top) Inner Melbourne and Footscray developments



Notable suburbs in the inner north are North Melbourne (648), Brunswick (748), Brunswick East (468) and Collingwood (428). Further north, Preston (934) and Heidelberg West (612) have issued the highest number of building permits.

In the inner east, South Yarra (848), Richmond (566) and East Melbourne (550) are expected to see the biggest increases in new apartments, as well as Box Hill (1940), Doncaster (1056) and Malvern East (924) further to the east. To the south of the CBD, South Melbourne (1234), Albert Park (932), St Kilda (820), Caulfield (510), Bentleigh (612) and Cheltenham (942) have the highest number of new apartments being built. See Figure 3.

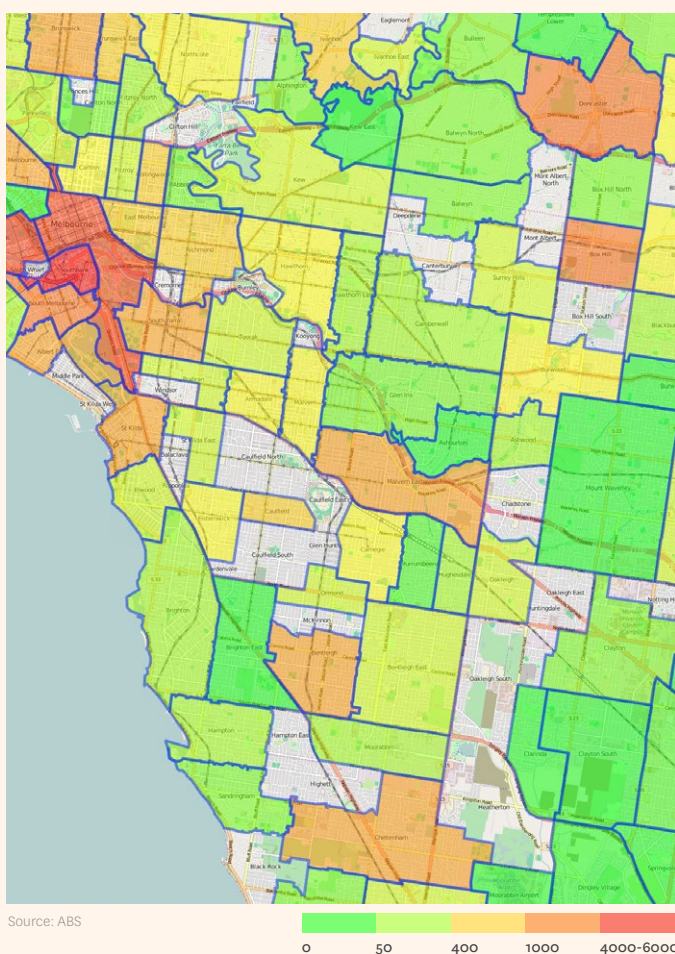
Part 2: Semi-detached, row or terrace houses, townhouses

This shows the number of new townhouses being developed, as it includes any residential development of a subdivided block of land not included in the other category. As there will usually be less properties to be developed per site, some of these constructions have already been finished, while the vast majority will be completed within the next 12 months. Table 2 shows the ten suburbs with the highest number of new dwellings of this type.

While development of new apartments is mainly concentrated around the CBD and inner Melbourne, Port Melbourne is the only inner city suburb featured in the top ten list for semi-detached, terraces and townhouses. Note that most of the new developments in Port Melbourne are concentrated in the old industrial area of the suburb, which has recently undergone zoning changes to become residential.

Table 2 New developments (houses or townhouses) by suburb

SUBURB/LOCALITY	NO. OF NEW SEMI-DETACHED, ROW OR TERRACE HOUSES OR TOWNHOUSES
Glenroy	640
Port Melbourne	596
Reservoir	488
Pascoe Vale	456
Doncaster	380
Craigieburn	364
Beaconsfield	356
Preston	336
Altona North	316
Heidelberg West	296

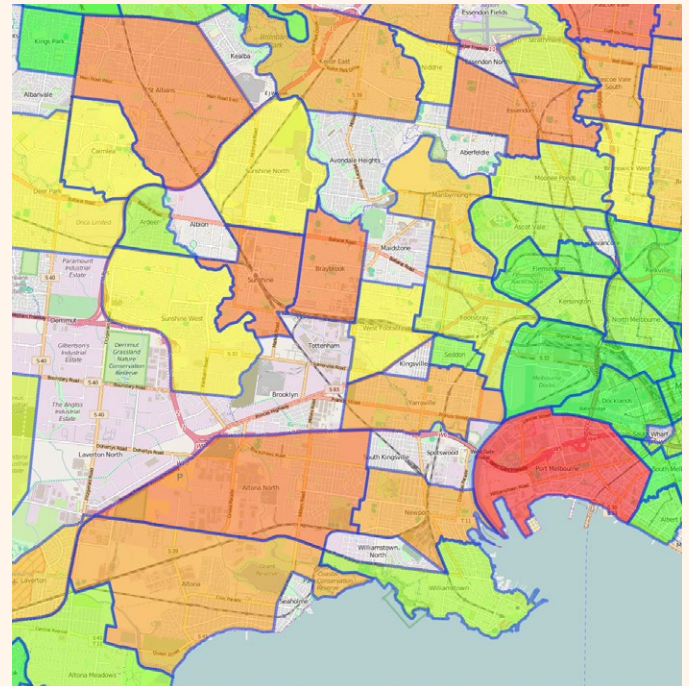
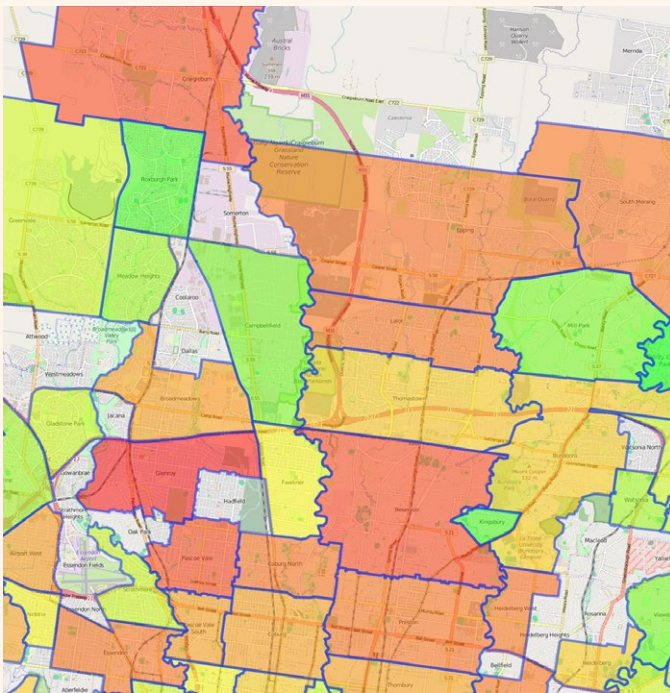


Source: ABS



Figure 2 (top) Inner north developments

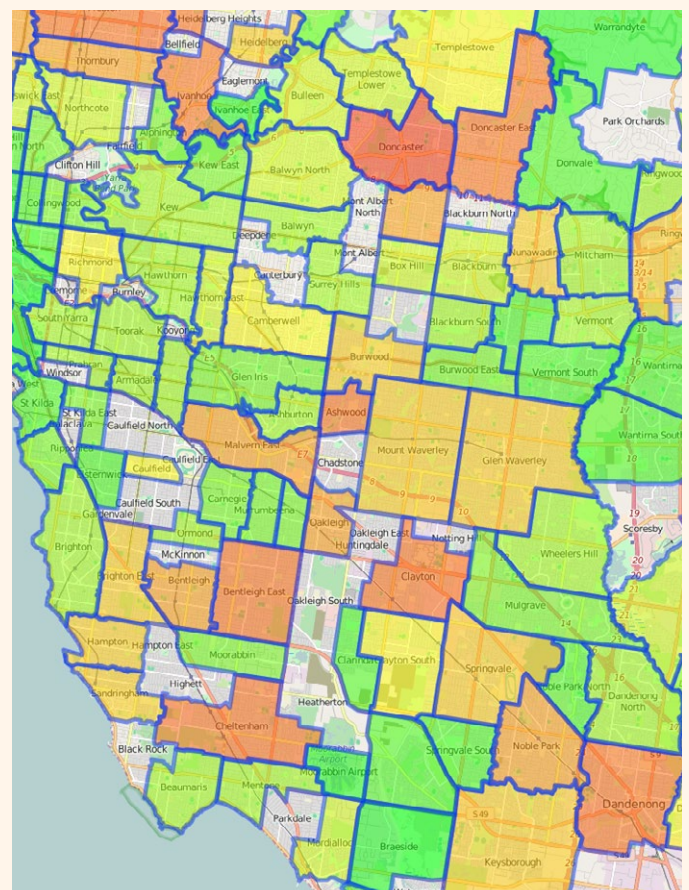
Figure 3 (bottom) Inner south and Inner east apartment developments



The inner and outer north have the highest density of development, with suburbs like Glenroy (640), Reservoir (488), Pascoe Vale (456), Craigieburn (364), Preston (336) and Heidelberg West (296) all making the list, as shown above in Figure 4.

