



**Port Phillip  
Property Values Report  
Spring 2018**

Albert Park, Balaclava, Elwood, Melbourne,  
Middle Park, Port Melbourne, South Melbourne,  
Southbank, St Kilda, St Kilda East, St Kilda West



## The market of 2018 is very different to preceding years

At the beginning of this year, we examined a few forces that would lead to a flattening of house prices in Melbourne: cycle length, tighter lending, and less foreign buyer demand. There's little doubt that these forces have bitten.

The graph adjacent shows how median house prices in Melbourne have fluctuated over the last 25 years. Each bar represents a quarter in time (Jan-Mar / Apr-Jun / Jul-Sep / Oct-Dec), and the height shows whether prices were up compared to the same quarter in the previous year, or down.

In every quarter since late 2012, we've experienced solid year-on-year growth; the value of the typical Melbourne house has increased about 70% over the period. But, notice how the rate of growth has fallen over the most recent 4 quarters – from about 15% in September 2017 to near 0% in June 2018.

Melbourne has experienced similar sharp changes in price growth several times before, each with different outcomes:

- The flattening from Dec-2003 was short-lived, and prices ramped back up pretty quickly
- From Jun-2008, prices actually went backwards for 2 consecutive quarters, but then growth returned in dramatic fashion
- From Sep-2010, prices again went backwards, this time for nearly 2 years

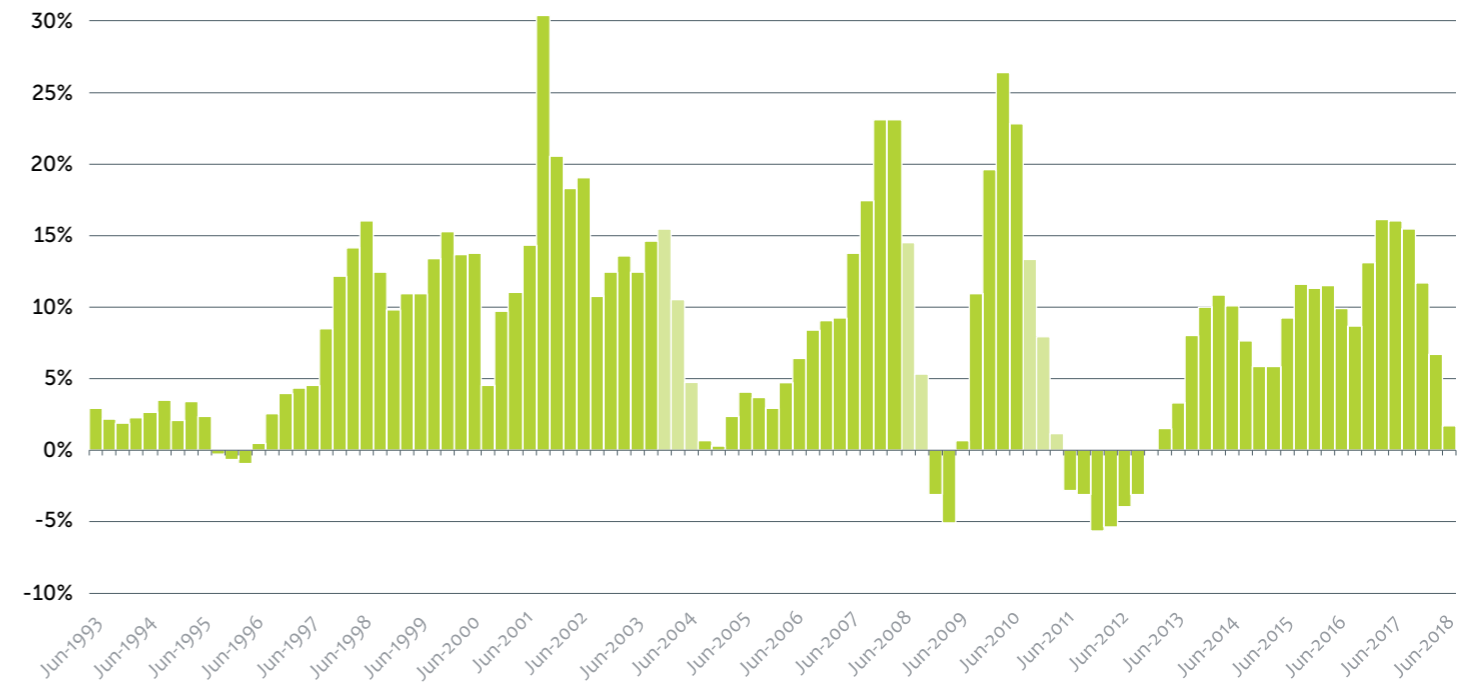
So, will price growth return quickly? Will values fall a bit, then build back gradually? Or, are we in for a hard landing and a rough couple of years ahead? The obvious truth is that nobody knows for certain. But, a reading of some fundamentals suggests that the middle path is most likely...

