

PRD. 
REAL ESTATE



Affordable & Liveable Property Guide
Melbourne Metro 1st Half 2024

OVERVIEW

Median property prices in Melbourne Metro **increased by 3.0% for houses to \$941,698 from Q1 2023 to Q1 2024***, but **declined by -3.2% for units to \$613,023**.

That said, every quarter (Q4 2023–Q1 2024) there was a slight softening in median house prices of -0.3%, and consistently of -3.4% for units. This is attributed to higher interest rates and shifts in consumer sentiment. In the past 12 months (to Q1 2024), **total sales for houses surged by 50.8% to 8,730 sales**. Conversely, **unit sales saw a decline of -11.4%, with only 5,500 units sold**. This suggests an increase in demand for houses, leading to a recovery in house prices. Meanwhile, units are slightly saturated, but their more affordable price creates opportunities for first-home buyers. **A total of \$14.0B of projects** are planned in the 1st half of 2024, focusing on mixed-use developments and infrastructure projects aimed at boosting supply. **There has been a prioritisation in construction, with 7,506 units, 976 townhouses and 5,481 residential lots all planned, compared to only 863 stand-alone houses(863)**. This indicates now is the time for buyers to act, before further house price growth.

RECENT TOP PERFORMING SUBURBS

Area	Suburb	Type	Median Price 2022	Median Price 2023/24*	Price Growth	Projects 2024***
Inner	East Melbourne	House	\$3,625,000	\$3,725,000	2.8%	\$230.1M
	West Melbourne	Unit	\$580,000	\$599,900	3.4%	\$808.0M
North	Bundoora	House	\$855,000	\$910,000	6.4%	\$75.6M
	Greenvale	Unit	\$469,250	\$600,000	27.9%	\$48.5M
South	Clayton South	House	\$935,000	\$926,600	1.0%	\$32.0M
	Bentleigh East	Unit	\$974,500	\$1,058,500	8.6%	\$884.6M
East	Glen Waverley	House	\$1,600,000	\$1,695,500	6.0%	\$103.3M
	Oakleigh South	Unit	\$722,000	\$828,000	14.7%	\$109.9M
West	South Kingsville	House	\$985,000	\$1,123,000	14.0%	\$30.0M
	Sunshine	Unit	\$417,000	\$555,000	33.1%	\$99.5M

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:

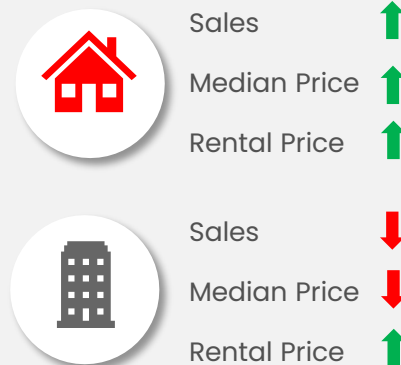
- Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive, or as close as possible to neutral price growth between 2022 to 2023/24*.
- Investment criteria** – as of March 2024, suburbs considered will have an on-par or higher rental yield than Melbourne Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – identified affordable and liveable suburbs have a median price below the relevant capital city metro area, which in this report, is Melbourne Metro. We then calculate the percentage premiums that need to be added to the Victorian (VIC) average home loan, which was \$603,142** as of Q4 2023. Premiums of 13.6% for houses and -18.8% for units were needed, below what is required to reach Melbourne Metro's median prices (56.1% for houses and 1.6% for units). The suburbs identified in this report are more affordable to buyers, as they are not required to add as high of a premium to the state average home loan.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for 2024, with a high proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth. Suburbs must also show a reasonable amount of new ready-to-sell stock planned for construction, to ensure there is stock available for buyers.
- 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 2023 release).

*Median price quoted captures sale transactions from 1st January 2023 to 31st March 2024, or Q1 2023 – Q1 2024. **Average home loan figure is derived from December Quarter 2023 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 2024 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2023 to Q1 2024. Figures displayed in infographics are for the period Q1 2024. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2024.