More suburbs in the inner west are experiencing development of townhouses compared to apartments. These include Altona North (316), St Albans (230), Braybrook (218) and Sunshine (212).

To the east, Doncaster (380) and Doncaster East (222) are again feature suburbs, while to the southeast, most of the development seems to follow the major rail network through Malvern East (166), Oakleigh (164), Clayton (212), Springvale (124), Noble Park (174) and Dandenong (272). This is illustrated in Figure 6.



Source: ABS
0 25 100 200 500-700

[Click here to explore the full interactive map](#)

Figure 4 (top, left) Inner and outer north townhouse developments
Figure 5 (top, right) Inner west townhouse developments
Figure 6 (bottom) East and southeast townhouse developments

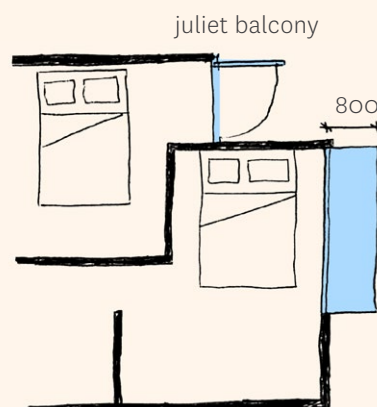
Observations on future apartment supply

Secret Agent studied hundreds of floor plans of upcoming apartment buildings whilst compiling this report. The "Better Apartments" design standards draft for Victoria is currently in its consultation stages, so it was interesting to see that a number of these advertised apartments are not compliant with the proposed standards. It's likely that a big portion of the supply over the next year will not meet the quality of apartment living we are hoping to achieve. Here is a summary of our observations.

1. Balconies are too small.

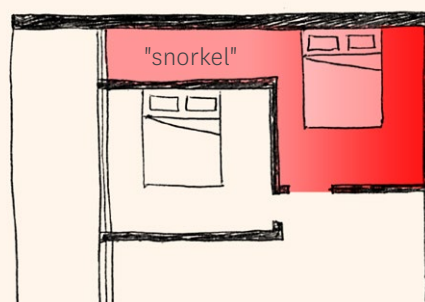
Many balconies do not meet the minimum 2m dimension nor the minimum size requirements (8m² for a 1 bed dwelling and 10m² for a 2 bed dwelling).

Some apartments have used juliet balconies, a.k.a. false balconies, to allow for ventilation without actually providing open space.



2. "Snorkel" or "saddlebag" bedrooms are widespread.

This L-shaped layout is an ineffective yet popular solution to provide light access to the second bedroom of 2 bed dwellings. The "snorkel" is often too narrow to be considered habitable, and in many cases direct light does not penetrate into the actual room due to its depth.



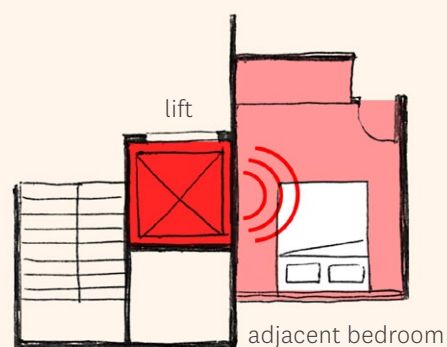
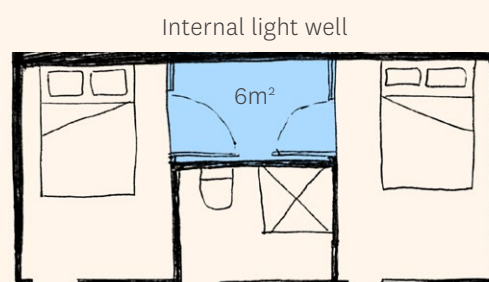
3. Light wells are too small.

These non-compliant light wells are much smaller than the suggested minimum area of 9m² with a minimum dimension of 3m, for buildings up to 13.5m (approx. 4 storeys). The example on the right was taken from an 8 storey building. These bedrooms would either have compromised access to sunlight, views, or both.

When appropriately designed, light wells increase the surface area of the external envelope and introduce more openings (i.e. windows) to allow light into dwellings.

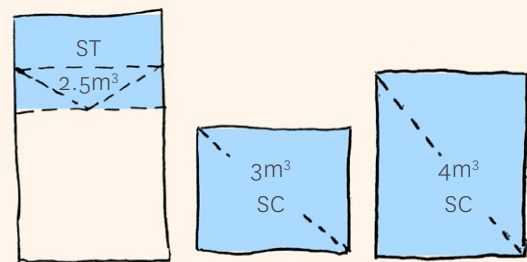
4. Some bedrooms adjoin the lift core.

This isn't good news for light sleepers. Placing noise sources directly adjacent to habitable areas (especially bedrooms) increases noise transmission. Unless adequate acoustic insulation is in place, you can expect to hear each lift ride throughout the night. This has long term implications on health and happiness.



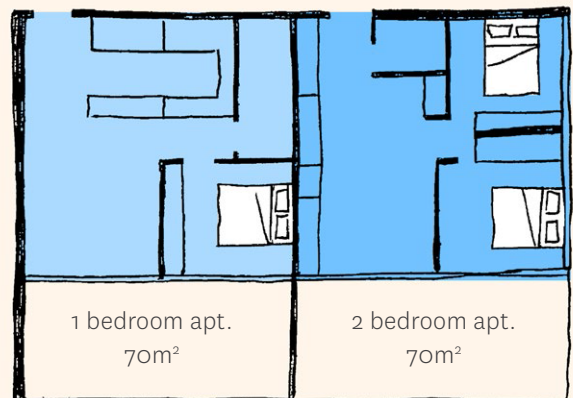
5. Storage cages are too small.

New design standards suggest a minimum of 6 cubic metres of additional storage space for 1 bedroom dwellings. Common sizes for today's apartments (that is, if they have any) are 3 and 4 cubic metres, and 2.5 cubic metres for storage above car spaces.



6. Quality can vary within the same building.

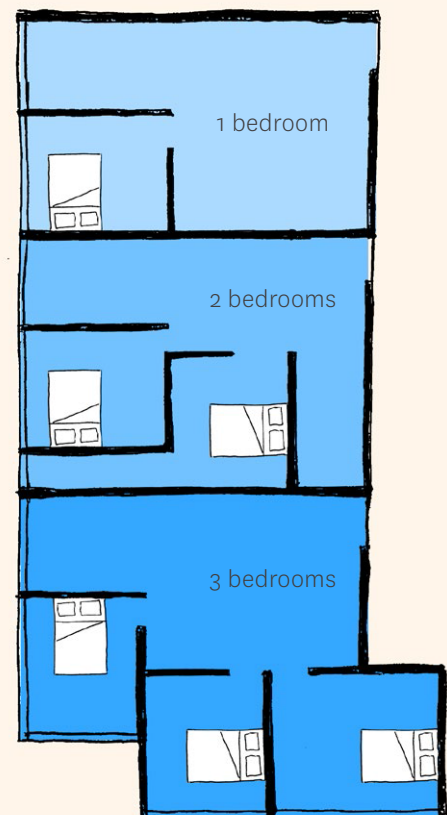
An apartment building can have both A and B grade units, even within the same level. A proposed residential tower in Abbotsford had a combination of 70sqm 1 bedroom dwellings and 70sqm 2 bedroom dwellings. These 1 bedroom units are far bigger than the inner Melbourne average of 47sqm, whilst the latter sits just below the average of 73sqm.



