



**> Affordable & Liveable Property Guide**  
Melbourne Metro 1<sup>st</sup> Half 2022



## OVERVIEW

Median property prices in Melbourne Metro have marginally softened by -1.0% for houses to \$1,140,000 from Q1 2021 to Q1 2022\*, and by -0.8% for units at \$630,000. Between Q1 2021 – Q4 2022 total sales declined by -10.0% (to 6,593 sales) for houses and by -7.0% (to 6,901 sales) for units. In comparison, between Q3 2020 – Q3 2021 Melbourne Metro's median price grew by 17.7% for houses and 2.4% for units. During this time, house sales grew by 73.0%, as did unit sales by 90.0%. The Melbourne Metro market has taken a turn in price growth, swinging to a higher level of affordability for buyers. Demand, in particular for houses, has slowed, which creates an opportunity for first home buyers. A total of \$25.5B of projects are planned across the 1<sup>st</sup> half of 2022, with a key focus on infrastructure and commercial projects. This will create local jobs pre and post construction, which along with international borders opening can translate to a revival in housing demand.

## RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2020	Median Price 2021/22*	Price Growth	Projects 2022***
Inner	Kensington	House	\$937,000	\$1,146,000	22.2%	\$120.0M
	Kensington	Unit	\$532,000	\$552,000	3.7%	\$120.0M
North	Greensborough	House	\$795,000	\$1,000,000	25.8%	\$34.0M
	Greensborough	Unit	\$640,000	\$718,000	12.2%	\$34.0M
South	Moorabbin	House	\$1,060,000	\$1,400,000	32.1%	\$182.2M
	Clayton South	Unit	\$521,000	\$615,000	18.0%	\$15.2M
East	Oakleigh South	House	\$908,000	\$1,200,000	32.2%	\$32.0M
	Vermont	Unit	\$725,000	\$845,000	16.6%	\$25.7M
West	Altona	House	\$920,000	\$1,185,000	28.8%	\$211.1M
	Taylors Lakes	Unit	\$453,000	\$505,000	11.5%	\$39.1M

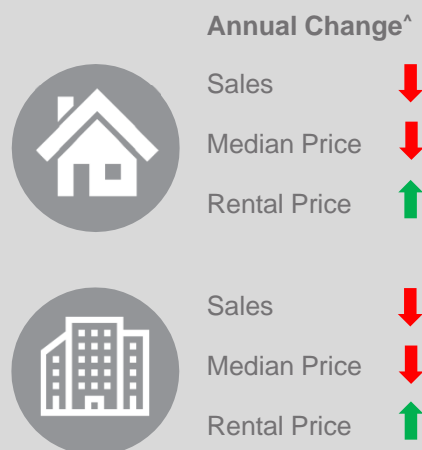
## METHODOLOGY

This affordable and liveable property guide for Melbourne Metro analyses all suburbs within a 20km radius of the Melbourne CBD. The following criteria were considered:

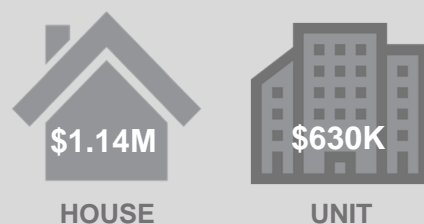
- **Property trends criteria** – All suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive or as close as possible to neutral price growth between 2020 to 2021/22\*.
- **Investment criteria** – as of March 2022, suburbs considered will have an on-par or higher rental yield than Melbourne Metro and an on-par or lower vacancy rate.
- **Affordability criteria** – This was determined by the percentage premiums that needed to be added to the Victoria (VIC) average home loan, which was \$616,513\*\* as of Q4 2021. For the chosen suburbs in this report, a premium between 62.2% to 70.3% for houses and -18.1% to -0.2% for units were needed on top of the VIC average home loan. This is below the premium required to reach Melbourne Metro's median prices, which is 84.9% for houses and 2.2% for units. Thus, the chosen suburbs in this report are more affordable for buyers.
- **Development criteria** – Suburbs identified must have a high total estimated value of future project development for the 1<sup>st</sup> half of 2022, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn positively affecting the property market.
- **Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the VIC average (as determined by the Department of Jobs and Small Business, December Quarter 2021 release).

\*Median price quoted captures sale transactions from 1st January 2021 to 31st March 2022, or Q1 2021 – Q1 2022. \*\*Average home loan figure is derived from December Quarter 2021 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. \*\*\*Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 1<sup>st</sup> half of 2022 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2021 to Q1 2022. Figures displayed in infographics are for the period Q1 2022. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2022.