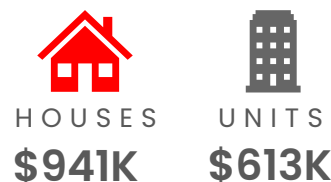


MELBOURNE METRO

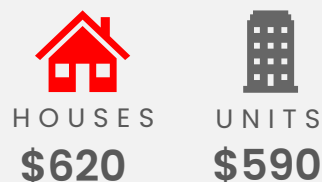
ANNUAL CHANGE ^



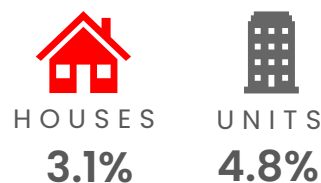
MEDIAN SALE PRICE



MEDIAN RENTAL PRICE



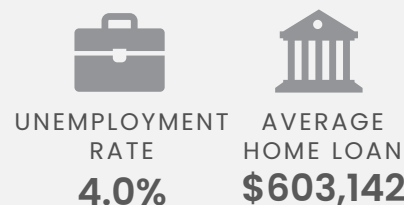
BENCHMARKS MELBOURNE METRO



1.1%

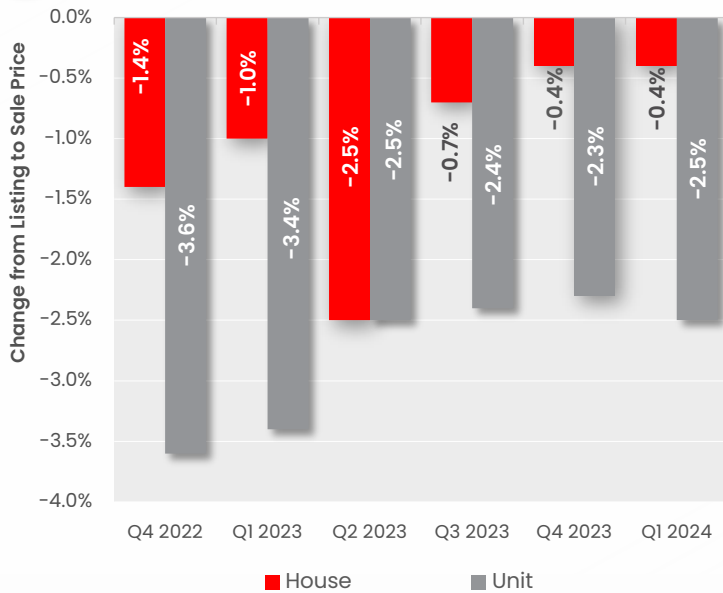
VACANCY RATE

BENCHMARKS MELBOURNE METRO





AVERAGE VENDOR DISCOUNT

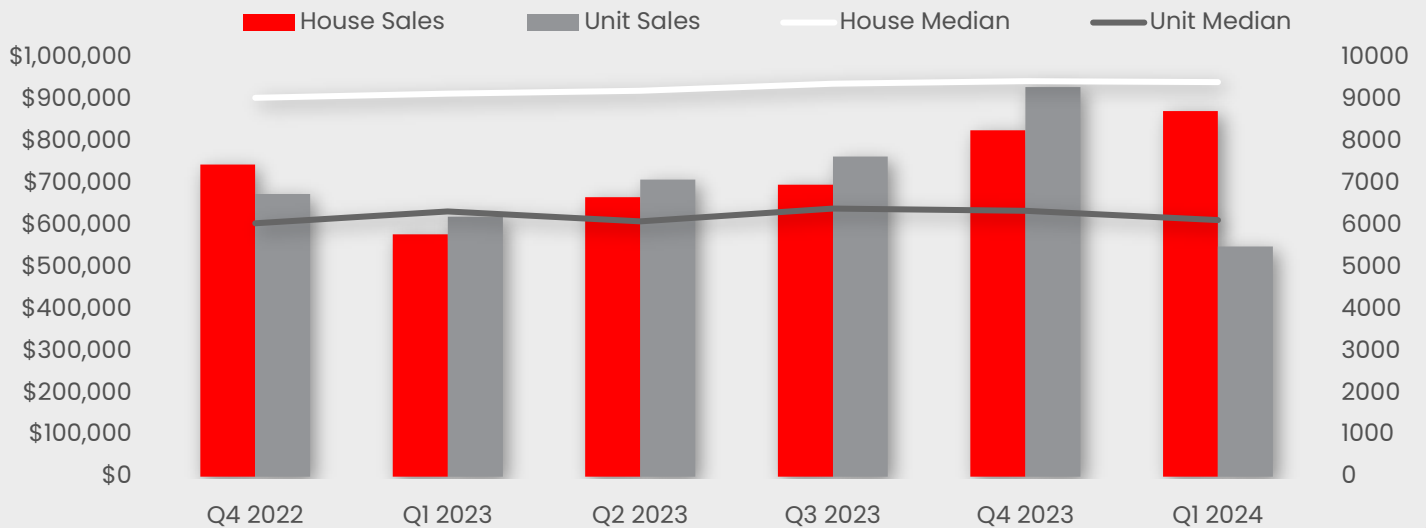


From Q1 2023 to Q1 2024 the average vendor discounts have tightened to **-0.4% for houses** and **-2.5% for units**. The peak discounts for both property types have already passed (houses in Q2 2023 and units in Q4 2022). While **the market still favours buyers** (with sellers willing to accept below initial listing prices), **the tighter vendor discounts signal a shift towards a seller's market**. Therefore, buyers looking for a discount must act fast.