7. 2 bedroom dwellings are most often compromised.

1 bedroom dwellings usually have satisfactory access to sunlight and size. It's the 2 bedroom dwellings that have the most compromised layouts, usually involving a "snorkel" bedroom in the floor plan (see point 2 on the previous page).

3 bedroom units are less common and are usually located around the corners or on the upper levels of the building. These apartment types tend to be of higher quality and command a premium.



Conclusion

Future supply is fairly simple to predict. The implications of the forecast are far more complex. This report will conclude with a summary of points you should draw from our forecast of Melbourne's upcoming supply.

1. High supply in certain suburbs does not mean you should avoid buying in these areas. You just need to be more careful with what you choose to buy. Differentiated products will perform better in the long term.
2. While the new supply figures may seem high, it is important to consider context. For example:
 - How many existing apartments are in that suburb?
 - What is the proportion of apartments, townhouses and houses in that suburb?
 - How big is the suburb?
3. The availability of surrounding amenity and infrastructure should also be considered. Suburbs with high supply and good amenity and infrastructure will outperform suburbs with high supply but lacking in these features. An example is the Glenroy area, which has a large volume of supply coming up amidst a grim future for job growth, as many automotive industries based in this region will be shutting down by 2017.
4. Generally, investors may want to consider the areas identified as having a high supply with caution. Rental yields are likely to be driven down unless the properties are suitable to family occupants.
5. Home buyers may want to consider areas where there is a greater supply of townhouses, since these may be more suitable to a growing family. Townhouses are also an affordable alternative to a house, especially in areas of high supply.
6. The quality of supply in the apartment market is lacking in many areas, especially for 2 bedroom units. This reinforces the importance of implementing better design standards for developers to adhere to.

Overall, for those interested in maintaining the value of their property investment, present areas of demand with excellent amenity to jobs, transport and lifestyle options that also offer scarcity and very little opportunity for future supply to be created will be long term winners. ♦

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Bond Yield Update: August

by Richard Rossmann

“Record low interest rates”. This seems to be the headline of the year, having been used so many times it is hard to remember any other kind of interest rate. Each time we see this, expectations for another rate cut decrease momentarily, only to return to the same, pre-cut probability-levels after a few weeks.

Figure 1 paints a clear picture of a similar short-term outlook, yet weakening long-term expectations. While this graph does not include data since the rate cut (yields on 10 year treasuries have lifted a whopping 0.03% since the July levels shown in Figure 2), we can see almost identical movements at each maturity date from May to June and from June to July.

Yields on 3 year bonds are down 0.05%, 5 year bonds are down 0.1% and 10 year bonds are down 0.2%. This is almost a textbook example of yield curve inversion. In fact, yields on 90 day treasury bills in June were identical to those on 10 year bonds at 1.93%. Other than perhaps transaction costs, there is no reason for an investor to take on the extra risk of longer term securities without any increase in expected return. The RBA had little choice but to cut rates again. Figure 2 shows a similar picture, with greater inversion in the short and medium-term (up until about 2022) and lower yields on long-term maturities. This is a dangerous combination.

An interest rate cut effectively lowers the short-term cash rate (i.e. 90 day yield), which normalises (steepens) the yield curve. In theory, this stimulates the economy by making borrowing cheaper and incentivising banks to borrow at the short-term rate and lend out at the higher long-term rate. If the curve continues to flatten out (as it did since the last rate cut in May) then this impact is almost entirely negated. Like a see-saw, rates will continue to decrease until long-term expectations increase or at least stabilise. ♦

Figure 1
Official Yields on Australian Treasury Bonds

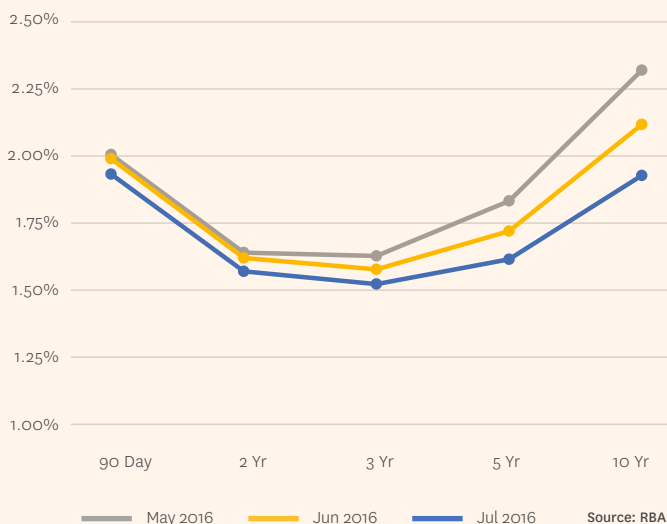
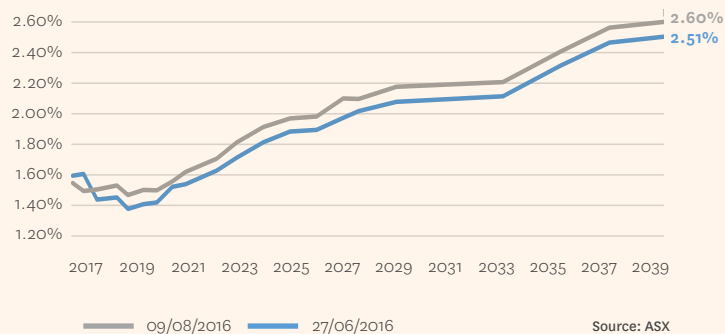


Figure 2
Yield on Australian Treasury Bonds



Inner Melbourne's Most Affordable and Expensive Apartments

by Sheng Yi Lee

Secret Agent has updated its price per square metre index for secondary apartments in inner Melbourne. An additional 478 apartments have been added to the index so that it now consists of a total of 870 apartments which have sold between 1st January 2016 to 30th June 2016. The new average square metre rate for apartments in inner Melbourne is \$8,679/sqm.

The inner South remains the most expensive region for apartments with the average totalling \$9,664/sqm. This is closely followed by the inner East at \$9,089/sqm. Central and

inner North apartment rates are \$8,466/sqm and \$8,395/sqm respectively. The cheapest region to buy secondary apartments in is the inner West, at \$7,124/sqm.

The updated rates according to suburb are listed in Table 1. Apartments in Albert Park on average sell for \$12,165/sqm and are the most expensive apartments in inner Melbourne. East Melbourne (\$12,048) and Middle Park (\$11,000) continue to occupy the top spots on the list.

The least expensive apartments per square metre can be found in Travancore (\$6,660) and Kensington (\$6,699). Among the more affordable inner North suburbs are Brunswick (\$7,138), Brunswick East (\$7,519) and North Melbourne (\$7,789).

There is a widening gap between the price per square metre of Art Deco or period apartments (\$9,644) and the rest of the building styles. This is shown in Table 2.


Further findings about Central apartments (in Docklands, Southbank and Melbourne) are shown in Table 3. 

Table 1 Average price per square metre of apartments by suburb

SUBURB	AVERAGE PRICE PER SQM
ALBERT PARK	\$12,165
EAST MELBOURNE	\$12,048
MIDDLE PARK	\$11,000
FITZROY	\$9,916
PORT MELBOURNE	\$9,833
SOUTH YARRA	\$9,781
CARLTON*	\$9,452
FITZROY NORTH	\$9,245
ABBOTSFORD	\$9,198
PARKVILLE	\$9,118
COLLINGWOOD	\$9,097
CARLTON NORTH	\$8,990
RICHMOND	\$8,801
CLIFTON HILL	\$8,773
SOUTH MELBOURNE	\$8,769
PRAHRAN	\$8,636
NORTHCOTE	\$8,537
DOCKLANDS	\$8,528
SOUTHBANK	\$8,486
MELBOURNE	\$8,436
HAWTHORN	\$8,319
CREMORNE	\$7,966
BURNLEY	\$7,916
WEST MELBOURNE	\$7,852
NORTH MELBOURNE	\$7,789
BRUNSWICK EAST	\$7,519
FLEMINGTON	\$7,315
BRUNSWICK	\$7,138
KENSINGTON	\$6,699
TRAVANCORE	\$6,660
PRINCES HILL	-

* Carlton average excludes student accommodation.