Yes, we've seen the market perform really strongly over the last 5 years, but peak growth was around 15% in early 2017. The fact that it never hit the dizzying heights seen in 2008 and 2010 gives some comfort that a boom-bust scenario isn't playing out. And, the fact that prices have gone backwards in only 10 of the last 100 quarters suggests that any potential falls are likely to be short lived.

Changes in lending criteria continue to act as handbrakes on the property market, and outcomes from the banking royal commission loom. But, Interest Rates remain at record lows, and are likely to stay there through 2018, making it unlikely that a large number of existing homeowners will be forced to sell at discounted prices due to mortgage stress.

Finally, demand from cashed up overseas investors has certainly subsided, but continued high levels of overseas immigration and interstate migration into Victoria means that Melbourne is projected to become Australia's largest city by 2030. A growing population means growing demand for housing, and you know the saying – they're not making more land.

Year-on-Year % Change in Median House Prices: Melbourne



**This statistical analysis was conducted by Property Analytics Australia**

Australian Bureau of Statistics compiles capital city indexes for Established Houses on a quarterly basis for each capital city. The indexes measure price movements over time.

We're undoubtedly in a different market today than we were 12 months ago, but this shouldn't come as a surprise to anyone who follows real estate. The seller's market couldn't last forever. Real estate transactions in coming months will be shaped more by rational decision-making than by emotional fear of missing out, and those who are informed and well advised will do well.

**143,400**  
is how much the VIC population grew by last year (compared to 116,800 in NSW)

(Source: ABS)

**35 days**

is the average time it takes to sell a property in Melbourne.

44 days in Regional VIC.

(Source: REIV)

**0.6%**

is the difference between Owner Occupier Interest Rates and Investor Interest Rates

(Source: RBA)

**1.9%**

is the vacancy rate of residential properties in Melbourne

1.6% in Regional VIC

(Source: REIV)

\* Property Analytics ([www.propertyanalytics.com.au](http://www.propertyanalytics.com.au)) provides independent statistical information to real estate professionals throughout Victoria and New South Wales.

## Albert Park and local neighbourhood property values



Buxton has divided the map on this page into 12 different property value areas. To find out the median house value in your neighbourhood, simply locate your street on this map to discover which area your property is in, then look up the relevant chart. Data shown is for the Financial Year ending June 2018.

