



UDIA reveals what next gen homebuyers want

New property consumer trends and preferences data was presented this week at a research breakfast by the Urban Development Institute of Australia (UDIA) - Victorian Division. The data analysed where the next generation of buyers are looking and what type of property they are looking for.

According to the data by the REA Group Real Demand Platform (September 16 to August 2017), Melbourne's apartment market is in very high demand. Collingwood is the most sought-out suburb for apartment buyers, second to Melbourne which, ironically, has been the main source of oversupply speculation. The data shows that interest in apartments in Collingwood are trending upwards, with the average number of listing views per month at 46,536, which is close to 38 times the state average. The most popular property type being searched for in Collingwood is apartments with 2-bedrooms, 2-bathrooms and 1 car space.

Other popular suburbs among buyers include a mix of inner, middle and outer ring suburbs: Richmond, Port Melbourne, Boronia, Fitzroy, Blackburn, North Melbourne, South Melbourne and Caroline Springs.

"As the price of houses continues to skyrocket, contemporary apartments will become a more realistic form of housing for a broadening range of people, especially for those who want to live inner city rather than being pushed 20km out of the CBD," said Ms Danni Addison, Victorian CEO of the UDIA.

"We must not ignore the role apartments play in the housing affordability equation. The reality is that a decreasing number of Victorians can afford to buy or live in a house, and we need to give them other options. Melbourne needs a diverse range of housing for young people, low to middle income earners, pensioners and everyone in between – that way people across all walks of life get a choice on where they live."

The data indicates that as apartments become the more popular and affordable option for homebuyers in Victoria, consumers are more partial to larger 3-bedroom apartments. In affluent and popular inner-city suburb South Yarra, the most popular new apartment configuration is 3-bedrooms, 3-bathrooms and 2-car spots. Other popular suburbs for 3-bedroom apartments are St Kilda, Port Melbourne, Elwood, Richmond, St Kilda East, Toorak, East Melbourne and Brunswick.

Additionally, the rental data reveals that many people are looking for 1-bedroom apartments to rent, particularly in well-serviced areas such as South Yarra. This indicates that there is demand for this product type in certain areas, despite conflicting claims that suggest 1-bedroom apartments are not a wise investment.

In terms of new houses, the data reveals that the most popular suburbs for new houses are in the outer suburbs of Pakenham, Epping, Point Cook, Greenvale, Lyndhurst, Cranbourne, Officer, Truganina, Mernda and Drouin. Epping; the second most popular suburb for new houses in Victoria; has a median listing price of \$450,000 for new 4-bedroom houses. The most popular new house configuration is 4-bedrooms, 2-bathrooms and a 2-car garage.

The middle ring is the most popular area for new townhouses. The most popular suburb is northern suburb Pascoe Vale, followed by Glenroy, Richmond, Preston and Bentleigh East.

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Overall, the data suggests that Victoria's housing market remains strong with high levels of demand throughout the inner, middle and outer rings of Melbourne.

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The Urban Development Institute of Australia (UDIA) is a nationally recognised body that advocates for Australia's urban development industry. In Victoria, the Institute informs and engages government and industry members, **enabling better policy and better business decisions**. With a primary focus on the residential property sector, UDIA protects and promotes over 350 member companies across Victoria including developers and a range of other professionals involved in producing, financing and marketing residential property.

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