



Affordable & Liveable Property Guide
Melbourne Metro 2nd Half 2024

OVERVIEW

Median property prices in Melbourne Metro softened between Q3 2023 to Q3 2024, by -10.4% for houses to \$1,075,000 and by -3.2% for units to \$610,000. Interestingly, in the past 12 months (to Q3 2024), **total sales increased by 8.1% for houses (to 6,498 sales in Q3 2024) and 8.3% for units (to 8,357 sales in Q3 2024).** Thus, the continued softening in median property prices is mainly due to higher interest rates, as the market slowly recovers from a deeper price drop during cash rate hikes. Higher sales volume indicates increasing demand for houses and units, pointing toward a potential price recovery. Currently, a more affordable Melbourne Metro creates opportunities for first-home buyers. **A total of \$28.1B of projects** are planned to commence construction in 2024, to boost housing supply. **This includes 18,038 units, 1,935 townhouses, and 1,379 stand-alone houses.** Although this seems like a high number, it is a fraction of Q3 2024 sales figures. Buyers need to act fast to secure their property.

RECENT TOP PERFORMING SUBURBS

| Area | Suburb | Type | Median Price 2023 | Median Price 2024* | Price Growth | Projects 2024*** |
|-------|-----------------|-------|-------------------|--------------------|--------------|------------------|
| Inner | North Melbourne | House | \$1,232,500 | \$1,330,000 | 7.9% | \$96.7M |
| | St Kilda West | Unit | \$486,000 | \$572,000 | 17.7% | \$350K |
| North | Watsonia | House | \$870,000 | \$955,000 | 9.8% | \$40.5M |
| | Kingsbury | Unit | \$480,000 | \$562,500 | 17.2% | \$3.2M |
| South | Caulfield | House | \$1,920,000 | \$2,742,500 | 42.8% | \$54.3M |
| | Clayton South | Unit | \$526,000 | \$650,000 | 23.6% | \$21.9M |
| East | Oakleigh South | House | \$1,130,000 | \$1,180,000 | 4.4% | \$2.9M |
| | Vermont South | Unit | \$723,000 | \$935,000 | 29.3% | \$8.7M |
| West | Maribyrnong | House | \$1,150,000 | \$1,250,000 | 8.7% | \$196.3M |
| | Sydenham | Unit | \$471,000 | \$515,000 | 9.3% | \$990K |

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 2023 to 2024*.
- Investment criteria** – as of September 2024, suburbs chosen will have an on-par or higher rental yield than Melbourne Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – chosen affordable and liveable suburbs have a median price below the relevant capital city metro area, which in this report is Melbourne Metro. We calculated the percentage premiums that needed to be added to the Victoria (VIC) average home loan, which was \$604,677** as of the June quarter of 2024. Premiums of 26.8% for houses and -20.6% for units were needed to reach the median price of suburbs chosen in this report. This is below what is required to reach Melbourne Metro's median prices (77.8% for houses and 0.9% for units). This makes the suburbs identified in this report more affordable to buyers, creating an opportunity for first-home buyers.
- Development criteria** – suburbs chosen have new developments commencing construction for 2024, with a high proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth. Suburbs chosen must also show a reasonable amount of new ready-to-sell stock planned for construction, to ensure buyers have access to some supply.
- 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, June Quarter 2024 release).

*Median price quoted captures sale transactions from 1st January to 30th September 2024, or Q1 – Q3 2024. **Average home loan figure is derived from June Quarter 2024 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 construction in 2024 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2023 to Q3 2024. Figures displayed in infographics are for the period Q3 2024. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2024.