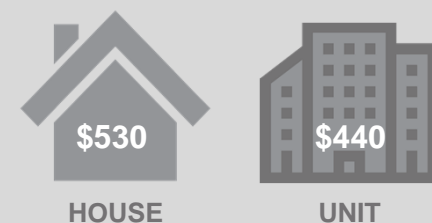
## MELBOURNE METRO



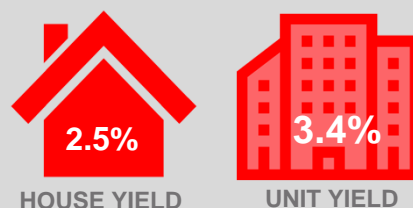
### MEDIAN SALE PRICE



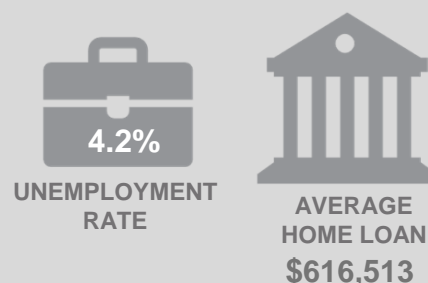
### MEDIAN RENTAL PRICE



### BENCHMARKS MELBOURNE METRO

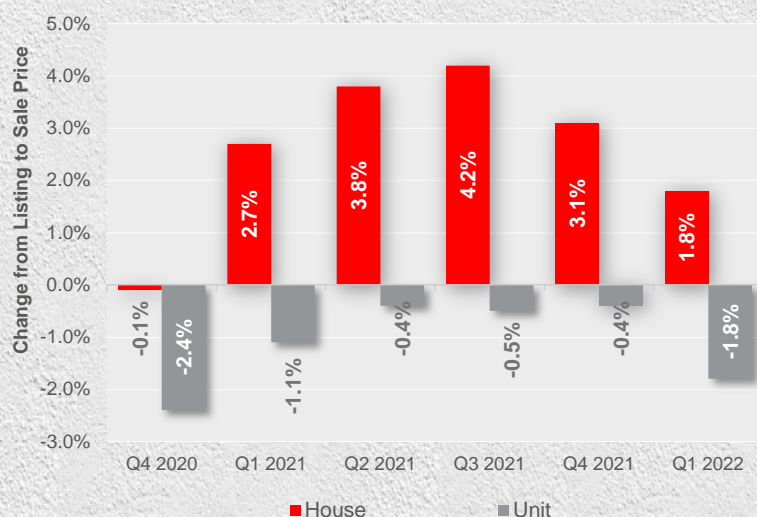


### BENCHMARKS VICTORIA





## AVERAGE VENDOR DISCOUNT

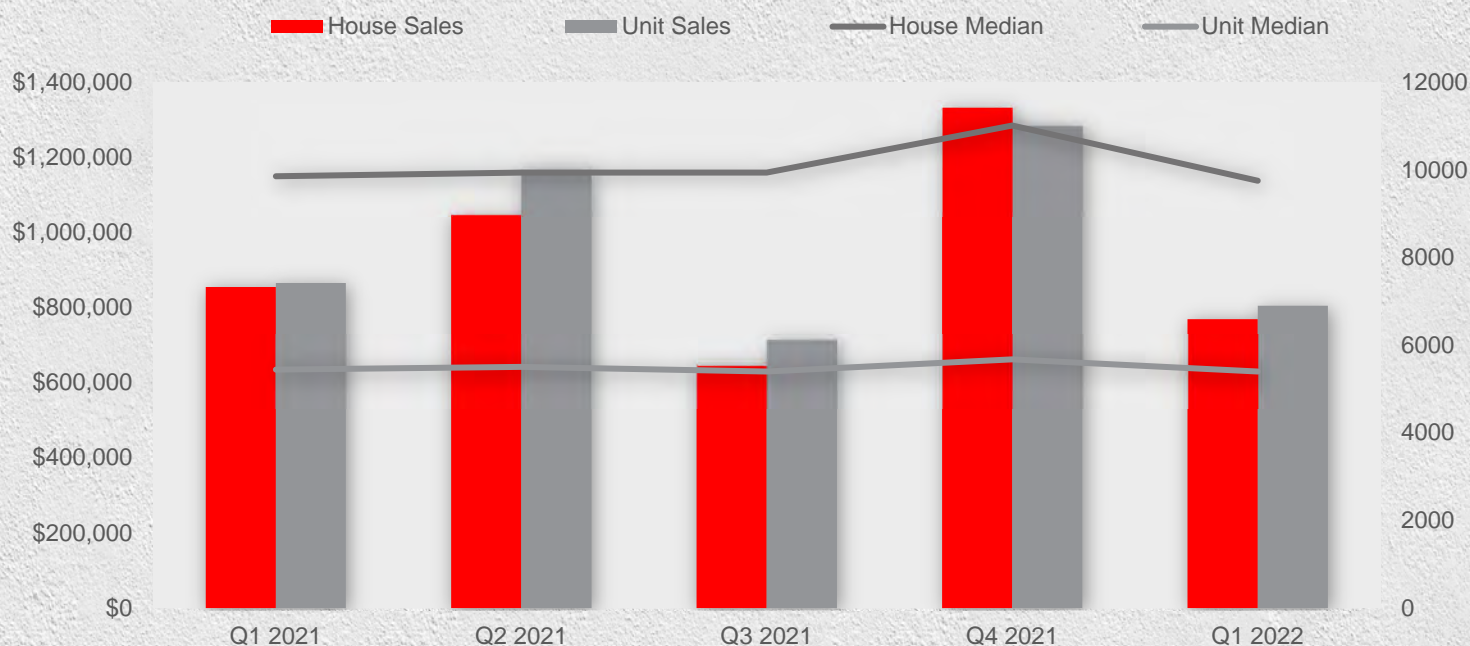


## KEY COMMENTS

Average vendor discounts between Q1 2021 and Q1 2022 still trend at a premium for houses (1.8%), but this is the lowest premium for the past 5 quarters. Unit average vendor premium discount has widened to -1.8%. The Melbourne