Table 2 Average price per square metre of apartments by building style

STYLE	AVERAGE PRICE PER SQM
ART DECO/PERIOD	\$9,644
POST-90s*	\$8,632
60s-80s BRICK	\$8,570
WAREHOUSE CONVERSIONS	\$8,407
STUDENT ACCOMMODATION	\$6,823

* Apartments built from the 1990s onwards with at least 1 resale.
Does not include off the plan sales.

Table 3 Average price per square metre of Central apartments

BED	CAR*	AVERAGE PRICE PER SQM
4	2	\$9,806
3	2	\$9,615
2	2	\$9,231
3	1	\$8,681
2	1	\$8,544
1	1	\$8,280
STUDIO	0	\$8,059
2	0	\$7,987
1	0	\$7,635

* Carspaces were not included in calculating the apartment size.

Inner Melbourne's Smallest and Largest Apartments

by Jodie Walker

Inner Melbourne's apartments are getting tinier with each new development. But, how small is small? Secret Agent's updated apartment index reveals that the average size of a 1 bedroom apartment is only 47sqm, and for the more popular 2 bedroom apartment the average size is 73sqm.

These figures are frustrating for many homebuyers looking for an apartment that they can actually live in comfortably. Our index, which is based on 870 apartments in inner Melbourne which have sold between the 1st January 2016 and 30th

June 2016, offers some insight into where buyers can find apartments with larger than average floor plans.

East Melbourne has the largest two bedroom apartments. At almost 90sqm on average, this was a standout with the second largest 2 bedroom apartments being 10sqm smaller at 80sqm in Port Melbourne. These suburbs are generous with the size of their apartments, most likely due to the properties occupying the top end of the market. Buyers here are much more willing to pay for additional space and are not as price sensitive. This means a developer in these areas may be able to sell bigger apartments and still get a similar profit to what they would if they sold more smaller apartments.

On the other hand, Travancore and Prahran have the smallest 2 bedroom apartments at 57.6sqm and 60.9sqm respectively. A younger demographic is attracted to these suburbs and thus they tend to be more price sensitive. Developers here have designed smaller floor plans and perhaps would be penalised if they built apartments too large in size. The investor market is also more prevalent in these suburbs. [◆](#)

Table 1 Average size of apartments by suburb

SUBURB	AV. SIZE OF 1 BED APT	AV. SIZE OF 2 BED APT
EAST MELBOURNE	49.1	89.6
COLLINGWOOD	55.0	79.9
PORT MELBOURNE	51.0	79.4
CLIFTON HILL	43.2	77.8
KENSINGTON	49.0	77.1
CARLTON NORTH	39.2	76.6
NORTH MELBOURNE	51.8	76.5
DOCKLANDS	51.4	76.3
ABBOTSFORD	43.9	76.1
RICHMOND	45.6	75.0
WEST MELBOURNE	57.0	74.9
ALBERT PARK	-	74.2
SOUTHBANK	55.2	73.9
FITZROY NORTH	39.7	73.7
SOUTH YARRA	43.1	72.4
BRUNSWICK EAST	57.1	71.5
CARLTON*	54.4	71.0
MELBOURNE	50.7	71.0
BRUNSWICK	45.3	70.0
MIDDLE PARK	41.1	69.9
SOUTH MELBOURNE	42.5	69.8
HAWTHORN	45.1	69.7
PARKVILLE	41.9	69.5
FLEMINGTON	37.1	66.7
FITZROY	48.9	66.4
NORTHCOTE	40.8	62.7
PRAHRAN	44.1	60.9
BURNLEY	-	60.7
TRAVANCORE	-	57.6
CREMORNE	-	-
PRINCES HILL	-	-

Table 2 Average size of apartments by building style

STYLE	AVERAGE SIZE
ART DECO/PERIOD	79.1
POST-90s*	69.3
60s-80s BRICK	58.7
WAREHOUSE CONVERSIONS	97.4
STUDENT ACCOMMODATION	34.1

* Apartments built from the 1990s onwards with at least 1 resale. Does not include off the plan sales.

Table 3 Average size of Central apartments by accommodation size

BED	CAR*	AVERAGE SIZE
4	2	202.8
3	2	141.5
2	2	102.1
3	1	99.7
2	1	71.2
1	1	57.0
STUDIO	0	28.3
2	0	56.3
1	0	45.8

* Carlton average excludes student accommodation.

* Carspaces not included in calculating the apartment size.

Market Review

by Richard Rossmann

This month, we've looked at the housing market from a different angle. While plenty of analysis is carried out on the demand for property, information on upcoming supply is less readily available, despite the greater insight it can provide into the market.

While it is always a good idea to be careful when dealing with expectations and forecasts, approved building permits are a firm commitment by developers and thus serve as a very good indicator of how the market is likely to change in the near future. A lot of supply in one region may stifle growth, yet not enough could have more dire consequences as residents, in particular the vulnerable and young, may be driven out of the area by soaring prices. Of course there are always two sides to any coin and any level of supply may be acceptable, so long as it is balanced by similar levels of demand.

When comparing this rolling quarter to the previous, there is a lot of noise created by seasonal trends that needs to be taken into account. This can be achieved by doing a year-on-year comparison. What we see from this is that while median apartment prices are down 7.63% over the quarter, apartments in the inner city (CBD, Southbank and Docklands) have experienced real growth of 3.82% since August last year. This is further confirmed when looking at our bust list. Out of the 11 suburbs on it this month, 6 have seen only two consecutive months of negative price growth. This means that for the majority, the price falls are of a cyclical nature, rather than an underlying trend.

Townhouse median prices are also down, 1.23% over the quarter. Yet again, houses prove to be the most resilient category, still up 5.58% over the quarter, despite a large increase in listings (from about 230 to 300) and the aforementioned seasonal dampers. On a 12-month basis, all inner regions are doing very well, with real average prices between 13% and 21% higher than in August last year. The inner North has three suburbs on the boom list this month: Brunswick, Collingwood and Northcote. In the inner South, Middle Park and South Melbourne houses have seen four and three consecutive increases in average prices, respectively.

Interest rates have an impact on supply and demand. Lower cost of borrowing enables developers to finance their ventures and produce more supply. Our bond yield update (page 10) shows that the recent interest rate cuts are not producing the desired effects. With no sign of an increase in rates anytime soon, more residential and commercial developments may be encouraged over the next few years. ♦

Top Sales

AUGUST 2016

Supply
Vol.48 September 2016

Residential



- 1 **\$1,560,000** 7/6 Wellington Crescent, East Melbourne
- 2 **\$1,500,000** 8/79 Oxford Street, Collingwood
- 3 **\$3,225,000** 10 Oak Street, Hawthorn
- 4 **\$2,175,000** 13 Hawthorn Road, Northcote
- 5 **\$4,135,000** 416 Queens Parade, Fitzroy North
- 6 **\$1,935,000** 13B Chambers Street, South Yarra
- 7 **\$1,755,000** 25 Gray Street, Brunswick
- 8 **\$1,310,000** 28 Lily Street, Seddon
- 9 **\$1,851,000** 66 Fitzgibbon Street, Parkville
- 10 **\$2,030,000** 227A Danks Street, Albert Park

