



# Residential

September 2019

# National Property Clock: Units

Entries coloured blue indicate positional change from last month.



Month in Review  
September 2019



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# Victoria

## Melbourne

### Inner and Outer North

Population movement in the outer suburbs has changed drastically over the past five years. In suburbs such as Craigieburn, the population has increased by 53.4% with the total population increasing from 32,634 people to 50,091. Compare this with suburbs in the inner-city such as Fitzroy, where the population has grown by 11.1%, with the total population increasing from 10,101 to 11,255. This massive growth can be attributed to the continual development and en globo land releases in outer suburbs which is helping accommodate young families looking for a cheaper alternative for housing. Looking to the future, experts are expecting the Craigieburn population to grow by another 36.88% from 2019 to 2041, resulting in a total population of 83,913. This expected growth raises the question of where will everyone live?

The predicted forecasts raise more concern within the city of Yarra, which takes in the inner-city suburbs of Princes Hill, Abbotsford, Clifton Hill and Richmond with population in the area expected to rise over 57.13% between 2019 and 2041. Accommodation for the expected 57,302 people is also a concern.

Breaking down the area, the primary resident group in the City of Yarra has recently moved from

the modest working-class family (typically with a low household income) to a high-demand lifestyle migrant area attracting young professionals and students. This change is driven by factors such as development growth, migration patterns and housing supply. Whilst the above factors also affect the outer suburbs, estate development has caused greater shockwaves to the city's outer ring.

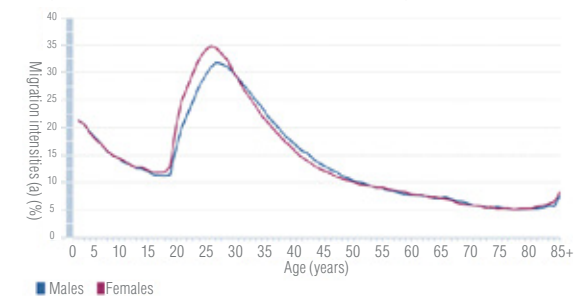
Looking at these suburbs, the continual growth will inevitably result in more estate development with the main source of these additional dwellings and households coming from greenfield opportunities in areas such as Epping North, Doreen and Mernda. A significant amount of development is also expected to take place near strategic sites such as University Hill in Bundoora and the Plenty Valley Town Centre in South Morang, with more apartment construction expected to take place. This growth will result in an overall increase in the median house price in areas such as Craigieburn (\$536,000) as well as the median rental price per week (\$400.00). Not only will this raise development competition in the area, but surrounding suburbs further out such as Kalkallo and Donnybrook will see an increase in population size.

### East and Outer East

The number of individuals who choose to migrate within Australia ranks in the top 20% in the world.

While it is hard to measure with absolute accuracy as many countries measure internal migration slightly differently, Australia has shown to the rest of the world how mobile its population is. This is a testament to the opportunities and freedoms granted to all who choose to seek a better life for themselves or their families, whether it is for lifestyle, job prospects or a combination of the two. Australia regularly has a changing population and the demographics of certain cities and towns are redistributed as individuals cater for their wants and needs. This is especially prevalent for young adults between the ages of 20-35 (source: [www.abs.gov.au](http://www.abs.gov.au) (2018)).

Migration intensity (one year) (a) by age & sex, 2016



Source: [www.abs.gov.au](http://www.abs.gov.au) (2018)

In 2016, the internal migration intensity of women aged 25 years old was recorded at 35%, while men aged 25 years old was recorded at 32%. This translates to one in three men and women aged 25 moving location domestically in 2016. Whilst this statistic would give hope to parents waiting eagerly for their children to leave home,

*Population movement in the outer suburbs has changed drastically over the past five years. In suburbs such as Craigieburn, population growth has increased by 53.4%.*



it highlights opportunity and promise for the next generation looking to seek employment by moving out of their homes to fresh locations whether it be the next suburb, the other side of the city or interstate.

In the City of Maroondah which takes in suburbs such as Ringwood, Croydon, Heathmont and Bayswater North, a higher proportion of people did not change address (59.2%), while a lower (31.1%) moved from elsewhere in Australia and 4.8% moved from overseas. A total of 10,318 people, or 32.2% of those who moved within Australia moved within the City of Maroondah.

Maroondah covers the outer east region of Melbourne. Ringwood is located 23 kilometres east of the CBD of Melbourne. The largest portion of migration to the area was international residents. The main driver for international migrants to purchase within this area is affordable property, leafy suburbs, access to a major shopping district (Eastland) and direct freeway access leading back to the city and south to the Mornington Peninsula via the Eastlink toll roads.