Metro market conditions have drifted to a buyers market, although house sellers can still achieve a final sale price above the first list price.

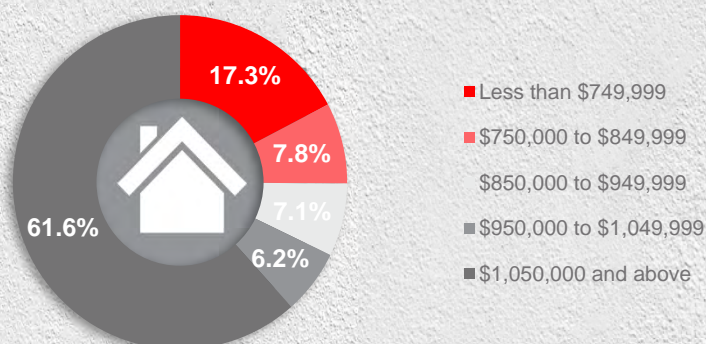
The dominant proportion of homes sold in Melbourne Metro across 2021# were in the premium price bracket of \$1,050,000 and above (61.6%). Units also recorded a dominant premium price bracket of \$600,000 and above (58.8%). The middle-price market has shrunk for both property types, however compared to Q3 2021 the most affordable price point has grown for houses. This brings hope to first home buyers entering the market.