Quarterly Scorecard

Supply
Vol.48 September 2016

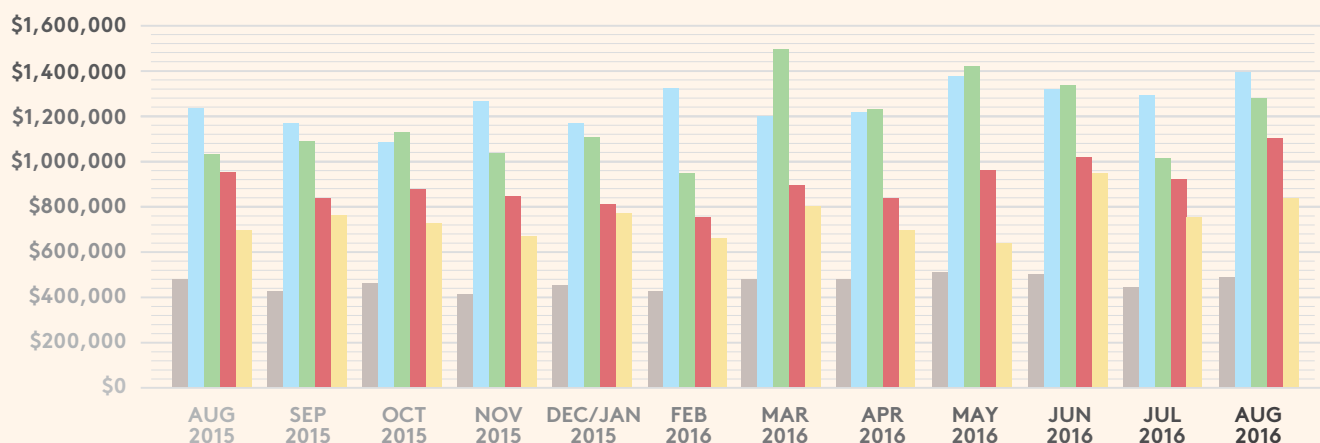
JUN - AUG 2016

	Apartments	Houses	Townhouses
QUARTERLY GROWTH/DECLINE	-7.63% ↓	+5.58% ↑	-1.23% ↓
MEDIAN PRICE	\$520,500	\$1,325,000	\$881,500
AVERAGE PRICE	\$595,437	\$1,507,794	\$913,373
MEDIAN SQM	\$8,679	\$6,736 +8.61% ↑	\$8,737* +1.02% ↑
STOCK INVENTORY	3301 +2.80% ↑	306 +29.11% ↑	121 +11.01% ↑
BOOM	Docklands ↑	Brunswick ↑ Collingwood ↑ Middle Park ↑ Northcote ↑ South Melbourne ↑ Travancore ↑	-
BUST	Carlton ↓ Clifton Hill ↓ East Melbourne ↓ Fitzroy North ↓ Kensington ↓ Middle Park ↓ North Melbourne ↓ Richmond ↓ South Melbourne ↓ South Yarra ↓ Port Melbourne ↓	Albert Park ↓ Carlton North ↓ Cremorne ↓ Flemington ↓ Prahran ↓ Richmond ↓	-

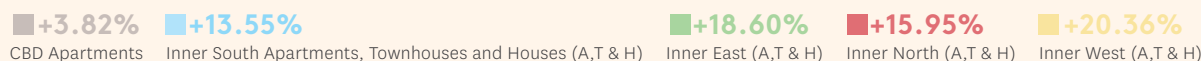
*Less than 10 sales recorded.

YEAR ON YEAR LOOK

Median Prices



AUG 2015 - AUG 2016 GROWTH/DECLINE



NOTES

- After a slump in July, houses and townhouses in all inner regions have recovered. Houses are still up by 5.58% over the quarter, but townhouses are down 1.23% over the same time period.
- Apartments in the inner suburbs (excluding the CBD) have struggled the most: 11 out of 28 suburbs are on the apartment bust list.
- Listings for all property types are up, with houses seeing 30% more listings this month compared to the last.

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

JUN - AUG 2016

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		PREVIOUS QUARTER (MAR, APR, MAY 2016)				CURRENT QUARTER (JUN, JUL, AUG 2016)			
		Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)	Apartments	Apartments (by area)	Houses & Townhouses	Houses & Townhouses (by area)
Central	Docklands	2.15%		0.00%		1.66%		0.00%	
	Melbourne	0.99%	1.18%	0.00%	0.00%	0.99%	1.04%	1.52%	12.18%
	Southbank	1.19%		0.00%		0.87%		0.79%	
Inner North	Brunswick	1.05%		1.15%		1.05%		0.68%	
	Brunswick East	1.13%		0.84%		1.23%		0.64%	
	Carlton	0.43%		1.06%		0.50%		0.91%	
	Carlton North	0.57%		0.77%		0.38%		0.72%	
	Clifton Hill	0.80%		0.92%		0.80%		0.60%	
	Collingwood	1.23%	0.67%	0.83%	0.87%	1.50%	0.68%	0.19%	0.60%
	Fitzroy	0.78%		0.70%		0.46%		1.02%	
	Fitzroy North	0.50%		0.73%		0.41%		0.48%	
	North Melbourne	0.37%		0.88%		0.48%		0.68%	
	Northcote	0.52%		0.78%		0.52%		0.58%	
	Parkville	0.70%		0.57%		0.82%		0.72%	
Princes Hill	0.00%		0.65%		0.00%		0.16%		
Inner East	Abbotsford	1.73%		1.20%		2.43%		1.12%	
	Burnley	0.68%		0.49%		0.00%		0.49%	
	Cremorne	0.00%		0.39%		0.00%		0.59%	
	East Melbourne	0.50%	0.74%	1.60%	1.15%	1.00%	1.03%	1.07%	0.81%
	Hawthorn	0.71%		1.00%		1.04%		0.73%	
	Prahran	0.67%		1.65%		0.86%		1.21%	
	Richmond	0.78%		1.04%		1.03%		0.99%	
	South Yarra	0.76%		1.20%		1.03%		0.80%	
Inner South	Albert Park	0.20%		0.71%		0.39%		0.59%	
	Middle Park	0.42%	0.71%	1.02%	0.99%	1.26%	1.01%	0.94%	0.31%
	Port Melbourne	0.88%		1.29%		1.03%		0.87%	
	South Melbourne	0.64%		0.94%		1.08%		0.35%	
Inner West	Flemington	0.30%		1.08%		0.48%		0.36%	
	Kensington	1.19%	0.87%	1.29%	1.28%	1.99%	1.03%	0.65%	1.35%
	Travancore	1.25%		0.37%		1.04%		1.49%	
	West Melbourne	1.30%		2.20%		0.71%		0.80%	