### Houses: FY18

Area	1-3 Bedroom	4+ Bedroom	All Houses
<b>Area 1</b>			
Number Sold	13	7	20
Median	\$1,710,000	\$3,760,000	\$2,325,000
Highest	\$3,250,000	\$4,150,000	\$4,150,000
<b>Median 3 yr % change</b>	<b>22*</b>	<b>32*</b>	<b>2</b>
<b>Area 2</b>			
Number Sold	41	16	57
Median	\$2,450,000	\$4,212,500	\$2,635,000
Highest	\$6,800,000	\$6,400,000	\$6,800,000
<b>Median 3 yr % change</b>	<b>26</b>	<b>27</b>	<b>12</b>
<b>Area 3</b>			
Number Sold	41	9	50
Median	\$2,210,000	\$2,766,000	\$2,217,500
Highest	\$3,391,000	\$4,110,000	\$4,110,000
<b>Median 3 yr % change</b>	<b>40</b>	<b>29*</b>	<b>27</b>
<b>Area 4</b>			
Number Sold	36	11	47
Median	\$1,825,000	\$3,600,000	\$1,950,000
Highest	\$5,000,000	\$6,475,000	\$6,475,000
<b>Median 3 yr % change</b>	<b>11</b>	<b>26*</b>	<b>5</b>
<b>Area 5</b>			
Number Sold	33	5	38
Median	\$1,350,000	\$1,850,500	\$1,350,000
Highest	\$2,730,000	\$2,611,000	\$2,730,000
<b>Median 3 yr % change</b>	<b>14</b>	<b>-14*</b>	<b>10</b>
<b>Area 6</b>			
Number Sold	26	9	35
Median	\$1,600,000	\$2,182,500	\$1,650,000
Highest	\$2,350,000	\$2,620,000	\$2,620,000
<b>Median 3 yr % change</b>	<b>7</b>	<b>11*</b>	<b>2</b>
<b>Area 7</b>			
Number Sold	66	11	77
Median	\$1,375,000	\$2,360,000	\$1,467,500
Highest	\$3,650,000	\$4,750,000	\$4,750,000
<b>Median 3 yr % change</b>	<b>27</b>	<b>19*</b>	<b>25</b>
<b>Area 8</b>			
Number Sold	53	12	65
Median	\$1,500,500	\$2,875,000	\$1,750,000
Highest	\$3,850,000	\$4,512,000	\$4,512,000
<b>Median 3 yr % change</b>	<b>20</b>	<b>25*</b>	<b>26</b>
<b>Area 9</b>			
Number Sold	40	4	44
Median	\$1,365,000	\$3,045,000	\$1,372,500
Highest	\$2,190,000	\$3,720,000	\$3,720,000
<b>Median 3 yr % change</b>	<b>4</b>	<b>78*</b>	<b>9</b>
<b>Area 10**</b>			
Number Sold	N/A	N/A	N/A
Median	N/A	N/A	N/A
Highest	N/A	N/A	N/A
<b>Median 3 yr % change</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Area 11**</b>			
Number Sold	N/A	N/A	N/A
Median	N/A	N/A	N/A
Highest	N/A	N/A	N/A
<b>Median 3 yr % change</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Area 12</b>			
Number Sold	8	2	10
Median	\$565,000	\$650,000	\$650,000
Highest	\$850,000	\$650,000	\$850,000
<b>Median 3 yr % change</b>	<b>1*</b>	<b>0*</b>	<b>16*</b>

### Units / Townhouses: FY18

Area	1-2 Bedroom	3+ Bedroom	All Units
<b>Area 1</b>			
Number Sold	63	4	67
Median	\$598,000	\$1,631,250	\$611,000
Highest	\$930,000	\$2,357,500	\$2,357,500
<b>Median 3 yr % change</b>	<b>11</b>	<b>34*</b>	<b>11</b>
<b>Area 2</b>			
Number Sold	16	7	23
Median	\$685,000	\$760,000	\$692,500
Highest	\$1,300,000	\$1,005,000	\$1,300,000
<b>Median 3 yr % change</b>	<b>-6</b>	<b>-14*</b>	<b>-5</b>
<b>Area 3</b>			
Number Sold	11	2	13
Median	\$1,020,000	\$1,375,000	\$1,020,000
Highest	\$1,950,000	\$1,375,000	\$1,950,000
<b>Median 3 yr % change</b>	<b>48*</b>	<b>-14*</b>	<b>9*</b>
<b>Area 4</b>			
Number Sold	9	N/A	9
Median	\$683,000	N/A	\$690,000
Highest	\$1,440,000	N/A	\$1,440,000
<b>Median 3 yr % change</b>	<b>-6*</b>	<b>N/A</b>	<b>-5*</b>
<b>Area 5</b>			
Number Sold	234	26	260
Median	\$630,000	\$1,400,000	\$645,000
Highest	\$4,250,000	\$6,850,000	\$6,850,000
<b>Median 3 yr % change</b>	<b>2</b>	<b>-8</b>	<b>-1</b>
<b>Area 6</b>			
Number Sold	5	8	13
Median	\$1,292,500	\$2,690,500	\$1,855,000
Highest	\$1,750,000	\$3,500,000	\$3,500,000
<b>Median 3 yr % change</b>	<b>18*</b>	<b>67*</b>	<b>57*</b>
<b>Area 7</b>			
Number Sold	16	6	22
Median	\$637,000	\$2,060,000	\$977,500
Highest	\$1,355,000	\$2,926,000	\$2,926,000
<b>Median 3 yr % change</b>	<b>-31*</b>	<b>72*</b>	<b>3</b>
<b>Area 8</b>			
Number Sold	22	8	30
Median	\$720,000	\$1,587,750	\$878,500
Highest	\$1,300,000	\$1,800,000	\$1,800,000
<b>Median 3 yr % change</b>	<b>-4</b>	<b>5*</b>	<b>-8</b>
<b>Area 9</b>			
Number Sold	272	51	323
Median	\$535,000	\$983,000	\$560,000
Highest	\$1,450,000	\$2,215,000	\$2,215,000
<b>Median 3 yr % change</b>	<b>-7</b>	<b>12</b>	<b>-9</b>
<b>Area 10</b>			
Number Sold	331	39	370
Median	\$525,000	\$822,000	\$540,250
Highest	\$3,588,000	\$5,850,000	\$5,850,000
<b>Median 3 yr % change</b>	<b>-4</b>	<b>7</b>	<b>-4</b>
<b>Area 11</b>			
Number Sold	199	38	237
Median	\$550,000	\$850,000	\$590,000
Highest	\$1,400,000	\$1,860,000	\$1,860,000
<b>Median 3 yr % change</b>	<b>-3</b>	<b>-1</b>	<b>1</b>
<b>Area 12</b>			
Number Sold	363	73	436
Median	\$533,500	\$1,225,000	\$606,000
Highest	\$2,535,000	\$4,425,000	\$4,425,000
<b>Median 3 yr % change</b>	<b>-3</b>	<b>1</b>	<b>1</b>