Both premium and affordable price points for both property types performed strongly in Melbourne Metro across 2023/24#. **Most of the houses sold** were in both the **premium price bracket of \$1.1M and above (47.1%)**, and the **most affordable bracket of less than \$799,999 (34.8%)**. Similarly, **most of the units sold were in the most affordable price point of less than \$549,999 (41.1%)** and the **premium bracket of \$700,000 (37.4%)**. This suggests there is a home for every budget in Melbourne Metro, benefitting both owners and buyers.

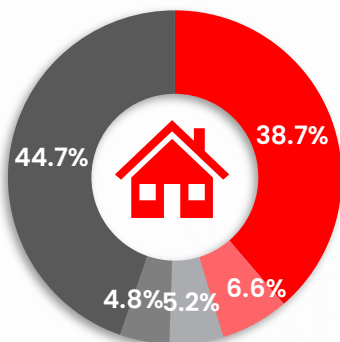


MARKET PERFORMANCE



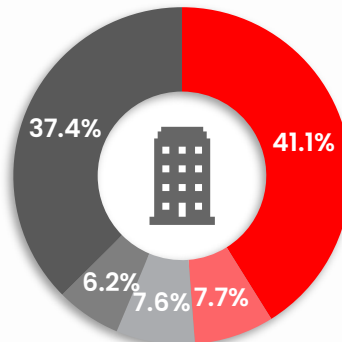
PRICE BREAKDOWN 2023/24#

HOUSES SOLD



- Less than \$849,999
- \$850,000 to \$949,999
- \$950,000 to \$1,049,999
- \$1,050,000 to \$1,149,999
- \$1,150,000 and above