## MARKET PERFORMANCE

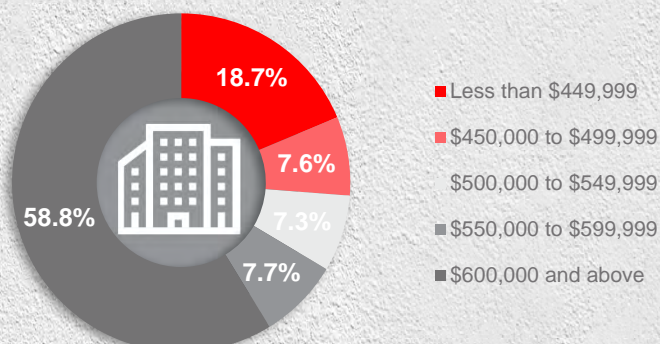


## PRICE BREAKDOWN 2021/22#

### HOUSES SOLD

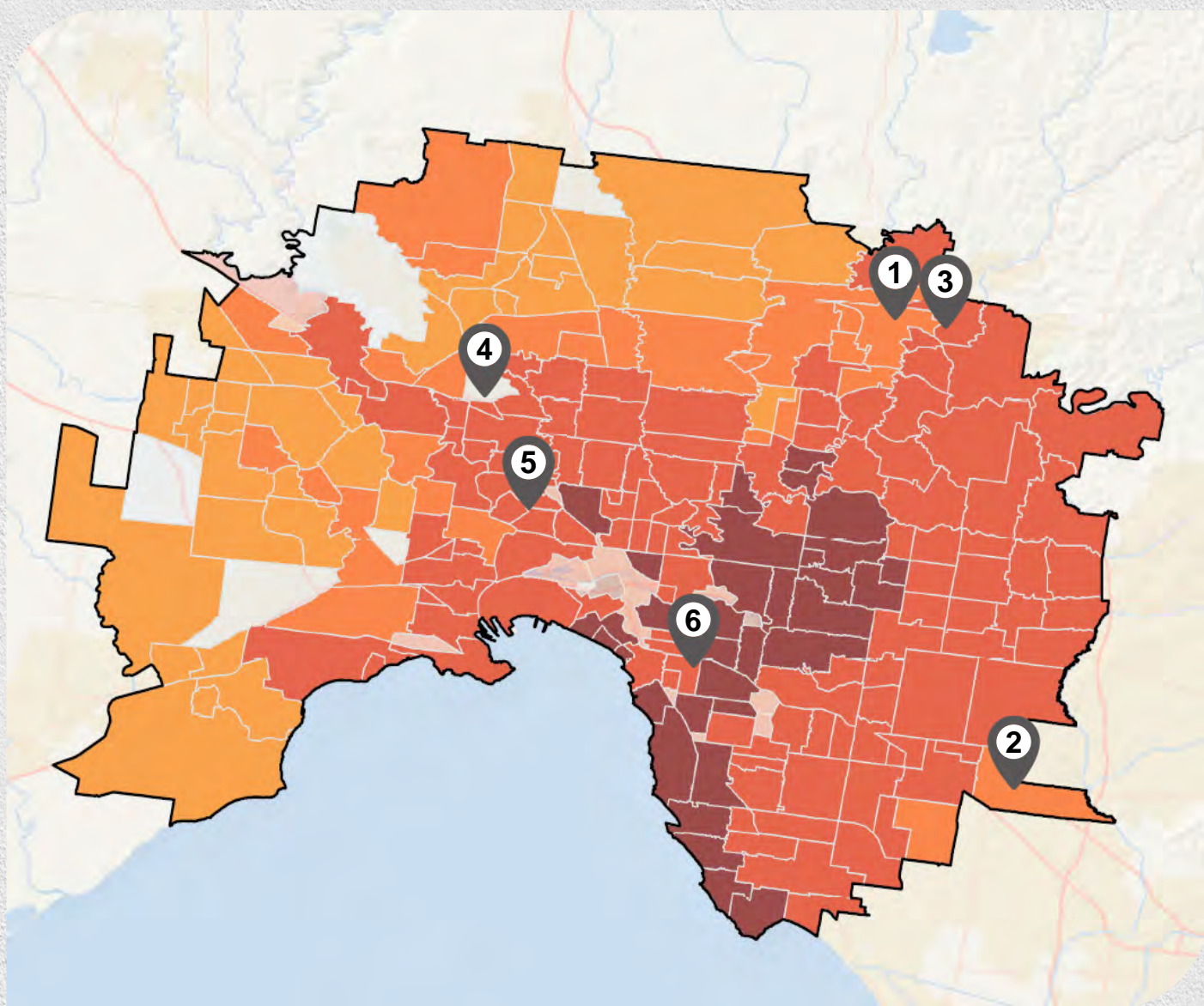


### UNITS SOLD





## MELBOURNE METRO MEDIAN HOUSE PRICE 2021/22\* 20KM FROM CBD



### LEGEND

	Data not available
	\$0 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+
	20km from CBD
	Translucent colours for <20 sales

### MELBOURNE AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Greensborough	2.6%	4	Taylors Lakes	4.0%
2	Mulgrave	2.5%	5	Kensington	4.7%
3	Briar Hill	2.6%	6	Clayton South	4.3%