MELBOURNE METRO

ANNUAL CHANGE ^



Sales ↑
Median Price ↓
Rental Price ↑



Sales ↑
Median Price ↓
Rental Price ↑

MEDIAN SALE PRICE



HOUSES
\$1.07M



UNITS
\$610K

MEDIAN RENTAL PRICE



HOUSES
\$620



UNITS
\$597

BENCHMARKS MELBOURNE METRO



HOUSES
3.1%



UNITS
4.7%

1.7%

VACANCY RATE

BENCHMARKS MELBOURNE METRO



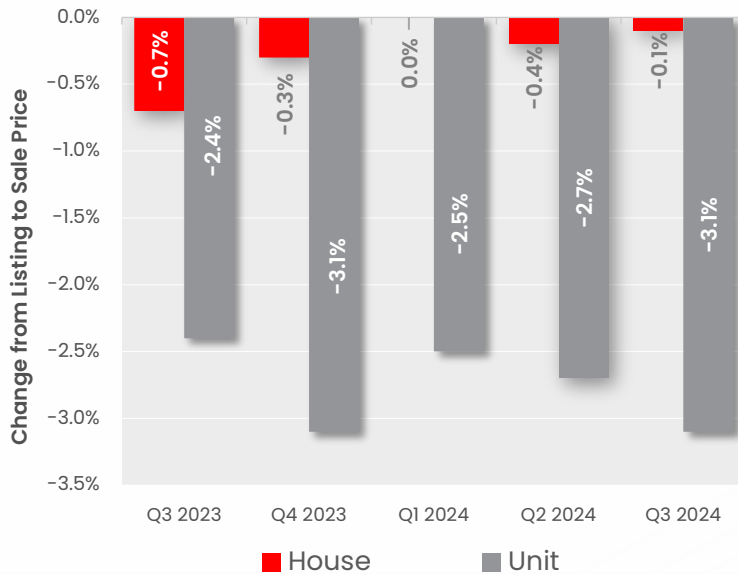
UNEMPLOYMENT RATE
4.3%



AVERAGE HOME LOAN
\$604,677

%

AVERAGE VENDOR DISCOUNT

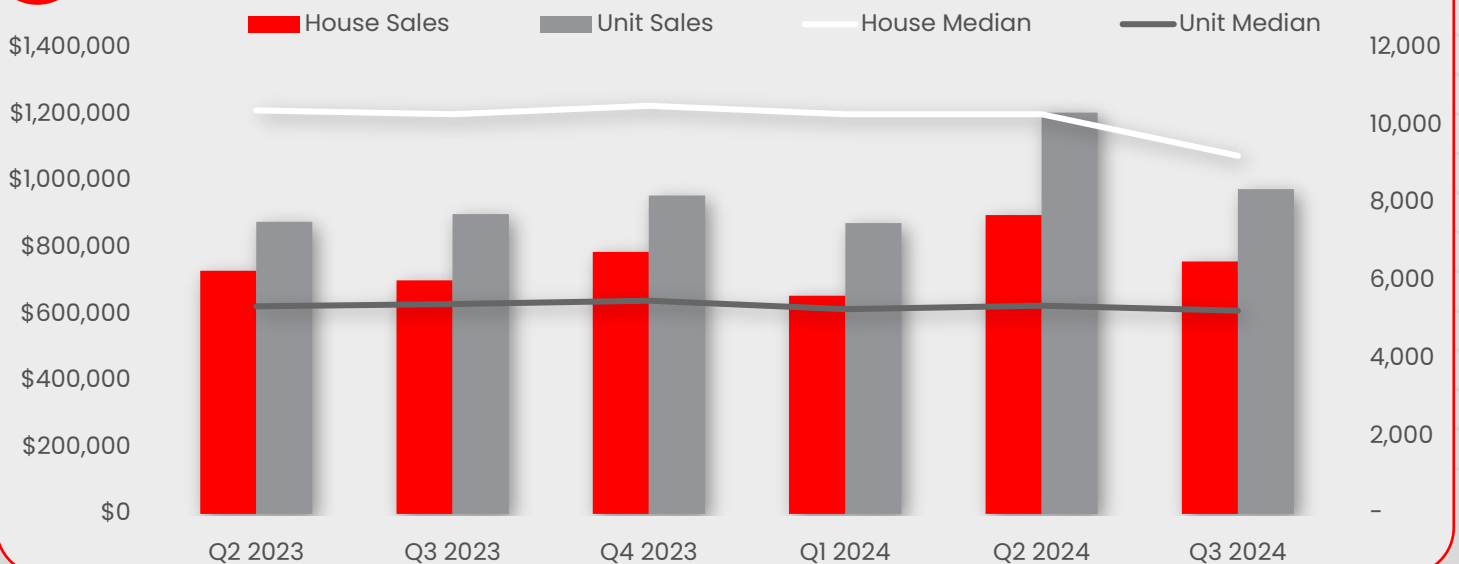


Average vendor discounts between Q3 2023 and Q3 2024 **have tightened to -0.1% for houses and remain stable at -3.1% for units.** The Melbourne Metro market **continues to favour buyers**, as owners are still willing to accept slightly below the first list price. That said, a tighter discount for houses signals a shift towards a seller's market, thus house buyers must act fast.

The dominant proportion of houses sold in Melbourne Metro across 2024[#] was **in the premium price range of \$1,150,000 and above (52.8%)**. Most units sold were also at a premium price point of \$750,000 and above (33.7%). This suggests that even with a softer median price, it is still an ideal time for many owners to benefit from their investment. At the same time, **strong sales were also evident in the most affordable price, with 28.1% of houses sold at less than \$849,999 and 22.7% of units sold at less than \$449,999**, which signalled an opportunity for first homebuyers.