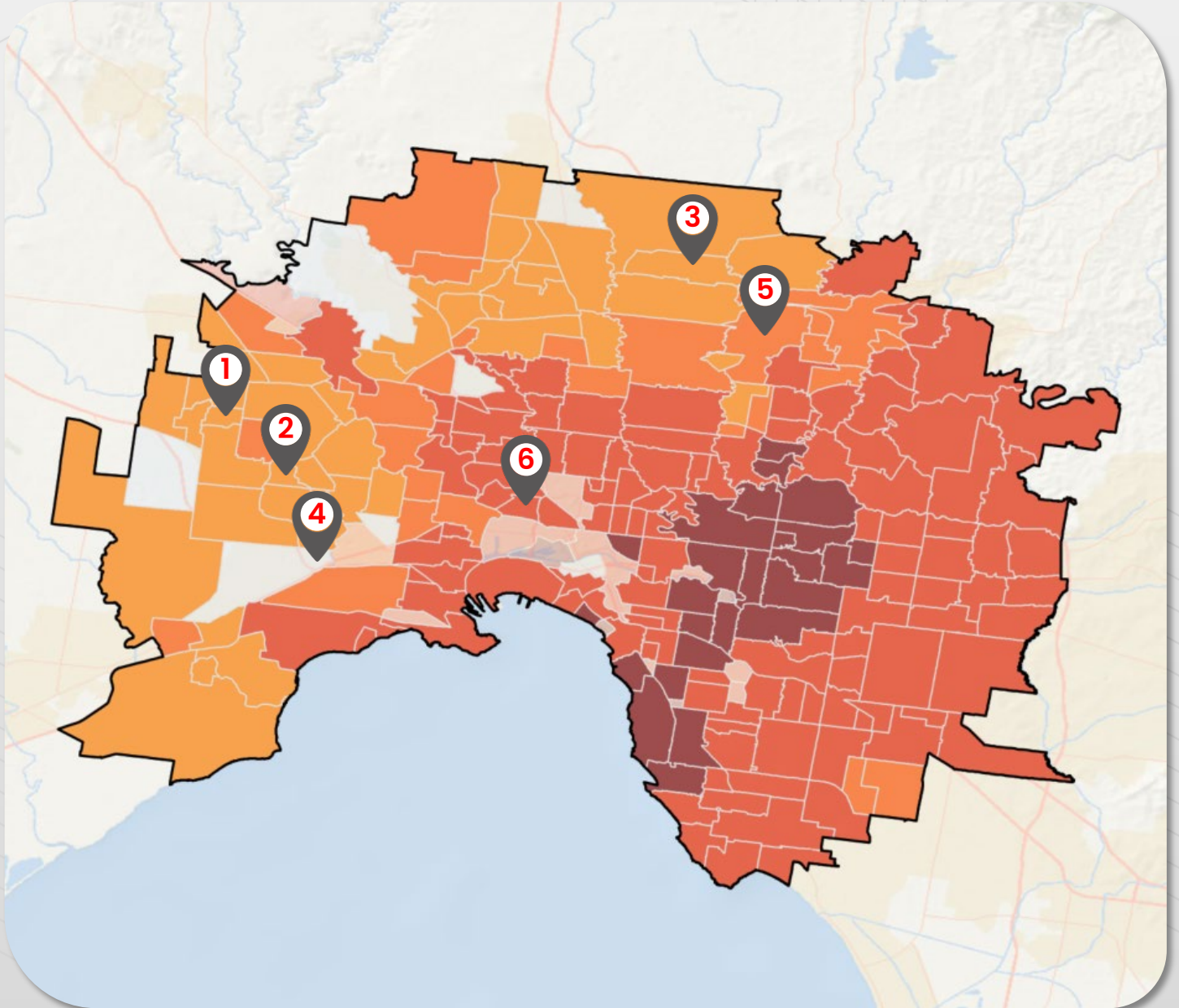
UNITS SOLD



- Less than \$549,999
- \$550,000 to \$599,999
- \$600,000 to \$649,999
- \$650,000 to \$699,999
- \$700,000 and above

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MELBOURNE METRO MEDIAN HOUSE PRICES 2023/24* 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	Albanvale	3.5%
2	Ardeer	3.7%
3	Lalor	3.7%

	Suburb	Unit
4	Williams Landing [#]	5.0%
5	Bundoora	5.4%
6	Kensington	5.4%

*House median price reflected in the heat-map captures sale transactions from 1st January 2023 to 31st March 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. © PRD 2024.