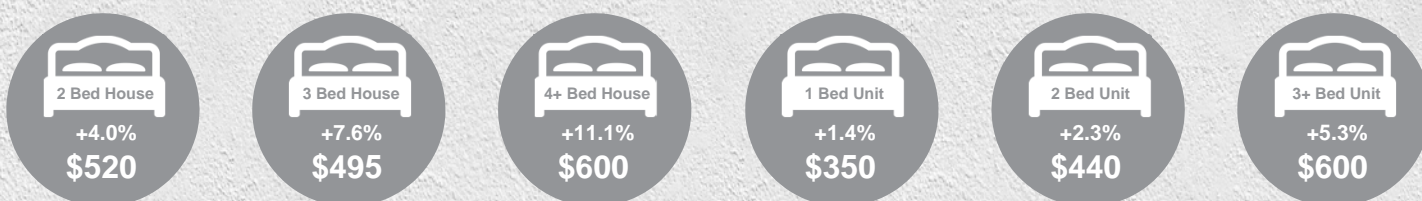


## RENTAL GROWTH 2021/22<sup>€</sup>

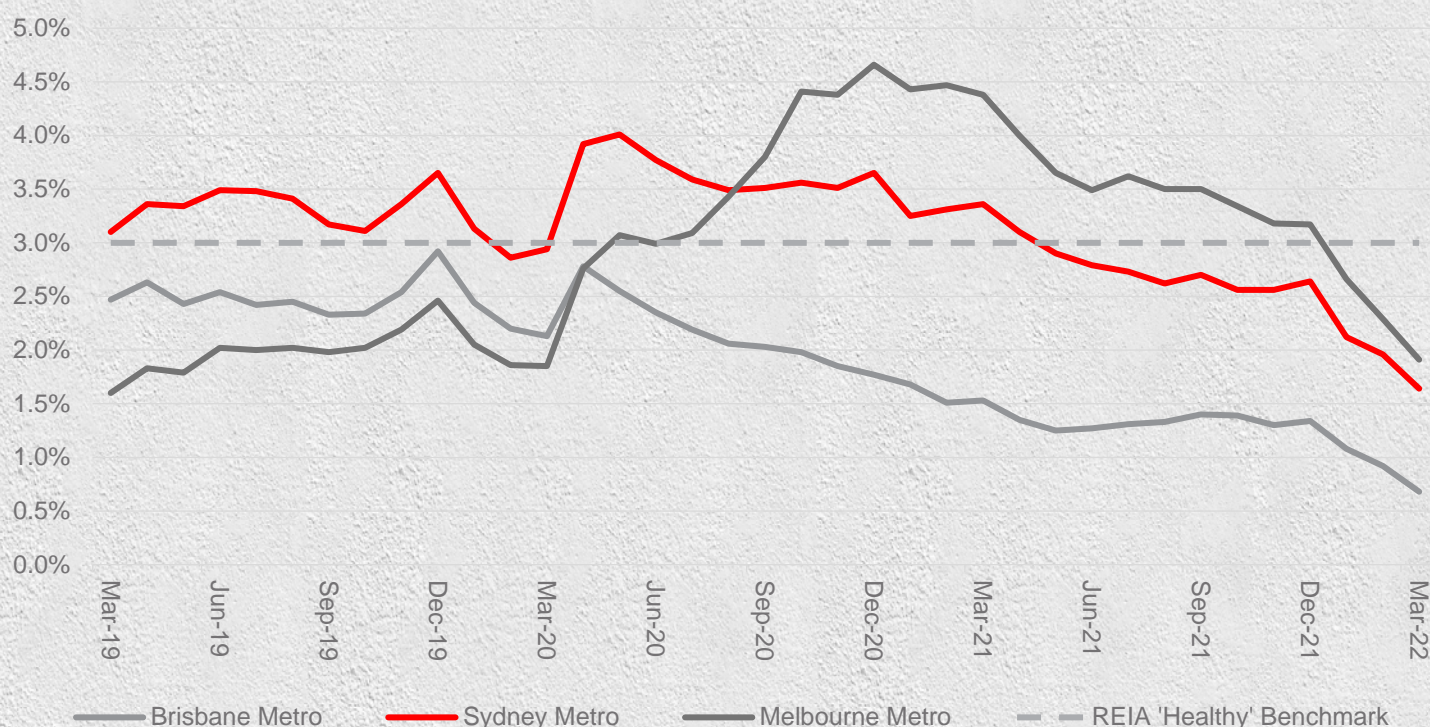
In March 2022 house rental yields in Melbourne Metro were recorded at 2.5%. In the 12 months to Q1 2022 the median house rental price increased by 15.2% to \$530 per week, complemented with a low 26 average days on the market. In a landscape where annual median house sale price growth has softened by -1.0%, now is an ideal time for investors to act.

Four bedroom+ houses recorded the highest annual rental growth (of +11.1%) reaching \$600 per week. 3+ bedroom units recorded the highest annual rental growth of +5.3%, indicating tenants are seeking extra space for work-from-home options. These findings are consistent with data from 6 months prior, thus more bedrooms safeguard rental resilience.

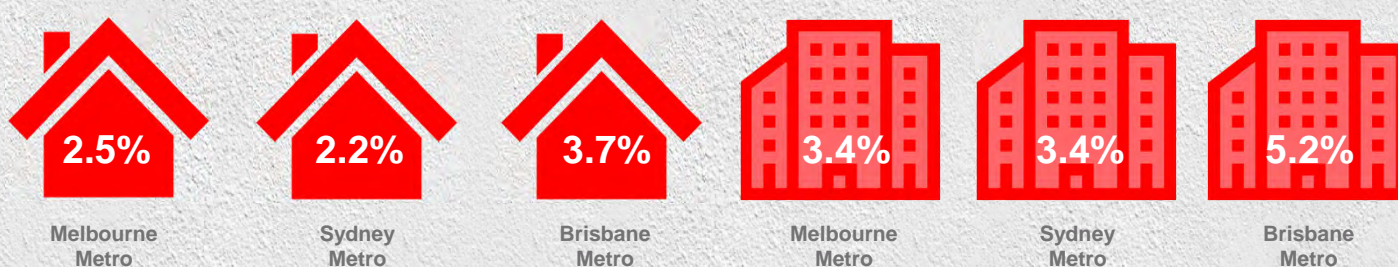
In March 2022 Melbourne Metro recorded a low vacancy rate of 1.9%, slightly above that of Sydney Metro (1.6%) and above Brisbane Metro (0.7%). Vacancy rates in Melbourne Metro have transgressed to below the Real Estate Institute of Australia's healthy benchmark of 3.0%, signalling a more balanced rental market, thus benefitting investors. Melbourne Metro's vacancy rate has continued to show a declining trend since December 2020, on its way to returning to pre-COVID-19 rental market conditions. This should provide greater confidence to investors looking to enter the market.



## RENTAL VACANCY RATES 2022



## RENTAL YIELD 2022<sup>§</sup>



<sup>€</sup> Annual rental growth is a comparison between Q1 2021 – Q1 2022 (01/01/2021 – 31/03/2022) house median rent figures.

<sup>§</sup> Rental yields shown are as reported at March 2022.