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

Apartments

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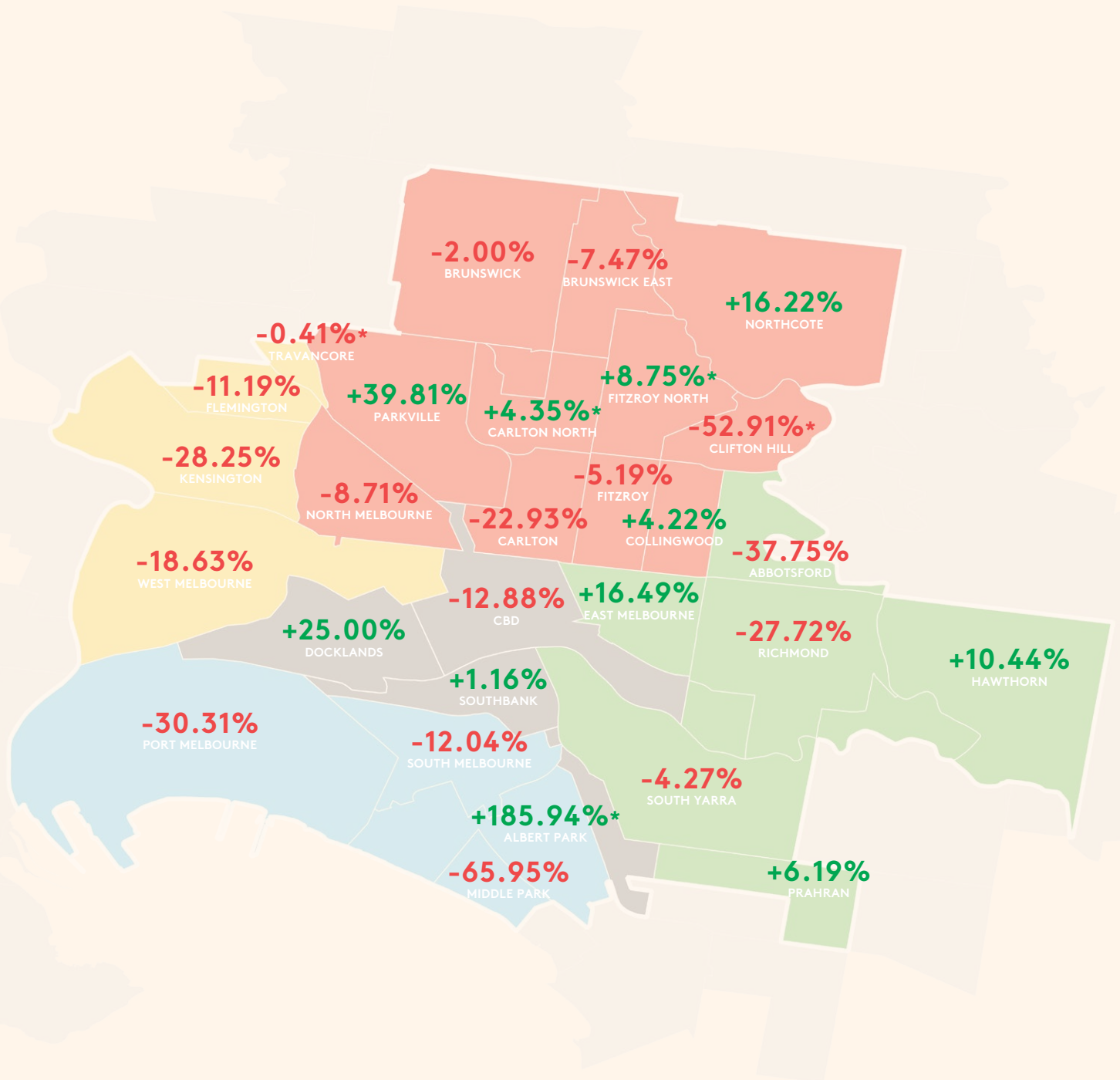
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (MAR, APR, MAY 2016)				CURRENT QUARTER (JUN, JUL, AUG 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	\$672,720	\$600,000	\$348,000	\$1,560,000	\$785,560	\$750,000	↑ 25.00%	\$324,000	\$1,900,000
Melbourne	\$599,280	\$528,000	\$129,000	\$3,500,000	\$540,292	\$460,000	↓ -12.88%	\$185,000	\$2,138,000
Southbank	\$607,617	\$580,000	\$315,000	\$1,250,000	\$666,144	\$586,750	↑ 1.16%	\$300,500	\$2,700,000
Brunswick	\$486,306	\$462,000	\$300,000	\$815,000	\$534,515	\$441,000	↓ -2.00%	\$271,000	\$1,700,000
Brunswick East	\$587,208	\$562,000	\$395,000	\$1,010,000	\$597,772	\$520,000	↓ -7.47%	\$338,000	\$930,000
Carlton	\$527,365	\$519,000	\$185,000	\$1,126,000	\$459,289	\$400,000	↓ -22.93%	\$155,000	\$925,000
Carlton North	*\$504,000	*\$460,000	\$301,000	\$751,000	*\$480,000	*\$480,000	↑ 4.35%	\$390,000	\$570,000
Clifton Hill	*\$896,375	*\$911,000	\$543,500	\$1,220,000	*\$522,125	*\$429,000	↓ -52.91%	\$345,000	\$885,500
Collingwood	\$734,393	\$580,500	\$140,000	\$1,700,000	\$689,925	\$605,000	↑ 4.22%	\$360,000	\$1,500,000
Fitzroy	\$699,164	\$693,500	\$150,000	\$1,330,000	\$643,700	\$657,500	↓ -5.19%	\$458,000	\$810,000
Fitzroy North	*\$474,000	*\$400,000	\$270,000	\$775,000	*\$446,800	*\$435,000	↑ 8.75%	\$317,000	\$602,000
North Melbourne	\$593,750	\$534,000	\$460,000	\$950,000	\$468,177	\$487,500	↓ -8.71%	\$140,000	\$587,134
Northcote	\$419,750	\$391,500	\$280,000	\$672,500	\$470,333	\$455,000	↑ 16.22%	\$350,000	\$601,000
Parkville	\$509,667	\$525,000	\$335,000	\$695,000	\$700,085	\$734,000	↑ 39.81%	\$526,000	\$1,040,000
Princes Hill	-	-	-	-	-	-	-	-	-
Abbotsford	\$708,688	\$755,000	\$423,500	\$975,000	\$519,576	\$470,000	↓ -37.75%	\$312,000	\$1,200,000
Burnley	*\$505,500	*\$505,500	\$505,500	\$505,500	-	-	-	-	-
Cremorne	-	-	-	-	-	-	-	-	-
East Melbourne	\$953,500	\$682,500	\$114,000	\$2,275,000	\$1,028,925	\$795,050	↑ 16.49%	\$425,000	\$3,500,000
Hawthorn	\$577,328	\$517,000	\$275,000	\$1,505,000	\$599,483	\$571,000	↑ 10.44%	\$198,888	\$1,015,000
Prahran	\$554,773	\$541,000	\$275,000	\$830,000	\$564,766	\$574,500	↑ 6.19%	\$240,000	\$1,400,000
Richmond	\$665,914	\$578,000	\$301,000	\$2,020,000	\$504,662	\$417,750	↓ -27.72%	\$190,000	\$1,400,000
South Yarra	\$667,220	\$585,000	\$119,000	\$1,600,000	\$668,645	\$560,000	↓ -4.27%	\$220,000	\$2,100,000
Albert Park	-	-	-	-	*\$1,850,000	*\$1,850,000	↑ 185.94%	\$1,850,000	\$1,850,000
Middle Park	*\$1,815,000	*\$1,815,000	\$880,000	\$2,750,000	\$582,583	\$618,000	↓ -65.95%	\$377,500	\$800,000
Port Melbourne	\$943,444	\$805,000	\$410,000	\$2,260,000	\$650,825	\$568,000	↓ -30.31%	\$347,500	\$1,405,000
South Melbourne	\$839,450	\$631,000	\$300,000	\$2,100,000	\$743,250	\$555,000	↓ -12.04%	\$375,000	\$2,355,000
Flemington	*\$348,500	*\$400,000	\$250,000	\$420,500	\$390,062	\$355,250	↓ -11.19%	\$240,000	\$556,000
Kensington	\$581,571	\$600,000	\$330,000	\$845,000	\$454,043	\$430,500	↓ -28.25%	\$312,000	\$666,000
Travancore	*\$372,500	*\$367,500	\$315,000	\$420,000	*\$377,000	*\$366,000	↓ -0.41%	\$330,000	\$435,000
West Melbourne	\$685,000	\$585,000	\$342,000	\$1,325,000	\$488,500	\$476,000	↓ -18.63%	\$418,000	\$601,000