RENTAL GROWTH 2024 €

House rental yields in Melbourne Metro were 3.1% as of March 2024, which is higher than Sydney Metro (at 2.9%), but below Brisbane Metro (at 3.5%). This was paired with a **12.7% increase in median house rental prices over the past 12 months** (to Q1 2024), **at \$620 per week, further complemented by historically low average days on the market** (of 22 days). The number of houses rented declined by -12.4% (to 8,636 rentals), signalling a rental undersupply. **The unit market was in high demand with the median unit rental price increasing by 18.0% to \$590 per week** and the number of units rented increasing by 6.0% (17,824 units rented). Overall, **this suggests an attractive market to invest in**, with a more affordable entry price than Sydney.

3-bedroom houses and 1-bedroom units have provided investors with the highest annual rental growth of +21.4% and +32.9%, at \$595 and \$485 per week, respectively. All rental property types have increased in value, especially units.

As of March 2024, vacancy rates across Melbourne, Sydney, and Brisbane remained low, with Melbourne and Sydney both at 1.1%. Vacancy rates in Melbourne Metro remained relatively steady in the past 12 months, with some fluctuations. That said, a 1.1% figure is well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, suggesting quicker occupancy of rental properties. **This confirms a conducive environment for investors, especially with a more affordable unit market.**