Source: APM Pricerfinder, SQM Research. © Copyright PRD 2022.





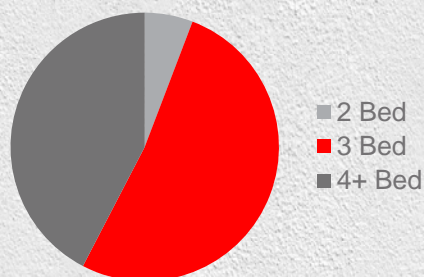
## PROPERTY CLOCK - HOUSES



## AFFORDABLE & LIVEABLE HOUSE SUBURBS

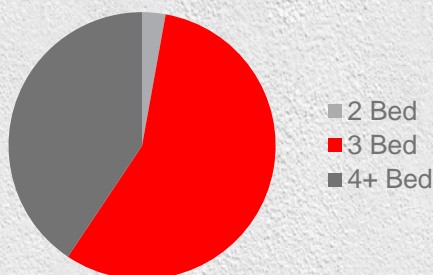
### GREENSBOROUGH

3088



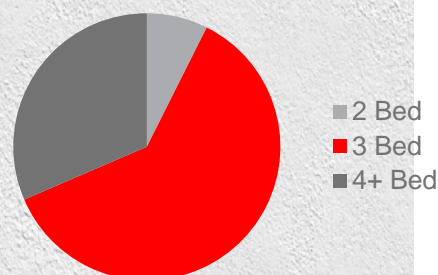
### MULGRAVE

3170



### BRIAR HILL

3088



Located about **17.6km** from the Melbourne CBD.

Median House Price **\$1,000,000**

- 2 Bed Median Price **\$871,000**
- 3 Bed Median Price **\$940,000**
- 4+ Bed Median Price **\$1,105,000**

Located about **19.7km** from the Melbourne CBD.

Median House Price **\$1,000,000**

- 2 Bed Median Price **\$740,000\***
- 3 Bed Median Price **\$957,000**
- 4+ Bed Median Price **\$1,151,000**

Located about **19.1km** from the Melbourne CBD.

Median House Price **\$1,050,000**

- 2 Bed Median Price **\$1,068,000\***
- 3 Bed Median Price **\$1,000,000**
- 4+ Bed Median Price **\$1,100,000**

Annual Median Price Growth	25.8%**
Vacancy Rate (Mar-22)	1.6%
Rental Yield (Mar-22)	2.6%
Key Amenity (5km)	La Trobe University
Total Projects (\$)	\$34.0M^
Key Project	Para Road Mixed Use Development (\$23.0M, 92 apartments)
Unemployment Rate	4.2%

Annual Median Price Growth	19.0%**
Vacancy Rate (Mar-22)	0.8%
Rental Yield (Mar-22)	2.5%
Key Amenity (5km)	Mulgrave Hospital
Total Projects (\$)	\$8.9M^
Key Project	Nexus Court Commercial Building Redevelopment (\$5.0M)
Unemployment Rate	4.9%↑

Annual Median Price Growth	19.1%**
Vacancy Rate (Mar-22)	1.6%
Rental Yield (Mar-22)	2.6%
Key Amenity (5km)	Greensborough Plaza
Total Projects (\$)	\$891.0K^
Key Project	Glendale Road Dwellings (\$891.0k, 3 Dwellings)
Unemployment Rate	4.3%

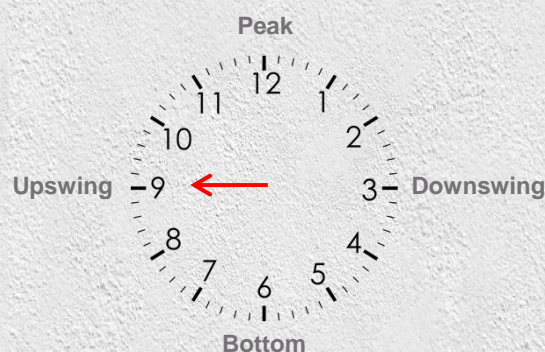
^Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. \*Median price is quoted as an indication only due to having less than 20 sales transactions. †Quoted unemployment rate is an indication of only having a higher rate than the state average

\*\*Median price growth quoted captures sale transactions from 1st January 2021 to 31st March 2022, or Q1 2021 – Q1 2022. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2022.