Table compiled from data collected from March to August 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 March to August 2016. Princes Hill, Burnley and Cremorne were omitted due to insufficient data.
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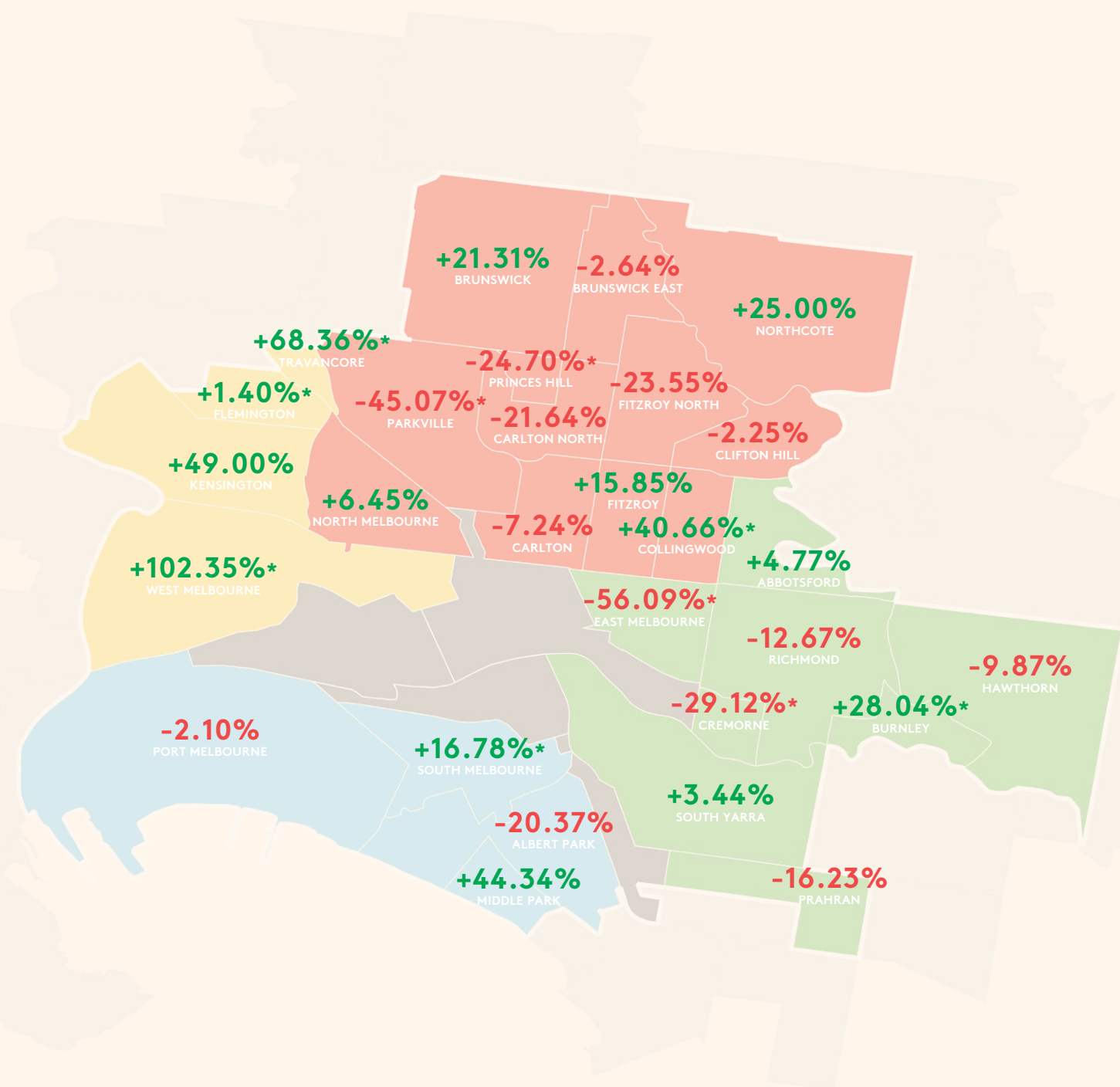
PRICE COMPARISONS BY ROLLING QUARTERS

	PREVIOUS QUARTER (MAR, APR, MAY 2016)				CURRENT QUARTER (JUN, JUL, AUG 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	-	-	-	-	*\$815,000	*\$815,000		\$815,000	\$815,000
Brunswick	\$991,589	\$915,000	\$542,000	\$1,550,000	\$1,187,328	\$1,110,000	↑ 21.31%	\$755,000	\$1,875,000
Brunswick East	\$1,135,918	\$1,078,500	\$106,183	\$1,750,000	\$1,116,222	\$1,050,000	↓ -2.64%	\$600,000	\$1,815,000
Carlton	\$1,618,008	\$1,630,100	\$780,000	\$2,600,000	\$1,670,375	\$1,512,000	↓ -7.24%	\$957,000	\$2,850,000
Carlton North	\$1,640,800	\$1,710,000	\$880,000	\$2,800,000	\$1,445,133	\$1,340,000	↓ -21.64%	\$876,000	\$2,550,000
Clifton Hill	\$1,294,917	\$1,222,500	\$730,000	\$2,610,000	\$1,149,888	\$1,195,000	↓ -2.25%	\$780,000	\$1,380,000
Collingwood	\$1,055,222	\$910,000	\$810,000	\$1,770,000	*\$1,280,000	*\$1,280,000	↑ 40.66%	\$1,280,000	\$1,280,000
Fitzroy	\$1,273,250	\$1,180,000	\$835,000	\$2,020,000	\$1,552,750	\$1,367,000	↑ 15.85%	\$715,000	\$3,310,000
Fitzroy North	\$1,646,208	\$1,590,500	\$899,000	\$3,400,000	\$1,472,366	\$1,216,000	↓ -23.55%	\$769,000	\$4,135,000
North Melbourne	\$1,276,455	\$1,240,000	\$665,000	\$1,950,000	\$1,487,625	\$1,320,000	↑ 6.45%	\$815,000	\$3,500,000
Northcote	\$1,226,953	\$1,050,000	\$800,000	\$2,700,000	\$1,465,214	\$1,312,500	↑ 25.00%	\$875,000	\$2,785,000
Parkville	*\$3,003,333	*\$3,720,000	\$1,340,000	\$3,950,000	*\$1,996,750	*\$2,043,500	↓ -45.07%	\$965,000	\$2,935,000
Princes Hill	*\$1,966,250	*\$1,382,500	\$1,100,000	\$4,000,000	*\$1,041,000	*\$1,041,000	↓ -24.70%	\$1,041,000	\$1,041,000
Abbotsford	\$1,319,500	\$1,121,000	\$750,000	\$2,440,000	\$1,182,062	\$1,174,500	↑ 4.77%	\$882,500	\$1,510,000
Burnley	*\$881,000	*\$881,000	\$881,000	\$881,000	*\$1,128,000	*\$1,128,000	↑ 28.04%	\$1,128,000	\$1,128,000
Cremorne	*\$1,227,500	*\$1,227,500	\$1,145,000	\$1,310,000	*\$870,000	*\$870,000	↓ -29.12%	\$725,000	\$1,015,000
East Melbourne	\$3,150,750	\$3,552,500	\$1,070,000	\$5,850,000	*\$2,621,000	*\$1,560,000	↓ -56.09%	\$1,450,000	\$5,100,000
Hawthorn	\$2,534,033	\$2,255,000	\$1,077,000	\$6,000,000	\$2,289,541	\$2,032,500	↓ -9.87%	\$1,155,000	\$4,300,000
Prahran	\$1,752,389	\$1,707,000	\$845,000	\$2,895,000	\$1,648,423	\$1,430,000	↓ -16.23%	\$952,750	\$3,890,000
Richmond	\$1,432,938	\$1,345,500	\$796,500	\$3,100,000	\$1,274,734	\$1,175,000	↓ -12.67%	\$720,000	\$2,240,000
South Yarra	\$2,251,783	\$1,600,000	\$906,000	\$7,150,000	\$1,698,961	\$1,655,000	↑ 3.44%	\$1,036,500	\$3,880,000
Albert Park	\$2,284,722	\$1,910,000	\$980,000	\$7,805,000	\$1,884,571	\$1,521,000	↓ -20.37%	\$985,000	\$3,755,000
Middle Park	\$1,873,500	\$1,635,000	\$1,005,000	\$4,050,000	\$2,314,714	\$2,360,000	↑ 44.34%	\$1,130,000	\$3,950,000
Port Melbourne	\$1,395,914	\$1,380,000	\$825,000	\$2,950,000	\$1,463,690	\$1,351,000	↓ -2.10%	\$875,000	\$3,850,000
South Melbourne	\$1,470,583	\$1,216,000	\$790,000	\$2,900,000	*\$1,651,800	*\$1,420,000	↑ 16.78%	\$1,139,000	\$2,475,000
Flemington	\$1,237,429	\$998,000	\$770,000	\$2,370,000	*\$1,029,900	*\$1,012,000	↑ 1.40%	\$757,500	\$1,315,000
Kensington	\$1,000,080	\$827,000	\$650,000	\$1,875,000	\$1,124,541	\$1,232,250	↑ 49.00%	\$732,000	\$1,370,000
Travancore	*\$700,000	*\$700,000	\$700,000	\$700,000	*\$1,215,750	*\$1,178,500	↑ 68.36%	\$756,000	\$1,750,000
West Melbourne	\$1,140,833	\$892,500	\$585,000	\$2,100,000	*\$1,806,000	*\$1,806,000	↑ 102.35%	\$1,242,000	\$2,370,000

Table compiled from data collected from March to August 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 March to August 2016. Docklands, Melbourne and Southbank were omitted due to insufficient data.