HOUSES

2 BEDROOMS	3 BEDROOMS	4+ BEDROOMS
+15.7%	+21.4%	+14.0%
\$625	\$595	\$650

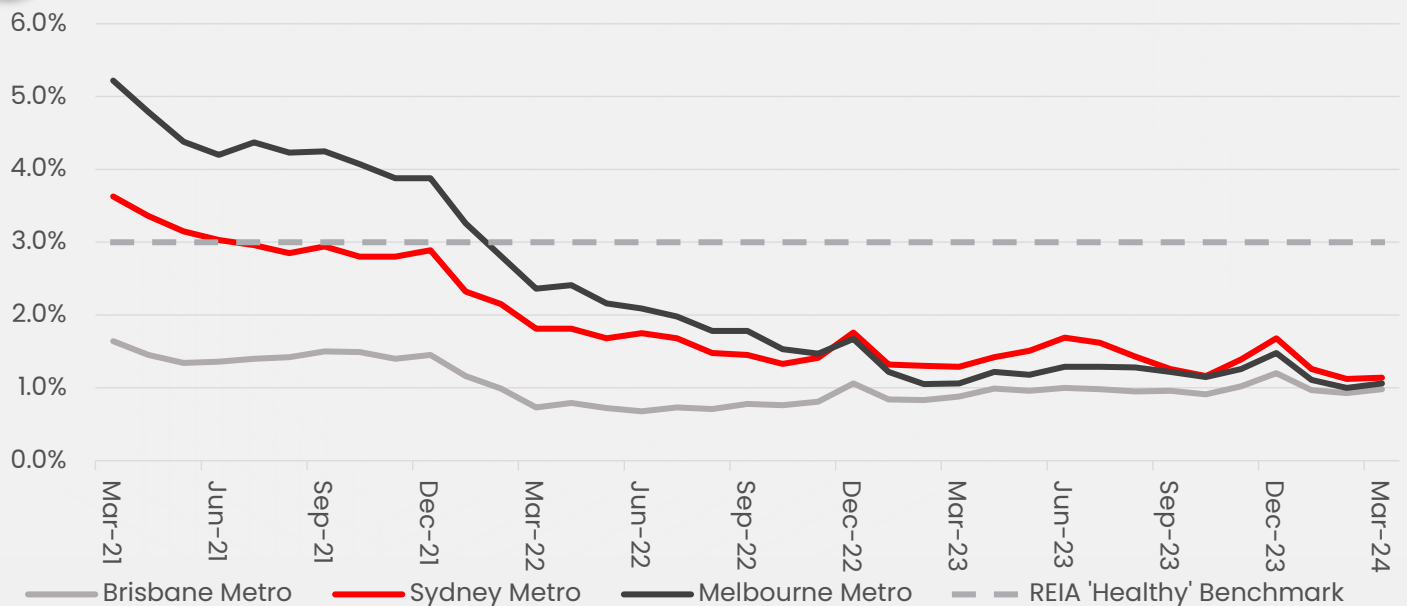


UNITS

1 BEDROOM	2 BEDROOMS	3+ BEDROOMS
+32.9%	+30.5%	+20.0%
\$485	\$620	\$750



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§

BRISBANE METRO



HOUSES

3.5%



UNITS

5.0%

MELBOURNE METRO



HOUSES

3.1%



UNITS

4.8%

SYDNEY METRO



HOUSES

2.9%



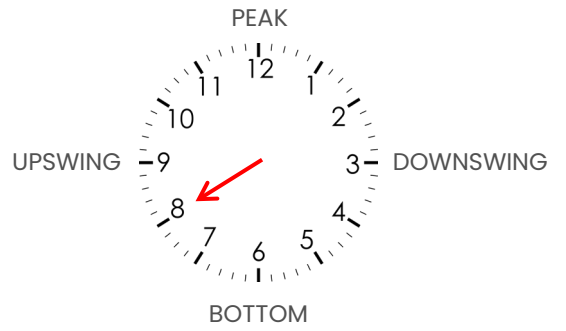
UNITS

4.6%

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HOUSES PROPERTY CLOCK

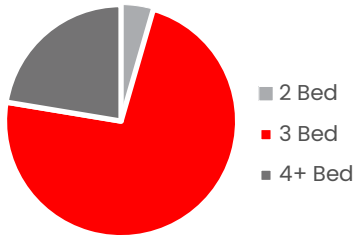


AFFORDABLE & LIVEABLE SUBURBS FOR HOUSES



ALBANVALE 3021

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



Median House Price	\$597,500
2 Bed Median Price	\$540,000
3 Bed Median Price	\$595,000
4+ Bed Median Price	\$625,000

Annual Median Price Growth	-0.4%**
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Vacancy Rate (Mar-24)	0.3%
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Rental Yield (Mar-24)	3.5%
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Key Amenity (5km)	Brimbank Shopping Centre
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Total Projects (\$)	\$42.7M [^]
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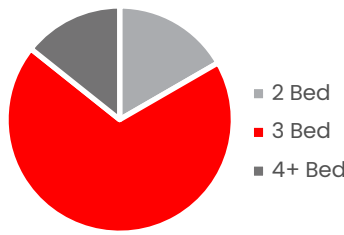
Residential Supply Planned 1st half 2024	180 Townhouses 0 dwellings 0 units
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Unemployment Rate	N/A
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ARDEER 3022

Located approximately **14.8km** from the Melbourne CBD.



Median House Price	\$650,000
2 Bed Median Price	\$640,000
3 Bed Median Price	\$670,000
4+ Bed Median Price	\$634,500

Annual Median Price Growth	-4.7%**
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Vacancy Rate (Mar-24)	1.1%
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Rental Yield (Mar-24)	3.7%
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Key Amenity (5km)	Derrimut Village Shopping Centre
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Total Projects (\$)	\$45.4M [^]
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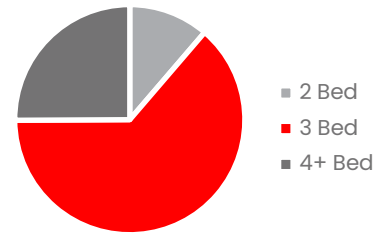
Residential Supply Planned 1st half 2024	14 Townhouses 0 dwellings 10 units
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Unemployment Rate	7.0%
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LALOR 3075

Located approximately **18.0km** from the Melbourne CBD.