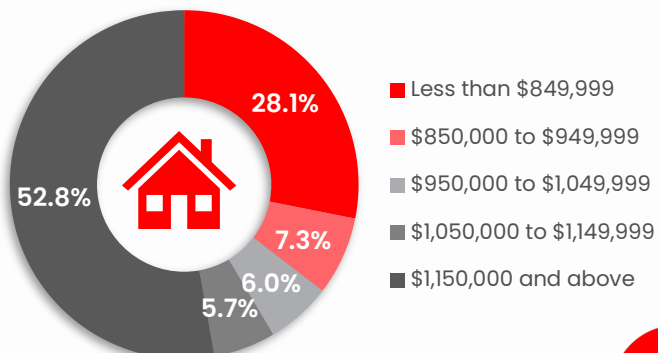
MARKET PERFORMANCE



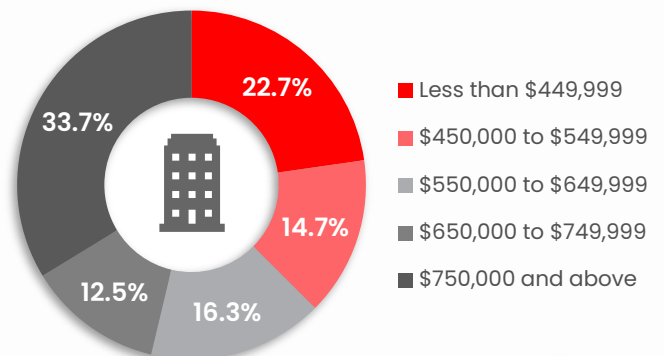
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PRICE BREAKDOWN 2024[#]