\*Median Value Increase in 3 years % figure is statistically unreliable due to insufficient sales volumes.

\*\*No house sales recorded during this period.

## St Kilda and local neighbourhood property values



Buxton has divided the map on this page into 12 different property value areas. To find out the median house value in your neighbourhood, simply locate your street on this map to discover which area your property is in, then look up the relevant chart. Data shown is for the Financial Year ending June 2018.

### Houses: FY18

Area	1-3 Bedroom	4+ Bedroom	All Houses
<b>Area 1</b>			
Number Sold	16	5	21
Median	\$1,168,750	\$2,090,000	\$1,262,000
Highest	\$1,900,000	\$4,610,000	\$4,610,000
<b>Median 3 yr % change</b>	<b>9</b>	<b>-14*</b>	<b>24</b>
<b>Area 2</b>			
Number Sold	3	3	6
Median	\$377,750	\$1,720,500	\$1,300,000
Highest	\$417,000	\$1,811,000	\$1,811,000
<b>Median 3 yr % change</b>	<b>-68*</b>	<b>-50*</b>	<b>11*</b>
<b>Area 3</b>			
Number Sold	14	9	23
Median	\$1,355,000	\$2,680,000	\$1,583,000
Highest	\$1,850,000	\$6,000,000	\$6,000,000
<b>Median 3 yr % change</b>	<b>20*</b>	<b>41*</b>	<b>21</b>
<b>Area 4**</b>			
Number Sold	N/A	N/A	N/A
Median	N/A	N/A	N/A
Highest	N/A	N/A	N/A
<b>Median 3 yr % change</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Area 5</b>			
Number Sold	12	7	19
Median	\$1,299,500	\$2,200,000	\$1,675,000
Highest	\$2,350,000	\$2,810,000	\$2,810,000
<b>Median 3 yr % change</b>	<b>0*</b>	<b>0*</b>	<b>22</b>
<b>Area 6</b>			
Number Sold	34	7	41
Median	\$1,350,000	\$1,987,500	\$1,390,000
Highest	\$1,875,000	\$3,000,000	\$3,000,000
<b>Median 3 yr % change</b>	<b>15</b>	<b>21*</b>	<b>18</b>
<b>Area 7</b>			
Number Sold	16	15	31
Median	\$1,425,000	\$2,787,250	\$2,100,000
Highest	\$2,290,000	\$3,400,000	\$3,400,000
<b>Median 3 yr % change</b>	<b>4</b>	<b>40*</b>	<b>29</b>
<b>Area 8</b>			
Number Sold	12	9	21
Median	\$1,572,000	\$2,310,000	\$2,000,000
Highest	\$2,310,000	\$2,560,000	\$2,560,000
<b>Median 3 yr % change</b>	<b>3*</b>	<b>13*</b>	<b>22</b>
<b>Area 9</b>			
Number Sold	18	11	29
Median	\$1,714,500	\$2,740,500	\$1,902,500
Highest	\$2,770,000	\$3,580,000	\$3,580,000
<b>Median 3 yr % change</b>	<b>4</b>	<b>18*</b>	<b>11</b>
<b>Area 10</b>			
Number Sold	12	14	26
Median	\$1,790,000	\$2,470,000	\$2,100,000
Highest	\$2,720,000	\$3,950,000	\$3,950,000
<b>Median 3 yr % change</b>	<b>26*</b>	<b>0*</b>	<b>7</b>
<b>Area 11</b>			
Number Sold	33	8	41
Median	\$1,300,000	\$2,235,000	\$1,412,500
Highest	\$2,205,000	\$2,700,000	\$2,700,000
<b>Median 3 yr % change</b>	<b>14</b>	<b>11*</b>	<b>4</b>
<b>Area 12</b>			
Number Sold	10	13	23
Median	\$1,505,000	\$2,397,500	\$1,855,500
Highest	\$2,315,000	\$3,300,000	\$3,300,000
<b>Median 3 yr % change</b>	<b>-7*</b>	<b>16*</b>	<b>4</b>