Median House Price	\$685,000
2 Bed Median Price	\$644,500
3 Bed Median Price	\$675,000
4+ Bed Median Price	\$771,000

Annual Median Price Growth	-2.1%**
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Vacancy Rate (Mar-24)	0.7%
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Rental Yield (Mar-24)	3.7%
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Key Amenity (5km)	Lalor Plaza Shopping Centre
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Total Projects (\$)	\$22.1M [^]
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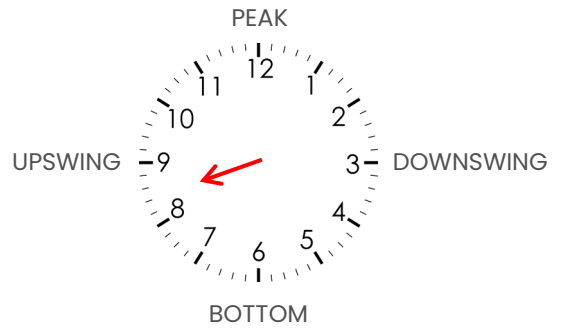
Residential Supply Planned 1st half 2024	21 Townhouses 8 dwellings 45 units
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Unemployment Rate	N/A
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[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value.
^{**}Median price growth quoted captures sale transactions between Q1 2023 – Q1 2024, or 01/01/2023–31/03/2023 vs 01/01/2024–31/03/2024. Source: APM Pricfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2024.



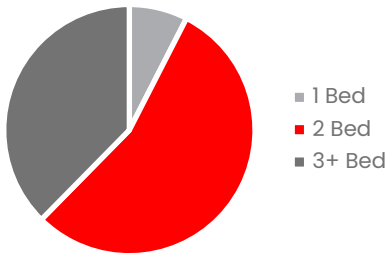
UNITS PROPERTY CLOCK



AFFORDABLE & LIVEABLE SUBURBS FOR UNITS

WILLIAMS LANDING 3027

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



Median Unit Price	\$405,000
1 Bed Median Price	\$360,000
2 Bed Median Price	\$483,000
3+ Bed Median Price	\$615,000

Annual Median Price Growth -2.4%**

Vacancy Rate (Mar-24) 1.1%

Rental Yield (Mar-24) 5.0***

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

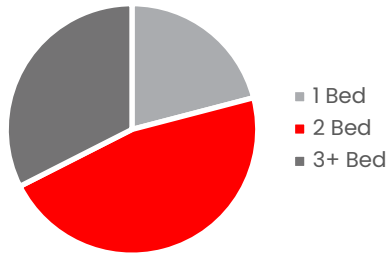
Total Projects (\$) \$396.0M[^]

Residential Supply Planned 1st half 2024
0 Townhouses
0 dwellings
435 units

Unemployment Rate N/A

BUNDOORA 3083

Located approximately **16.2km**
from the Melbourne CBD.



Median Unit Price	\$455,000
2 Bed Median Price	\$320,000
3 Bed Median Price	\$434,990
4+ Bed Median Price	\$708,000

Annual Median Price Growth -5.2%**

Vacancy Rate (Mar-24) 1.0%

Rental Yield (Mar-24) 5.4%

Key Amenity (5km) Uni Hill Town Centre

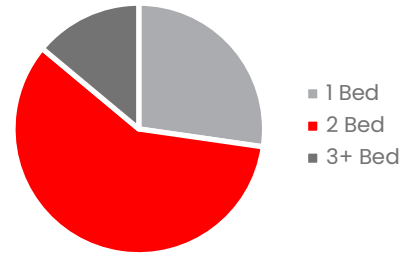
Total Projects (\$) \$75.7M[^]

Residential Supply Planned 1st half 2024
10 Townhouses
5 dwellings
27 units

Unemployment Rate 3.2%

KENSINGTON 3031

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



Median Unit Price	\$490,000
2 Bed Median Price	\$355,000
3 Bed Median Price	\$515,000
4+ Bed Median Price	\$935,000