HOUSES SOLD



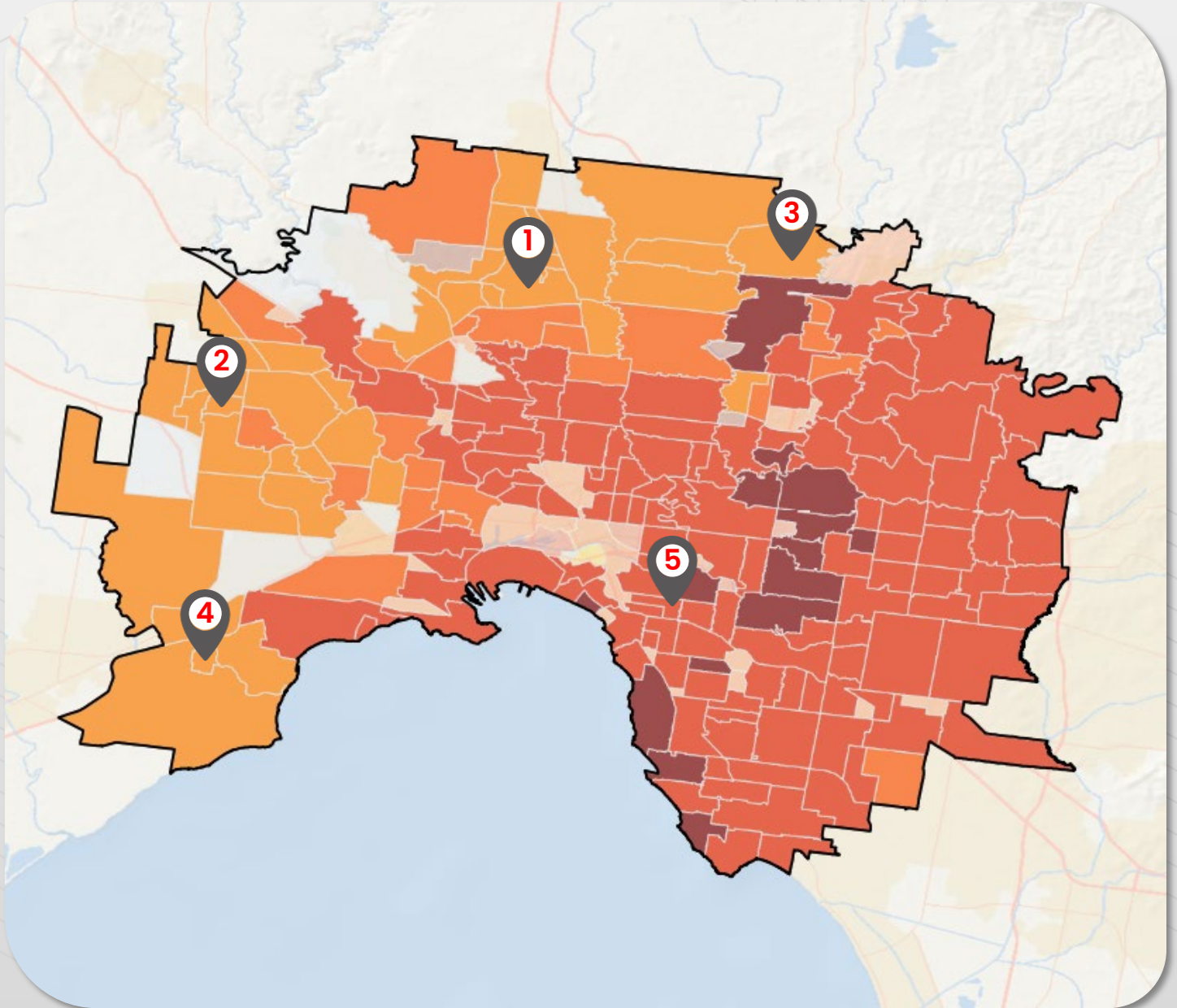
UNITS SOLD



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MELBOURNE METRO MEDIAN HOUSE PRICES 2024*

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 |
|---|--------------|-------|
| 1 | Broadmeadows | 4.3% |
| 2 | Albanvale | 4.1% |
| 3 | Mill Park | 4.0% |



| | Suburb | Unit |
|---|-------------------------------|------|
| 4 | Williams Landing [#] | 4.8% |
| 1 | Broadmeadows | 5.5% |
| 5 | Prahran | 5.3% |

*House median price reflected in the heat-map captures sale transactions from 1st January 2024 to 30th September 2024. [#]Unit rental yield for Williams Landing is based on postcode 3028 nearby to the area, due to limitations in data. Source: APM Pricefinder, ESRI ArcGIS, SQM Research.
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RENTAL GROWTH 2024[€]

House rental yields in Melbourne Metro **were 3.1%** as of September 2024, which was **higher than Sydney Metro (2.8%)**, and on par with Brisbane Metro (3.2%). This was paired with **a 9.7% increase in median house rental price** in the past 12 months (to Q3 2024), at \$620 per week; along with a 74.1% surge in the number of houses rented (to 2,153 rentals in Q3 2024). A similar trend is evident in the unit rental market. This suggests **a strong rental demand and competitive markets for both units and houses**, which presents attractive investment opportunities. Further, Melbourne Metro has the added advantage of a more affordable entry price compared to Sydney Metro.

2-bedroom houses and 1-bedroom units recorded **the highest annual rental growth, of +4.2% and +15.5%**, at \$625 and \$485 per week, respectively. All unit rentals have increased in value, indicating an opportunity for investors.

In September 2024, **Melbourne Metro** recorded **a vacancy rate of 1.7%**, which was on par with Sydney Metro (1.6%), but above Brisbane Metro (1.1%). Despite a slight increase in vacancy rates over the past 6 months, primarily due to investors re-entering the market, Melbourne Metro's vacancy rate remains well below the Real Estate Institute of Australia's benchmark of 3.0%. This indicates quicker occupancy of rental properties in Melbourne Metro, creating a favourable investment environment for investors who are seeking stable returns; especially with the more affordable entry/sales price that is currently available.