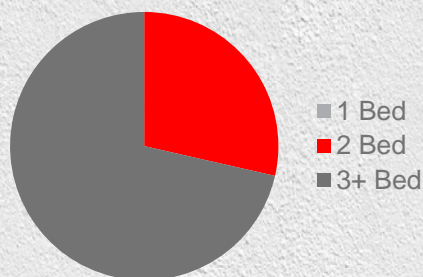




## PROPERTY CLOCK - UNITS

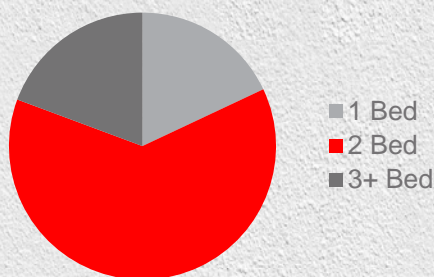


## AFFORDABLE &amp; LIVEABLE UNIT SUBURBS

**TAYLORS LAKES**  
 3038


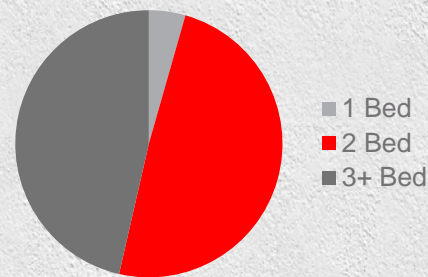
Located about **17.0km** from the Melbourne CBD.

Median Unit Price **\$505,000**  
 • 1 Bed Median Price **N/A**  
 • 2 Bed Median Price **\$435,000\***  
 • 3+ Bed Median Price **\$510,000\***

**KENSINGTON**  
 3031


Located about **4.0km** from the Melbourne CBD.

Median Unit Price **\$552,000**  
 • 1 Bed Median Price **\$410,000\***  
 • 2 Bed Median Price **\$543,000**  
 • 3+ Bed Median Price **\$945,000**

**CLAYTON SOUTH**  
 3169


Located about **19.0km** from the Melbourne CBD.

Median Unit Price **\$615,000**  
 • 1 Bed Median Price **\$353,000\***  
 • 2 Bed Median Price **\$475,000**  
 • 3+ Bed Median Price **\$792,000**

<b>Annual Median Price Growth</b>	11.5%**
<b>Vacancy Rate (Mar-22)</b>	1.3%
<b>Rental Yield (Mar-22)</b>	4.0%
<b>Key Amenity (5km)</b>	Wintergardens Shopping Centre
<b>Total Projects (\$)</b>	\$39.1M^
<b>Key Project</b>	Quest - Watergardens Taylors Lakes- (\$25.0M, 50 Apartments)
<b>Unemployment Rate</b>	5.3%↑

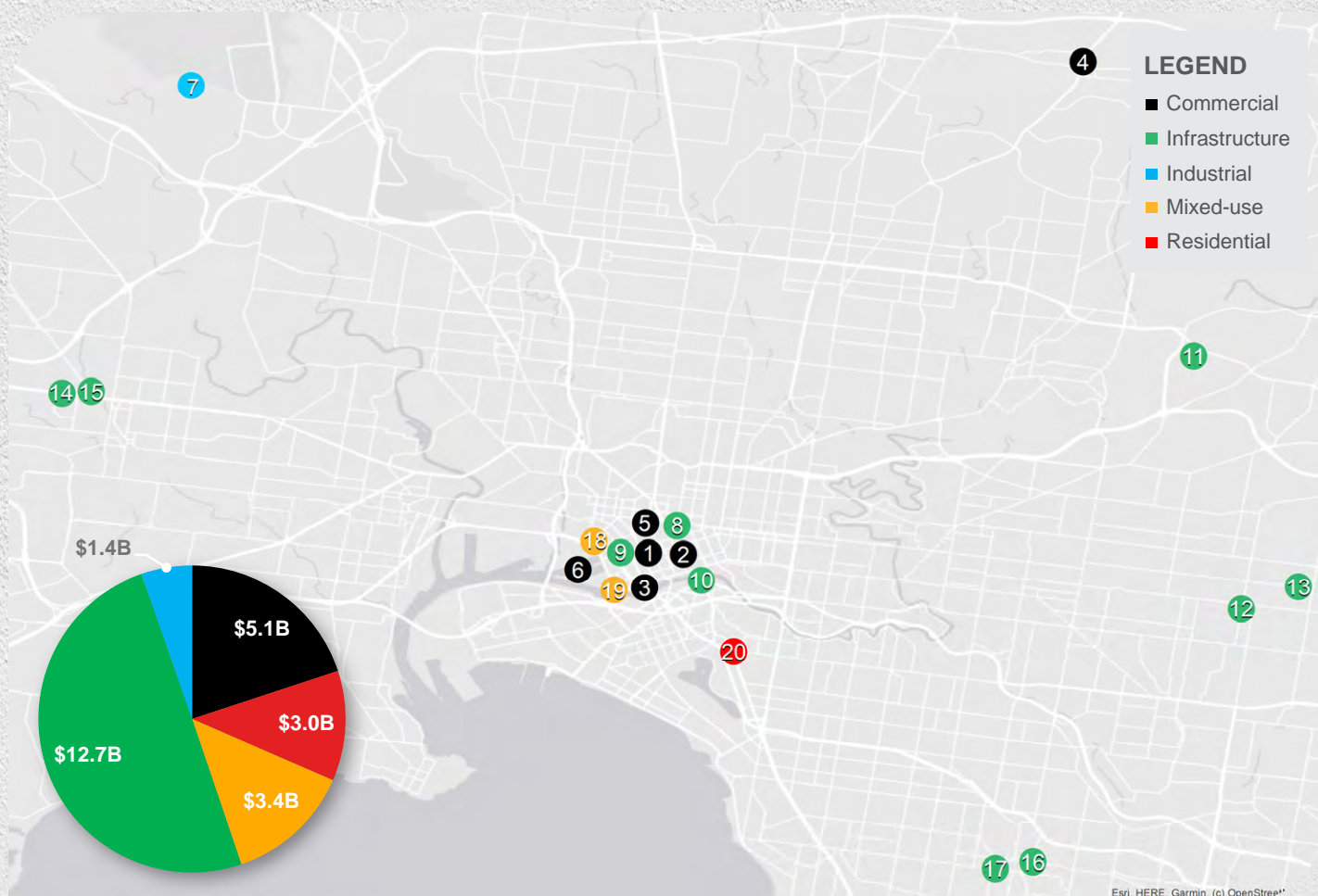
<b>Annual Median Price Growth</b>	3.7%**
<b>Vacancy Rate (Mar-22)</b>	1.9%
<b>Rental Yield (Mar-22)</b>	4.7%
<b>Key Amenity (5km)</b>	The Royal Melbourne Hospital
<b>Total Projects (\$)</b>	\$120.0M^
<b>Key Project</b>	Thompson Street Residential Development – (\$75.0M, 199 Apartments)
<b>Unemployment Rate</b>	5.2%↑