Annual Median Price Growth -7.7%**

Vacancy Rate (Mar-24) 0.4%

Rental Yield (Mar-24) 5.4%

Key Amenity (5km) Newmarket Plaza

Total Projects (\$) \$267.4M[^]

Residential Supply Planned 1st half 2024
0 Townhouses
0 dwellings
567 units

Unemployment Rate 4.9%

[^]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 Q1 2023 - Q1 2024, or 01/01/2023-31/03/2023 vs 01/01/2024-31/03/2024. ^{***}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 1st HALF 2024*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	South Bank Boulevard By Beulah (Residential - 789 Apartments + Commercial)	Mixed-Use	\$2,000,000,000	Southbank
2	The Pegasus Project Toolern (Government & Private JV)	Infrastructure	\$990,000,000	Toolern Vale
3	Melbourne Renewable Energy Hub	Commercial	\$800,000,000	Plumpton
4	Amazon Robotics Centre (warehouses)	Industrial	\$500,000,000	Craigieburn
5	Assembly Business Precinct Broadmeadows Overall Project (Industrial + Commercial)	Mixed-Use	\$500,000,000	Campbellfield
6	The Village Alphington (Old Paper Mill Site) - Mixed Use Development (Residential - 600 Apartments + Commercial)	Mixed-Use	\$500,000,000	Alphington
7	Sky Square Mixed Use Development/Chinatown Box Hill (Residential - 431 Apartments + Commercial)	Mixed-Use	\$360,000,000	Box Hill
8	600 Collins Street Office (Office + Retail)	Mixed-Use	\$320,000,000	Melbourne
9	21-35 Power Street Southbank Commercial Building (Office + Retail)	Mixed-Use	\$308,600,000	Southbank
10	60 Collins Street (Office + Retail)	Mixed-Use	\$269,000,000	Melbourne
11	200 Donnybrook Road Warehouse (Industrial + Office)	Mixed-Use	\$255,955,000	Mickleham
12	Victoria Barracks Melbourne Redevelopment (Federal Government)	Infrastructure	\$230,000,000	Southbank
13	O'hearns Logistics Park - 25 Vearings Road Epping	Industrial	\$200,000,000	Epping
14	SO Hotel (Accor) William Street Melbourne (State Government)	Infrastructure	\$200,000,000	Melbourne
15	172-210 Burwood Highway Burwood One Mixed Use Building Stage 1 & 2 (Residential - Dwellings + Office + Retail)	Mixed-Use	\$185,000,000	Burwood East
16	245-251 Normanby Road Mixed Use Development (Residential - 421 Apartments + Office + Retail)	Mixed-Use	\$184,000,000	South Melbourne
17	The Collection Hotel & A By Adina Hotel - 28-38 Pearl River Road Docklands (Office + Retail)	Mixed-Use	\$150,000,000	Docklands
18	128-144 Wellington Street Mixed Use Development (Office + Retail)	Mixed-Use	\$140,000,000	Collingwood
19	General Motors Holden Redevelopment Site Innovation Hub	Industrial	\$130,000,000	Port Melbourne
20	Thomas Embling Hospital Stage 2 (State Government)	Infrastructure	\$123,000,000	Fairfield

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 ensures 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, commercial and residential design, and forecast future implications around such issues based on historical data and facts.

PEOPLE

Our in-house research team is skilled in deriving macro and micro quantitative information from multiple credible sources, so we can ensure we provide strategic advice and financially sound direction regarding property and market performance.

RESEARCH SERVICES

Our research services span over every suburb, Local Government Area, and state within Australia. 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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GET IN TOUCH

PRD Research Division

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Our services include:

- Advisory & consultancy
- Market analysis including profiling & trends
- Primary qualitative & quantitative research
- Demographic & target market analysis
- Geographic information mapping
- Project analysis including product & pricing recommendations
- Rental & investment return analysis

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