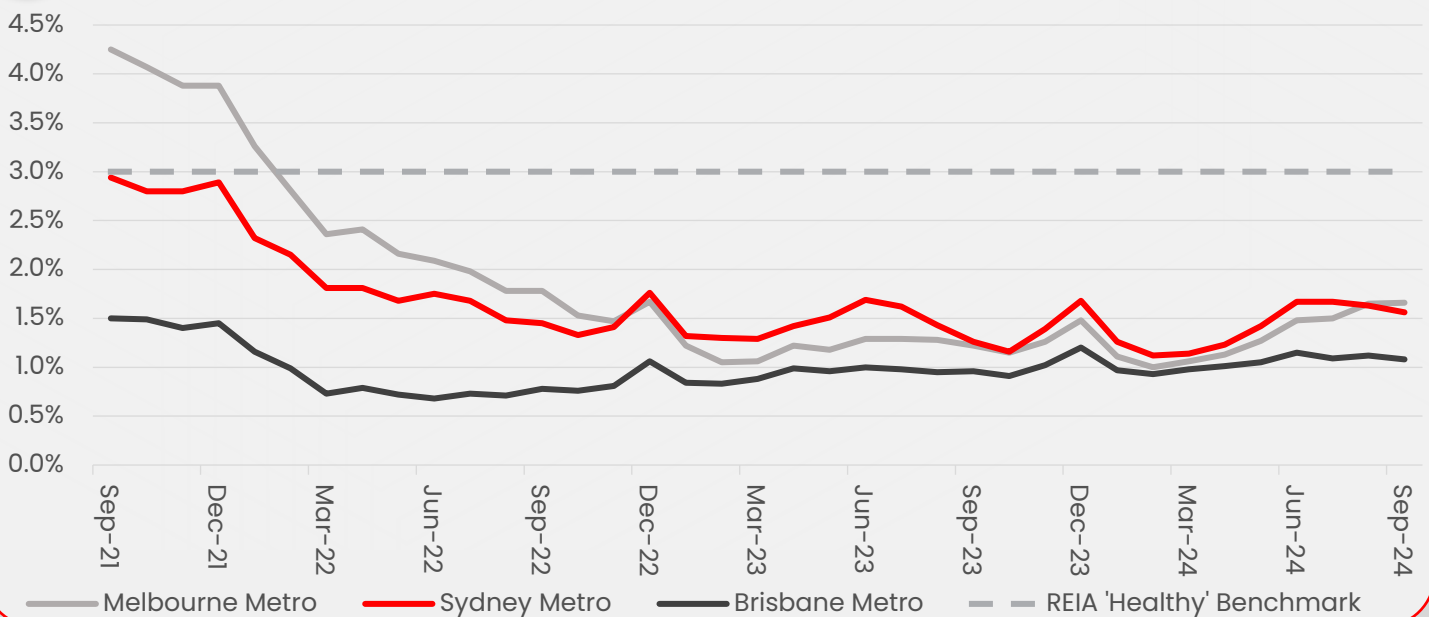
| 2 BEDROOMS | 3 BEDROOMS | 4+ BEDROOMS |
|---------------|---------------|----------------|
| +4.2% | -4.0% | -13.3% |
| \$625 | \$595 | \$650 |



| 1 BEDROOM | 2 BEDROOMS | 3+ BEDROOMS |
|--------------|---------------|----------------|
| +15.5% | +10.7% | +3.0% |
| \$485 | \$620 | \$750 |



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024[§]

MELBOURNE
METRO



HOUSES

3.1%



UNITS

4.7%

BRISBANE
METRO



HOUSES

3.2%



UNITS

4.5%

SYDNEY
METRO



HOUSES

2.8%



UNITS

4.4%

PRD.



HOUSES PROPERTY CLOCK

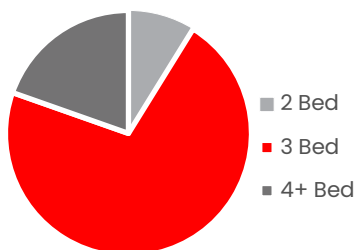


AFFORDABLE & LIVEABLE SUBURBS FOR HOUSES



Broadmeadows 3047

Located approximately **14.9km**
from the Melbourne CBD.



| | |
|---------------------|------------------|
| Median House Price | \$568,000 |
| 2 Bed Median Price | \$510,000 |
| 3 Bed Median Price | \$565,000 |
| 4+ Bed Median Price | \$630,000 |

| | |
|----------------------------|--------|
| Annual Median Price Growth | 0.7%** |
|----------------------------|--------|

| | |
|-----------------------|------|
| Vacancy Rate (Sep-24) | 0.8% |
|-----------------------|------|

| | |
|-----------------------|------|
| Rental Yield (Sep-24) | 4.3% |
|-----------------------|------|

| | |
|-------------------|----------------------|
| Key Amenity (5km) | Broadmeadows Central |
|-------------------|----------------------|

| | |
|---------------------|-----------------------|
| Total Projects (\$) | \$189.8M [^] |
|---------------------|-----------------------|

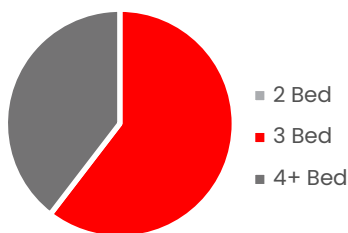
| | |
|--|--|
| Residential Ready-to-sell Planned 2024 | 127 Units 31 Townhouses 18 Dwellings |
|--|--|

| | |
|-------------------|-------|
| Unemployment Rate | 14.9% |
|-------------------|-------|



Albanvale 3021

Located approximately **18.9km**
from the Melbourne CBD.



