



The lower quartile price for Albion will secure you a property much like this one

ON THE HUNT FOR GREAT VALUE

What can you buy for the lowest quartile price at the affordable end of Victoria's market? ANGELA YOUNG

Thanks to Australian Property Monitors' skilled work with the numbers, we can now reveal the statistically typical Victorian suburbs that seem to be offering great value for money.

In order to be included in the data, suburbs have to have the same median house price or lower than the capital (\$535,000) with at least 30 sales recorded and located no more than 25 kilometres from the CBD.

The numbers have thrown up some interesting examples (see the full list in the table, top right). While some of these could well provide some sure-fire winners, it's worth remembering that you need to look below the first layer of data when considering a location's value.

Indeed, reactions from the experts we spoke to were mixed. Secret Agent buyers' agent Paul Osborne felt significantly wary of all 10 suburbs.

"I'd say that a blanket statement could be that with pressure on employment,

all of these listed would provide risk to future cash flow," he said.

"These areas all suffer from the same things as well as public transport being an issue."

Asked which would likely prove the best investment spot, he chose Braybrook as "probably having the best potential moving forward".

POSSIBILITIES

Buyers' agent Cate Bakos, on the other hand, had more positive things to say about some of the areas highlighted, though she, too, wasn't all that excited about the majority. There is, nevertheless, a standout for her.

"Albion is my absolute favourite," she says.

Citing the positives of period homes and the nearby rail station, as well as the huge potential in the "superb old Victorian, Edwardian and post-war homes primed for renovation", she describes it as "an emerging local hub in Sunshine", adding, "I've been supporting investment in the area".

"Albion has a fantastic history, which explains the reason for all the 1920s architecture prominent in the area," Bakos says. "HV McKay of Sunshine Harvester Works was a successful businessman who developed an estate for his workers – and many of those houses remain today.

"Being just eight stations from the CBD, it's easily accessible on highway and city routes, offering period houses in great streets and situated just 13 kilometres west of the CBD.

MELBOURNE CITY MEDIAN: \$535,000 | MIN SALES: 30 | RADIUS: 25km | 12 MONTHS TO JUNE 2015

Suburb	Distance to CBD (KM)	Number of sales	Lower quartile (25%)	Median (50%)	Upper quartile (75%)
Brooklyn	12	37	\$463,000	\$510,000	\$568,000
Braybrook	11	45	\$435,000	\$489,000	\$545,000
Taylors Lakes	22	64	\$410,000	\$460,000	\$521,500
Cairnlea	18	37	\$435,000	\$455,000	\$515,000
Albion	15	36	\$400,000	\$432,000	\$470,000
Keilor Downs	19	52	\$400,000	\$421,000	\$460,000
Burnside Heights	22	42	\$377,000	\$413,750	\$436,000
Derrimut	17	45	\$370,000	\$412,000	\$450,000
Seabrook	20	61	\$370,000	\$400,000	\$430,000
Ardeer	16	43	\$358,000	\$381,000	\$400,000
Delahey	21	63	\$342,000	\$370,000	\$391,000
Sydenham	23	74	\$330,000	\$370,000	\$410,000
Truganina	22	118	\$330,000	\$359,500	\$380,000
Albanvale	20	64	\$310,000	\$329,500	\$347,500

Source: APIM

"It seems to have it all and just needs time now to gentrify," she says. "I feel it's one of the west's best kept secrets. The median price just buys an entry-level house, but more likely buys a unit or renovator's delight, or a nice dated-but-sound house on subdivided land."

Advantage Property Consulting's Frank Valentic agrees that Albion holds great opportunity for investors.

"It's abundant in period homes and Californian bungalows, which hold their value," he says. "This multicultural suburb also has two creeks, two parks and a railway line, which attracts residents.

"More importantly, Albion's set to experience a ripple effect from neighbouring suburbs Sunshine and Footscray, which have exhibited tremendous annual growth for consecutive years."

ALTERNATIVES

When it comes to some of the other suburbs that made the list, Bakos feels only a few would be worth considering.

Like Osborne, she mentions Braybrook as a contender.

"It's a very industrial area (like Brooklyn)," she says, "and not really near a train station, but being just nine kilometres from the CBD, it's really hard to argue that Braybrook shouldn't get a vote.

"After all, there are a few eastern and southeastern suburbs this distance from the CBD, such as Elwood and Kew East/Balwyn, that are highly sought-after.

"I'm not suggesting that Braybrook rivals these private school, high income-earner areas, but amenity and proximity is comparable and I'd dare anyone to argue that point."

Valentic isn't arguing. "Braybrook should also be high on the list for investors," he concurs, explaining that it grew by 10.7 per cent in the last quarter alone.

"Again, property prices are expected to grow in the coming years as Braybrook welcomes buyers spilling over from popular Yarraville.

"The multicultural suburb has large tracts of residential, commercial and industrial areas, and therefore has a high proportion of the labour force in the manufacturing industry.

"The suburb also features the Footscray College of TAFE and Chisholm College, so many students are looking for nearby properties to rent," Valentic adds.

For the lower quartile price of \$435,000 you can get a three-bedroom house in Braybrook and, as Bakos points out, "in the eastern nine-kilometre radius suburbs, the same house would be roughly \$1.5 million, give or take".

For Valentic, Seabrook is also a consideration.

"Seabrook's seeing heightened demand on the back of Altona's popularity," he says.

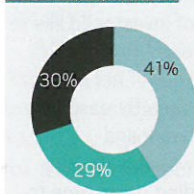
"Located 20 kilometres southwest of the CBD in Melbourne's southwest growth corridor, it's a new suburb that features a young population

ALBION FACT SHEET

Albion has a mixed supply to demand situation. There are adequate rental properties available to tenants, however there's an oversupply of for-sale listings. Discounting has been muted. Incomes in Albion are growing slightly faster than the Victoria average. The proportion of renters to owner-occupiers is below average for Victoria. Stock for sale levels are down by 2.3 per cent year on year.

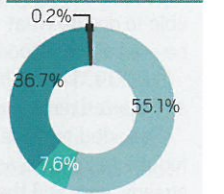
Source: SQM Research. www.sqmresearch.com.au (accurate to September, 2015).

OCCUPANT TYPE³



■ Owner-occupiers
■ Mortgage holders
■ Renters

HOUSING MAKE-UP⁴



■ Separate house (937)
■ Semi-detached row or terrace house, townhouse etc (130)
■ Flat, unit or apartment (624)
■ Other dwelling (3)

VACANCY RATES⁵

3.3%
ALBION

2.2%
MELBOURNE

10-YEAR AVERAGE ANNUAL GROWTH⁶

6.5%
HOUSES

2.0%
UNITS

KEY DRIVERS

- ▶ Affordability
- ▶ Period homes
- ▶ Good transport links

WALK SCORE⁷: 53

Albion has a Walk Score of 53 and is the 201st most walkable neighbourhood in Melbourne. Some errands can be accomplished on foot in Albion and there are about 36 restaurants, bars and coffee shops, though most residents are generally unable to walk to any of them within five minutes.



Source: APIM and SQM Research. Source: ABS 2011 Census. Source: APIM. Source: www.walkscore.com.au. H = houses, U = units, YoY = year on year, SNR = statistically not reliable.