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

PRICE COMPARISONS BY ROLLING QUARTERS

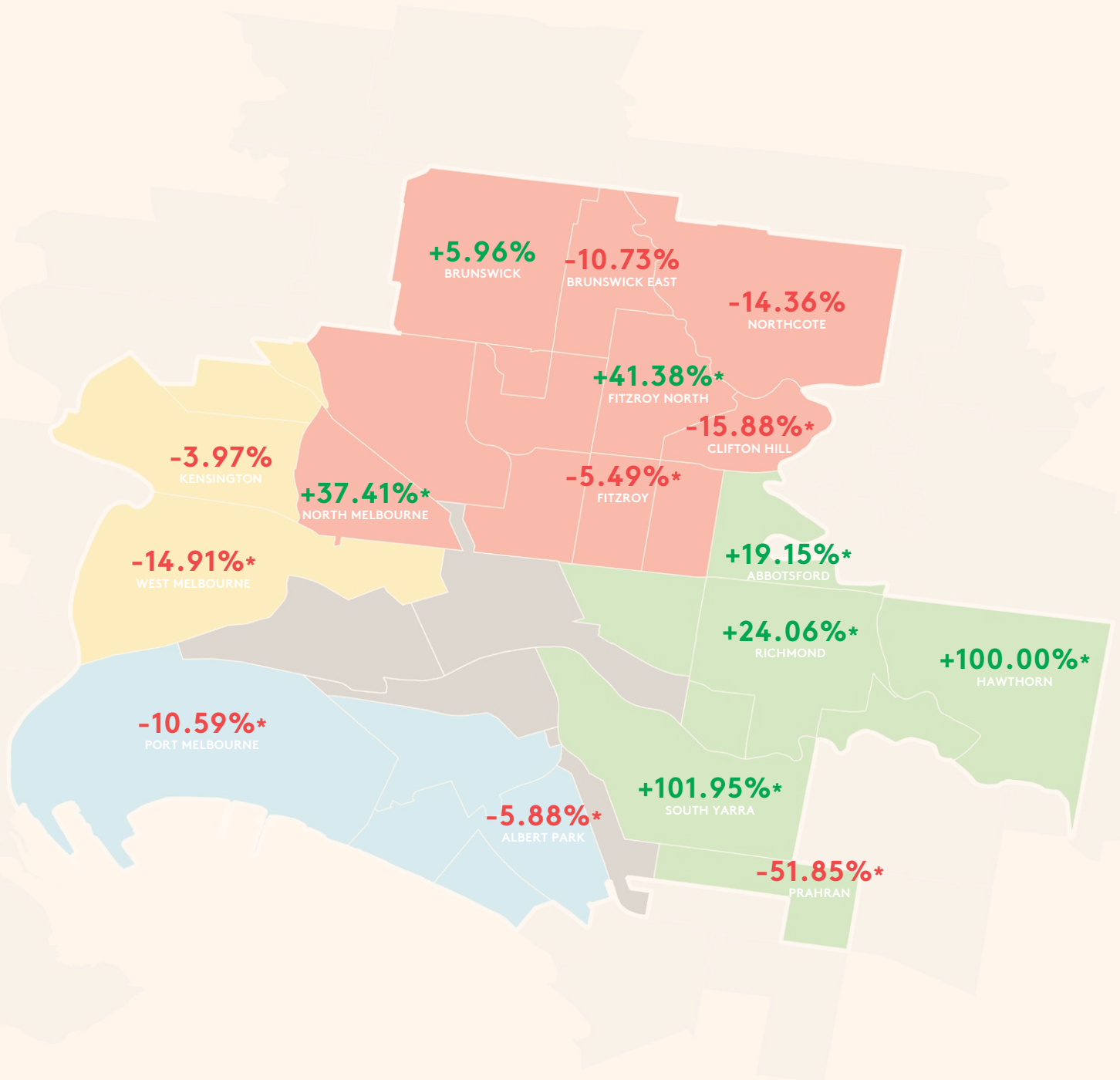
	PREVIOUS QUARTER (MAR, APR, MAY 2016)				CURRENT QUARTER (JUN, JUL, AUG 2016)				
	Average Price	Median Price	Lowest Sale	Highest Sale	Average Price	Median Price	% change	Lowest Sale	Highest Sale
Docklands	-	-	-	-	-	-		-	-
Melbourne	-	-	-	-	-	-		-	-
Southbank	-	-	-	-	-	-		-	-
Brunswick	\$738,600	\$755,000	\$595,000	\$872,000	\$859,857	\$800,000	↑ 5.96%	\$665,000	\$1,252,000
Brunswick East	*\$887,000	*\$899,000	\$771,000	\$1,010,000	\$805,000	\$802,500	↓ -10.73%	\$677,000	\$940,000
Carlton	-	-	-	-	*\$1,169,333	*\$1,281,000		\$872,000	\$1,355,000
Carlton North	-	-	-	-	-	-		-	-
Clifton Hill	*\$1,064,800	*\$1,160,000	\$862,000	\$1,220,000	*\$975,750	*\$975,750	↓ -15.88%	\$881,500	\$1,070,000
Collingwood	*\$837,500	*\$887,500	\$727,500	\$897,500	-	-		-	-
Fitzroy	*\$906,667	*\$910,000	\$780,000	\$1,030,000	*\$816,666	*\$860,000	↓ -5.49%	\$710,000	\$880,000
Fitzroy North	*\$725,000	*\$725,000	\$725,000	\$725,000	*\$1,025,000	*\$1,025,000	↑ 41.38%	\$915,000	\$1,135,000
North Melbourne	*\$908,250	*\$931,500	\$705,000	\$1,065,000	*\$1,118,666	*\$1,280,000	↑ 37.41%	\$701,000	\$1,375,000
Northcote	\$901,000	\$888,000	\$760,000	\$1,100,000	\$776,166	\$760,500	↓ -14.36%	\$658,500	\$905,000
Parkville	-	-	-	-	-	-		-	-
Princes Hill	-	-	-	-	-	-		-	-
Abbotsford	*\$644,667	*\$710,000	\$429,000	\$795,000	*\$829,750	*\$846,000	↑ 19.15%	\$700,000	\$927,000
Burnley	-	-	-	-	-	-		-	-
Cremorne	-	-	-	-	*\$1,175,000	*\$1,175,000		\$1,175,000	\$1,175,000
East Melbourne	*\$1,620,000	*\$1,620,000	\$1,620,000	\$1,620,000	-	-		-	-
Hawthorn	*\$752,500	*\$752,500	\$752,500	\$752,500	*\$1,505,000	*\$1,505,000	↑ 100.00%	\$950,000	\$2,060,000
Prahran	*\$1,556,250	*\$1,620,000	\$1,195,000	\$1,790,000	*\$780,000	*\$780,000	↓ -51.85%	\$780,000	\$780,000
Richmond	\$1,157,000	\$1,060,000	\$710,000	\$2,020,000	*\$1,234,000	*\$1,315,000	↑ 24.06%	\$1,012,000	\$1,375,000
South Yarra	*\$822,500	*\$822,500	\$760,000	\$885,000	*\$1,490,333	*\$1,661,000	↑ 101.95%	\$1,010,000	\$1,800,000
Albert Park	*\$1,085,000	*\$1,085,000	\$1,085,000	\$1,085,000	*\$1,148,750	*\$1,148,750	↑ 5.88%	\$927,500	\$1,370,000
Middle Park	-	-	-	-	-	-		-	-
Port Melbourne	*\$1,426,250	*\$1,487,500	\$1,130,000	\$1,600,000	*\$1,330,000	*\$1,330,000	↓ -10.59%	\$1,035,000	\$1,625,000
South Melbourne	*\$1,633,333	*\$1,615,000	\$1,185,000	\$2,100,000	-	-		-	-
Flemington	*\$572,000	*\$572,000	\$572,000	\$572,000	-	-		-	-
Kensington	\$761,813	\$781,000	\$387,500	\$980,000	\$700,142	\$750,000	↓ -3.97%	\$533,000	\$790,000
Travancore	-	-	-	-	-	-		-	-
West Melbourne	*\$1,277,500	*\$1,277,500	\$1,230,000	\$1,325,000	*\$1,087,000	*\$1,087,000	↓ -14.91%	\$914,000	\$1,260,000

Table compiled from data collected from March to August 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

Supply
Vol.48 September 2016

QUARTERLY MEDIAN CHANGE BY SUBURB




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

SECRET

INSIDE PERSPECTIVE

AGENT



Supply

Vol. 48 September 2016

Words

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Data

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The data upon which this report is based was sourced from:
The Australian Bureau of Statistics (abs.gov.au/census),
REIV (reiv.com.au/property-data/auction-results),
The Department of Human Resources, Google Maps,
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