| | |
|---------------------|------------------|
| Median House Price | \$625,000 |
| 2 Bed Median Price | - |
| 3 Bed Median Price | \$610,000 |
| 4+ Bed Median Price | \$675,000 |

| | |
|----------------------------|--------|
| Annual Median Price Growth | 5.0%** |
|----------------------------|--------|

| | |
|-----------------------|------|
| Vacancy Rate (Sep-24) | 0.5% |
|-----------------------|------|

| | |
|-----------------------|------|
| Rental Yield (Sep-24) | 4.1% |
|-----------------------|------|

| | |
|-------------------|--------------------------|
| Key Amenity (5km) | Brimbank Shopping Centre |
|-------------------|--------------------------|

| | |
|---------------------|----------------------|
| Total Projects (\$) | \$42.6M [^] |
|---------------------|----------------------|

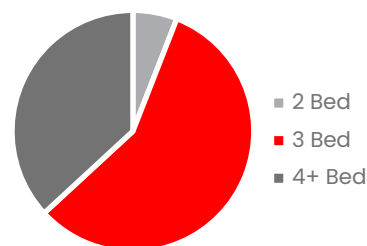
| | |
|--|--|
| Residential Ready-to-sell Planned 2024 | 0 Units 180 Townhouses 0 Dwellings |
|--|--|

| | |
|-------------------|-----|
| Unemployment Rate | N/A |
|-------------------|-----|



Mill Park 3082

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



| | |
|---------------------|------------------|
| Median House Price | \$766,750 |
| 2 Bed Median Price | \$611,250 |
| 3 Bed Median Price | \$750,000 |
| 4+ Bed Median Price | \$877,000 |

| | |
|----------------------------|---------|
| Annual Median Price Growth | -1.8%** |
|----------------------------|---------|

| | |
|-----------------------|------|
| Vacancy Rate (Sep-24) | 0.7% |
|-----------------------|------|

| | |
|-----------------------|------|
| Rental Yield (Sep-24) | 4.0% |
|-----------------------|------|

| | |
|-------------------|-------------------------|
| Key Amenity (5km) | Westfield Plenty Valley |
|-------------------|-------------------------|

| | |
|---------------------|----------------------|
| Total Projects (\$) | \$32.2M [^] |
|---------------------|----------------------|

| | |
|--|--|
| Residential Ready-to-sell Planned 2024 | 189 Units 107 Townhouses 0 Dwellings |
|--|--|

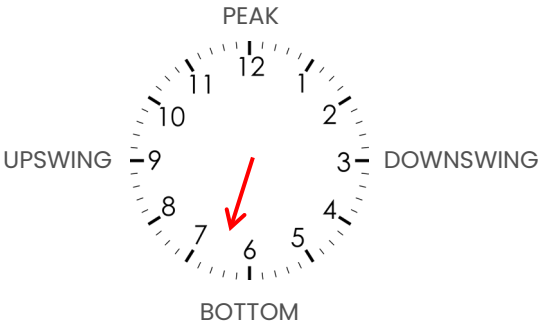
| | |
|-------------------|------|
| Unemployment Rate | 4.7% |
|-------------------|------|

[^]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 growth quoted captures sale transactions between Q3 2023 – Q3 2024, or 01/07/2023-30/09/2023 vs 01/07/2024-30/09/2024. Source: APM Pricfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2024.



UNITS PROPERTY CLOCK

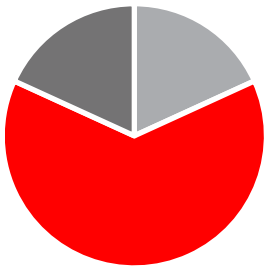


AFFORDABLE & LIVEABLE SUBURBS FOR UNITS



Williams Landing 3027

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



- 1 Bed
- 2 Bed
- 3+ Bed

| | |
|---------------------|------------------|
| Median Unit Price | \$410,000 |
| 1 Bed Median Price | \$326,000 |
| 2 Bed Median Price | \$416,000 |
| 3+ Bed Median Price | \$620,000 |

Annual Median Price Growth -1.8%**

Vacancy Rate (Sep-24) 1.2%

Rental Yield (Sep-24) 4.8%***

Key Amenities (5km) HomeCo. Williams Landing Shopping Centre

Total Projects (\$) \$344.6M[^]

Residential Ready-to-sell Planned 2024 435 Units
0 Townhouses
0 Dwellings

Unemployment Rate N/A



Broadmeadows 3047

Located approximately **14.9km**
from the Melbourne CBD.



- 1 Bed
- 2 Bed
- 3+ Bed

| | |
|---------------------|------------------|
| Median Unit Price | \$440,000 |
| 1 Bed Median Price | \$415,000 |
| 2 Bed Median Price | \$526,500 |
| 3+ Bed Median Price | \$480,000 |

Annual Median Price Growth -2.2%**

Vacancy Rate (Sep-24) 0.8%

Rental Yield (Sep-24) 5.5%

Key Amenity (5km) Broadmeadows Central

Total Projects (\$) \$189.8M[^]

Residential Ready-to-sell Planned 2024 127 Units
31 Townhouses
18 Dwellings

Unemployment Rate 14.9%



Prahran 3181

Located approximately **4.8km**
from the Melbourne CBD.