### Units / Townhouses: FY18

Area	1-2 Bedroom	3+ Bedroom	All Units
<b>Area 1</b>			
Number Sold	132	11	143
Median	\$505,000	\$680,000	\$504,000
Highest	\$3,100,000	\$1,262,000	\$3,100,000
<b>Median 3 yr % change</b>	<b>10</b>	<b>-27*</b>	<b>7</b>
<b>Area 2</b>			
Number Sold	138	10	148
Median	\$481,000	\$1,347,500	\$505,500
Highest	\$1,160,000	\$3,650,000	\$3,650,000
<b>Median 3 yr % change</b>	<b>-8</b>	<b>-5*</b>	<b>-10</b>
<b>Area 3</b>			
Number Sold	71	7	78
Median	\$450,000	\$1,275,000	\$459,500
Highest	\$987,500	\$1,840,000	\$1,840,000
<b>Median 3 yr % change</b>	<b>-2</b>	<b>21*</b>	<b>-3</b>
<b>Area 4</b>			
Number Sold	23	2	25
Median	\$638,500	\$672,500	\$638,500
Highest	\$1,250,000	\$672,500	\$1,250,000
<b>Median 3 yr % change</b>	<b>14</b>	<b>2*</b>	<b>13</b>
<b>Area 5</b>			
Number Sold	120	9	129
Median	\$580,000	\$1,191,750	\$587,000
Highest	\$1,055,000	\$5,060,000	\$5,060,000
<b>Median 3 yr % change</b>	<b>1</b>	<b>8*</b>	<b>2</b>
<b>Area 6</b>			
Number Sold	152	16	168
Median	\$525,000	\$857,000	\$565,000
Highest	\$990,000	\$1,250,000	\$1,250,000
<b>Median 3 yr % change</b>	<b>5</b>	<b>21</b>	<b>7</b>
<b>Area 7</b>			
Number Sold	50	7	57
Median	\$590,000	\$982,000	\$638,500
Highest	\$1,370,000	\$1,380,000	\$1,380,000
<b>Median 3 yr % change</b>	<b>8</b>	<b>18*</b>	<b>16</b>
<b>Area 8</b>			
Number Sold	79	7	86
Median	\$575,750	\$916,500	\$625,000
Highest	\$1,315,000	\$2,150,000	\$2,150,000
<b>Median 3 yr % change</b>	<b>3</b>	<b>-3*</b>	<b>4</b>
<b>Area 9</b>			
Number Sold	45	8	53
Median	\$633,000	\$1,042,500	\$685,000
Highest	\$1,935,000	\$1,700,000	\$1,935,000
<b>Median 3 yr % change</b>	<b>-3</b>	<b>-21*</b>	<b>-7</b>
<b>Area 10</b>			
Number Sold	100	16	116
Median	\$632,750	\$1,262,500	\$685,000
Highest	\$3,500,000	\$1,900,000	\$3,500,000
<b>Median 3 yr % change</b>	<b>1</b>	<b>-7</b>	<b>7</b>
<b>Area 11</b>			
Number Sold	176	14	190
Median	\$539,000	\$947,500	\$552,500
Highest	\$950,000	\$2,425,000	\$2,425,000
<b>Median 3 yr % change</b>	<b>9</b>	<b>17*</b>	<b>6</b>
<b>Area 12</b>			
Number Sold	30	8	38
Median	\$660,000	\$1,286,750	\$680,000
Highest	\$1,751,000	\$3,050,000	\$3,050,000
<b>Median 3 yr % change</b>	<b>16</b>	<b>10*</b>	<b>8</b>