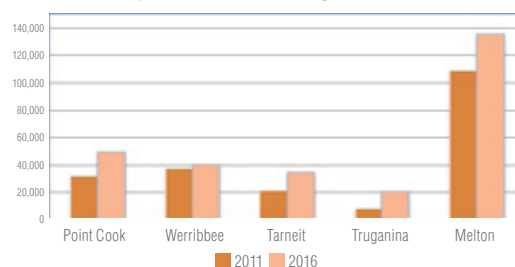
The municipalities of Boroondara, Manningham and Maroondah had their largest growth in migration between 2011 and 2016 from overseas with 15,045, 8,428 and 4,903 respectively. This is representative of a desire to live in the east as an established family to have access to good schooling options, transport and live a well-rounded lifestyle. International interest in the area shows how borderless our city is and the accepting culture we represent. This encourages domestic

and international interest to live in Melbourne, enhancing the rich multi-culture we have as a city and furthermore, a nation.

### Western Suburbs

Melbourne's west has been a story of growth in recent years. New greenfield offerings in the cities of Wyndham and Melton stimulated a large population influx, emerging new community centres and population centroids further out of traditional demographic hubs of metropolitan Melbourne.

Population influx by suburb



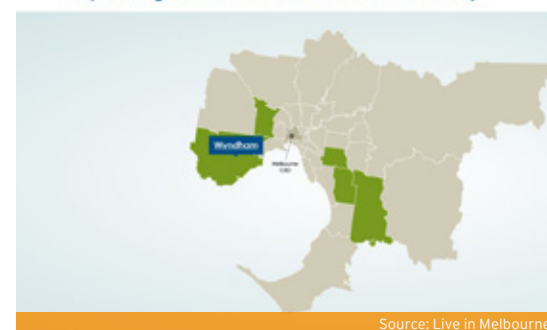
Source: ABS (2019)

Affordability is a key factor attracting home buyers to the developing suburbs of Melbourne. With metropolitan Melbourne's median house price recording \$785,000, there are still several suburbs in the west where buyers can get a foot in the door for under \$400,000.

New developing areas such as the cities of Brimbank and Wyndham show a large share of emerging cultural communities including those from India, the Philippines, Iraq and Sri-Lanka.

According to census data, Indians show a definite preference for housing projects located in the suburbs of Point Cook, Tarneit, Truganina and Rockbank. The choice of the location is a practical and pragmatic housing decision as the greenfield offerings remain one of the most affordable across Melbourne.

Popular regions for Melbourne's Indian community



Source: Live in Melbourne

There are specific locations in the developing western suburbs considered desirable for housing, being Ashley Gardens Estate in Hoppers Crossing and Wyndham Waters in Williams Landing. The proximity to transport, easy access to freeways and proximity to shopping, educational and leisure centres attract buyers who look for functional neighborhoods. The high demand has impacted prices, moving prices paid above the median house price for the locality.

Major western region infrastructure upgrades, including transport projects and roads upgrade, construction of pedestrian overpasses and paths for cyclists, are underway and due for completion in 2021. The much-anticipated upgrade of the western road network gives local businesses opportunities for growth and access to places of employment.

*The municipalities of Boroondara, Manningham and Maroondah had their largest growth in migration between 2011 and 2016 from overseas, with 15,045, 8428 and 4903 respectively.*



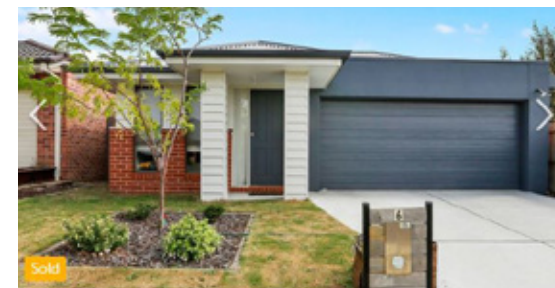




as at June 2019 was between \$400,000 and \$600,000, buyers could still get a near-new, three or four-bedroom house for close to \$400,000.



\$406,000, 17 Celesta Rd, Lara Source: Real Estate (2019)



\$456,000, 6 Chucklecreek Lane, Armstrong Creek Source: Real Estate (2019)

The recent local infrastructure projects including an extension of railways, continuous improvement of Geelong's activity centres together with Geelong based Deakin University community operations undoubtedly influence the growth of the local economy and stimulate potential property market participants.

### South-Eastern Suburbs

The outer south-eastern suburbs (OSES) have been a culturally diverse region of Victoria's rapid population growth for several years now, with newly settling migrant families taking advantage of the affordability of land prices in the area representing approximately 20% of the

## Geelong

According to Australian census data, Geelong's population is continually growing in size. Looking back on the last eight years of Geelong's population change to 2016, the growth rate was very strong, ranging annually from 1% to 2%.