- 1 Bed
- 2 Bed
- 3+ Bed

| | |
|---------------------|------------------|
| Median Unit Price | \$480,000 |
| 1 Bed Median Price | \$355,000 |
| 2 Bed Median Price | \$600,000 |
| 3+ Bed Median Price | \$775,000 |

Annual Median Price Growth -4.5%**

Vacancy Rate (Sep-24) 2.1%

Rental Yield (Sep-24) 5.3%

Key Amenity (5km) Pran Central Shopping Centre

Total Projects (\$) \$8.8M[^]

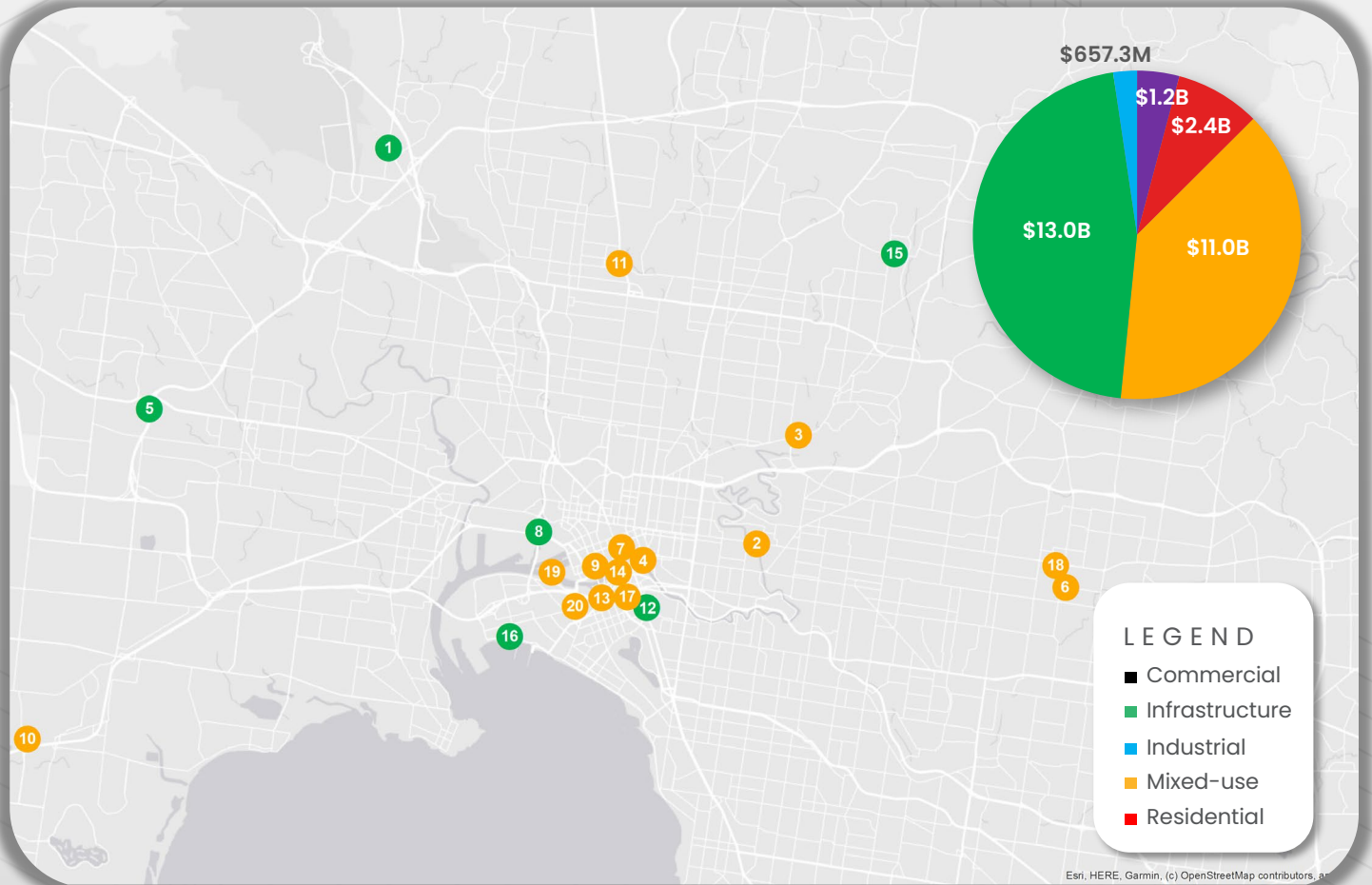
Residential Ready-to-sell Planned 2024 155 Units
0 Townhouses
12 Dwellings

Unemployment Rate 3.5%

[^]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 growth quoted captures sale transactions between Q3 2023 – Q3 2024, or 01/07/2023–30/09/2023 vs 01/07/2024–30/09/2024. *Unit rental yield for Williams Landing is based on postcode 3028 nearby to the area, due to limitations in data. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2024.