<b>Annual Median Price Growth</b>	18.0%**
<b>Vacancy Rate (Mar-22)</b>	1.5%
<b>Rental Yield (Mar-22)</b>	4.3%
<b>Key Amenity (5km)</b>	Monash Medical Centre
<b>Total Projects (\$)</b>	\$15.2M^
<b>Key Project</b>	Rosebank Avenue Warehouses (\$5.0m)
<b>Unemployment Rate</b>	5.4%↑



# PROJECT DEVELOPMENT MAP 1st HALF 2022\*

PRD.



Location	Project <sup>£</sup>	Type	Estimated Value <sup>U</sup>	Suburb
1	Lonsdale Street Commercial Development	Commercial	\$183,250,000	04/04/2022
2	The Walk Arcade Redevelopment Holiday Inn Hotel & Hotel Indigo	Commercial	\$200,000,000	20/06/2022
3	The Civic Northbank Office Tower By Mirvac Building 1 (Melbourne Convention Centre Site)	Commercial	\$630,000,000	20/04/2022
4	La Trobe University Health & Wellbeing Hub	Commercial	\$400,000,000	19/03/2022
5	La Trobe Street Commercial Development	Commercial	\$215,000,000	18/04/2022
6	Harbour Esplanade Mixed Use Development - City Harbour	Commercial	\$195,000,000	09/05/2022
7	Banksia Project Seqirus/Csl Biotech Manufacturing Facility	Industrial	\$800,000,000	27/03/2022
8	So/ Hotel (Accor)	Infrastructure	\$200,000,000	18/04/2022
9	Marvel Stadium Redevelopment Town Square Plaza	Infrastructure	\$225,000,000	25/02/2022
10	Victoria Barracks Melbourne	Infrastructure	\$230,000,000	08/04/2022
11	North East Link Primary Package Twin Tunnels	Infrastructure	\$8,000,000,000	23/05/2022
12	Union Road Rail Level Crossing Removal - Belgrave/Lilydale Line	Infrastructure	\$300,000,000	02/02/2022
13	Mont Albert Road Rail Level Crossing Removal - Belgrave/Lilydale Line	Infrastructure	\$331,000,000	02/02/2022
14	Melbourne Airport Rail - Maribyrnong River Bridge	Infrastructure	\$1,000,000,000	19/04/2022
15	Melbourne Airport Rail (Sunshine & Albion Package)	Infrastructure	\$1,000,000,000	22/04/2022
16	Neerim Road Rail Level Crossing Removal - Frankston Line	Infrastructure	\$250,000,000	07/03/2022
17	Glen Huntly Road Level Crossing Removal - Frankston Line	Infrastructure	\$257,000,000	26/01/2022
18	Home Docklands Build To Rent Apartments-(676 Apartments)	Mixed-use	\$230,000,000	06/05/2022
19	Collins Street Mixed Use Development-(265 Units)	Mixed-use	\$310,000,000	06/04/2022
20	409-413 St Kilda Road - The Muse Melbourne Luxury Apartments-(42 Apartments)	Residential	\$200,000,000	14/02/2022

\* Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Top Projects are based on suburbs located within a 20km radial distance of the Melbourne CBD.

U Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

Source: Cordell Connect database, ESRI ArcGIS, © PRD 2022.



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PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

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As the first and only truly knowledge based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

## OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

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Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

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We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

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- Geographic information mapping
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