Geelong's demographic profile continues to diversify. In 2011, the top five countries of birth for people in Geelong apart from Australia were England, Italy, New Zealand and Croatia. In 2016, the structure of the top five countries of birth had changed with India taking fourth place in the chart and making up almost 1% of the total population of Geelong. Those born in South-East, North-East Asia, Southern and Central Asia have increased significantly in numbers and percentage not only in Geelong but across Melbourne and Victoria as a result of overseas migration.

Geelong is characterised by the recently revitalised Waterfront precinct and newer residential areas of Geelong further out of the city's CBD. Geelong is still affordable for buyers representing strong opportunities for investors and owner-occupiers. Though the median house price for greater Geelong



population of the cities of Casey and Cardinia. The population has been steadily growing in the OSES at approximately 6.5% year-on-year for the preceding three years, underpinned by Victoria's robust migration both domestically and internationally. The age group which dominates this area is 25 to 34 year olds. This is generally the period where couples are starting families and are forced further out of the centre of Melbourne due to the affordability issues faced within the inner south-eastern suburbs. The population of the outer south-east corridor is expected to continue to grow, being underpinned by housing affordability and Melbourne's strong migration.

Melbourne's Central Business District (CBD) and inner ring have always attracted interstate and international buyers who have been priced out of their respective markets. This is especially the case with Chinese occupants and purchasers, comprising 25% of the population within Melbourne's CBD as of 2017, whilst only 14.5% of residents living in

the CBD were born in Australia. Interest reached a peak in 2017 and somewhat subsided throughout 2018 due to legislative changes in Australia as well as Chinese capital controls and taxes which have restricted demand in the past 12 to 24 months. We expect the population within Melbourne's inner ring to continue to rise.

### Mildura

Mildura's population is expected to continue growing at around 1% per annum, with this growth coming from people moving here for either work or retirement. Unfortunately, some of this growth will be at the expense of smaller towns and rural communities within a 300 kilometre radius, with both younger and older people drawn to the better employment, lifestyle and health facilities on offer in Mildura.

We also expect to see some people moving here from capital cities, drawn by the cheaper cost of living and less congestion. The idea of spending

less than ten minutes commuting to work and being able to buy a good standard home for less than \$500,000 is an attractive proposition, and while many of our young folk head to a city to attend university or seek alternative employment opportunities, a reasonable percentage eventually return, often with young families, in order to be closer to family or attracted by the regional lifestyle.

The recent growth in the area planted to horticultural crops, in particular table grapes, has created a need for additional seasonal labour, which we expect to be largely met from overseas workers and recently arrived migrants. Mildura has a proud history of settling migrants, with many people from Mediterranean countries arriving here in the 1950s. More recently we have seen an influx of people from Pacific islands, India, Iraq and Afghanistan, knowing they can obtain work for most of the year. Finding suitable accommodation is a challenge for these workers and there is a growing need to build affordable accommodation, either on farms or in town. There is virtually no cheap housing now available for rent at present.

This shortage of affordable accommodation has been evident for well over a decade in the nearby town of Robinvale, located approximately 85 kilometres south-east of Mildura, where a large percentage of Australia's table grapes are grown. Robinvale has been in the news lately, following the release of an independent population review commissioned by Swan Hill Council in order to help lobby for appropriate funding for health and other services in the town.

This review, undertaken by Geografia, relied primarily on eftpos records to match the number of regular financial transactions at local businesses. They also cross-checked their

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population estimate by comparing domestic water consumption figures. Geografia's data suggests the real population of Robinvale is between 7,205 and 7,725, which is more than double the 2016 ABS census figure of 3,316. This highlights the difficulty in accurately measuring the population in some locations.

## Shepparton

The Goulburn Valley Health redevelopment is well underway as the major infrastructure upgrade for the region. The hospital upgrade is said to require an additional 600 jobs in the near future and there is a fair amount of buzz amongst the surrounding estates. The jobs require a range in skill sets and pay scales, as will the properties that these people and their families require. There is no doubt that this will draw people and families from across the state and possibly the country.

As it currently stands, the rental market is very tight with a number of large real estate agencies quoting vacancy rates close to 1%. Houses in Shepparton are in relatively short supply as it is and that is before the jobs are advertised for the hospital. There are enough new land subdivisions on offer from developers for our city to continue to grow, however we are already in a building boom and building companies will

most likely require additional trades to keep up with demand.

Many out of town investors are still being drawn to the Shepparton region because of the strong rental yields exhibited by the sub-\$300,000 market, of which most appear to be investment properties merely changing hands, rather than an influx of rental stock. There are still a number of former housing commission properties that are being sold with yields up around 7.5% to 8% with tenants in place. Typically, these properties don't last more than a fortnight on the market.



# 600

jobs in the near future with the hospital upgrade.

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