PROJECT DEVELOPMENT MAP 2024*



| Location | Project [£] | Type | Estimated Value ^µ | Suburb |
|----------|--|----------------|------------------------------|--------------|
| 1 | Melbourne Airport Rail Link – Railway Works – Southern Cross Station To Tullamarine (State Government) | Infrastructure | \$10,000,000,000 | Hume |
| 2 | Victoria Gardens Mixed Use Development Masterplan – River Boulevard & Victoria Street Richmond (Residential – 1,679 Apartments + Commercial) | Mixed-Use | \$700,000,000 | Yarra |
| 3 | The Village Alphington Mixed Use Development (Residential – 600 Apartments + Commercial) | Mixed-Use | \$500,000,000 | Yarra |
| 4 | Southgate (Mixed-use by Tenant Types) | Mixed-Use | \$470,000,000 | Melbourne |
| 5 | M80 Ring Road Upgrade Princes Freeway To Western Highway (State Government) | Infrastructure | \$410,000,000 | Brimbank |
| 6 | Sky Square Mixed-Use Development/Chinatown Box Hill (Residential – 431 Apartments + Commercial) | Mixed-Use | \$360,000,000 | Whitehorse |
| 7 | 12 Riverside Quay Southbank – Esso House Redevelopment (Commercial – Office + Retail) | Mixed-Use | \$350,000,000 | Melbourne |
| 8 | South Dynon Train Maintenance Facility Upgrade (State Government) | Infrastructure | \$322,000,000 | Melbourne |
| 9 | 600 Collins Street Office (Commercial – Office + Retail) | Mixed-Use | \$320,000,000 | Melbourne |
| 10 | 2 Overton Road Williams Landing – Mixed Use Development (Residential – 435 Apartments + Commercial) | Mixed-Use | \$303,000,000 | Wyndham |
| 11 | 14-22 Gaffney Street Mixed Use Village (Mixed-use by Tenant Types) | Mixed-Use | \$250,000,000 | Merri-bek |
| 12 | Victoria Barracks Melbourne Redevelopment (Federal Government) | Infrastructure | \$230,000,000 | Melbourne |
| 13 | 42 Moray Street – Moray House (Residential – 305 Apartments + Retail) | Mixed-Use | \$220,000,000 | Melbourne |
| 14 | Melbourne Square Stage 2 – Tower 1 – Blvd Residences (Residential – 602 Apartments + Commercial) | Mixed-Use | \$210,000,000 | Melbourne |
| 15 | Ruthven Street Level Crossing – Hurstbridge Line (State Government) | Infrastructure | \$200,000,000 | Darebin |
| 16 | 317 The Boulevard Barak Beacon Public Housing (State Government) | Infrastructure | \$200,000,000 | Melbourne |
| 17 | 135-139 Sturt Street Mixed Use Development – Aria (Residential – 183 Apartments + Commercial) | Mixed-Use | \$200,000,000 | Melbourne |
| 18 | Vicinity Centres Box Hill Central Northern Precinct Stage 1 (Residential – 366 Apartments + Commercial) | Mixed-Use | \$191,000,000 | Whitehorse |
| 19 | 951 Collins Street Regatta At Collins Wharf 2 Residential Tower (Docklands Precinct) (Residential – 317 Apartments + Commercial) | Mixed-Use | \$190,000,000 | Melbourne |
| 20 | 245-251 Normanby Road Mixed Use Development (Residential – 421 Apartments + Commercial) | Mixed-Use | \$184,000,000 | Port Phillip |

*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. µ 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 2024.

ABOUT PRD'S RESEARCH DIVISION

PRD's property research division provides reliable and unbiased data, insights and consultancy to clients in both metro and regional locations across Australia.

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

KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions. PRD shares on-the-ground experience and decades of knowledge to deliver innovative and effective solutions to our clients.

We take a holistic approach and focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, and commercial and residential design; and forecast future implications around such issues based on historical data and facts.

PEOPLE

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- Geographic information mapping
- Project analysis including product & pricing recommendations
- Rental & investment return analysis

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