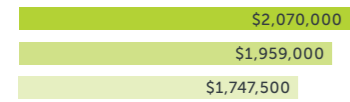
\*Median Value Increase in 3 years % figure is statistically unreliable due to insufficient sales volumes.

## Median sale prices by suburb in the last 3 years

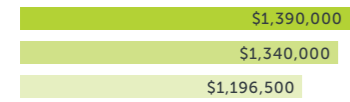
### Houses

2016 2017 2018

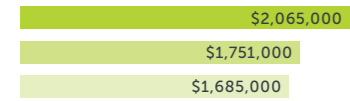
Albert Park - 102 sold  
Median Value 3 Year % Change - 18



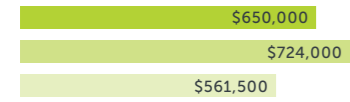
Balaclava - 32 sold  
Median Value 3 Year % Change - 16



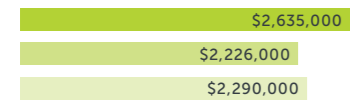
Elwood - 105 sold  
Median Value 3 Year % Change - 23



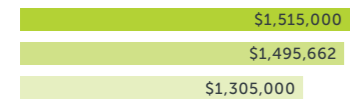
Melbourne - 9 sold  
Median Value 3 Year % Change - 16\*



Middle Park - 55 sold  
Median Value 3 Year % Change - 15



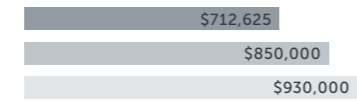
Port Melbourne - 146 sold  
Median Value 3 Year % Change - 16



### Units/Townhouses

2016 2017 2018

Albert Park - 21 sold  
Median Value 3 Year % Change - -23\*



Balaclava - 99 sold  
Median Value 3 Year % Change - 8



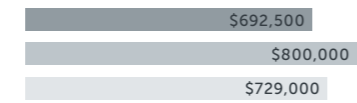
Elwood - 319 sold  
Median Value 3 Year % Change - 5



Melbourne - 444 sold  
Median Value 3 Year % Change - 1



Middle Park - 22 sold  
Median Value 3 Year % Change - -5\*



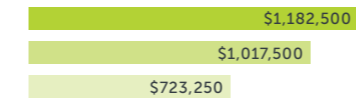
Port Melbourne - 318 sold  
Median Value 3 Year % Change - 2



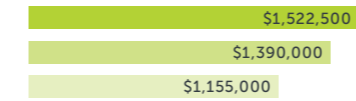
South Melbourne - 102 sold  
Median Value 3 Year % Change - 7



Southbank - 2 sold  
Median Value 3 Year % Change - 63\*



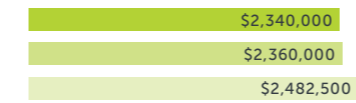
St Kilda - 68 sold  
Median Value 3 Year % Change - 32



St Kilda East - 68 sold  
Median Value 3 Year % Change - -9



St Kilda West - 19 sold  
Median Value 3 Year % Change - -6\*



South Melbourne - 245 sold  
Median Value 3 Year % Change - -11



Southbank - 703 sold  
Median Value 3 Year % Change - -2



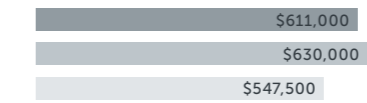
St Kilda - 560 sold  
Median Value 3 Year % Change - -1



St Kilda East - 245 sold  
Median Value 3 Year % Change - 7



St Kilda West - 67 sold  
Median Value 3 Year % Change - 12



\*Median Value Increase in 3 years % figure is statistically unreliable due to insufficient sales volumes.

## Did you know...

### About median values

The median value is a more reliable figure than an average price. This is used as an indicator of price trends in a particular area.

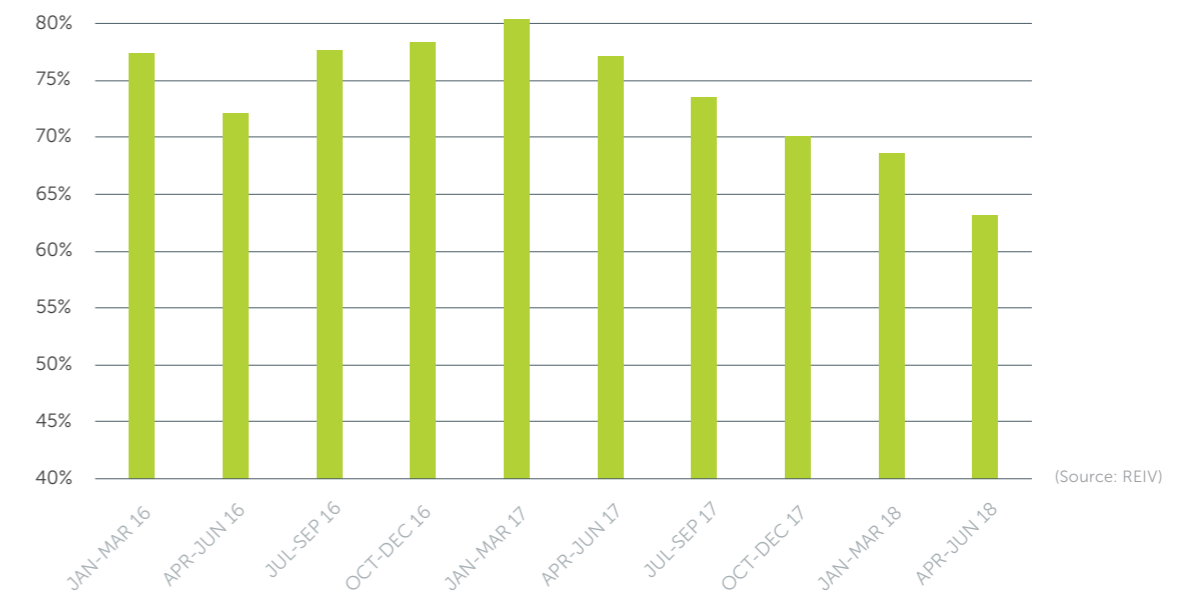
That's why median prices are used by Buxton, the Real Estate Institute of Victoria and the Valuer General. Simply, the average price is obtained by adding up the value of all sales and dividing that figure by the number of sales. The median average is the middle price when all sales are arranged in order from highest to lowest. Data shown is for the Financial Year ending June 2018.

Please note that figures relate to sales of individual residential properties only and exclude sales of multiple dwellings in single transactions (e.g. blocks of units), vacant land, and commercial real estate. The data on these pages also includes Valuer General data and because of the delay in receiving it, the 2017 data may be missing some sales taking place towards the end of the calendar year. Also be aware that if any area has a particularly low number of sales during any period, this may unfairly influence the trend. Whilst every care has been taken to confirm the accuracy of the information presented, neither the authors, editors or publishers can be responsible for errors or omissions or for any consequences from application of the information given.

## Auction Clearance Rates Are Telling

When assessing the relationship between supply and demand in the market place (and associated leverage between seller and buyer), auction clearance rates can be useful.

### Auction Clearance Rates Across Buxton's 140+ Suburb Area



This graph shows how rates have changed over the last 2.5 years across the 140+ suburbs that Buxton operates in Victoria. While every suburb and region is different, overall we've seen a significant decrease in clearance rates from the beginning of 2017 to now.

What does this mean? Highly competitive auctions with many bidders is becoming rarer, and as a result, vendors must take more care when considering pre-auction offers and when determining their ultimate reserve price. Employing an experienced local agent with in-depth knowledge of active buyers is becoming increasingly important.

If you are considering selling and would like to achieve the highest price possible, contact a Port Phillip local area expert for an up-to-date market appraisal.

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