



MONTHLY RESEARCH BULLETIN

APRIL 2020

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Market Overview

-3.1%

RMX Change

The REIV Residential Market Index (RMX) for Victoria fell by 3.1 per cent to 127.0 over the four weeks to 19th April.

The House price index fell by 5.7 per cent to 124.7 and the Unit price index also fell by 4.3 per cent to 127.6 over same period.

73%

Clearance Rate

A clearance rate of 73.0 per cent was recorded in March 2020. The rolling 12-month clearance rate is 72.6 per cent.

3.1K

Reported Auctions

There were 3,107 reported auctions and 2,267 properties sold by auction in March 2020.

32

Days on Market

Properties in Melbourne spent 32 days on market in March 2020, one day less than the previous month.

For regional Victoria, the median days on market rose by 2 days to 56 days.

2.3%

Vacancy Rate

The proportion of vacant properties in metro Melbourne remained unchanged at 2.3 per cent while increased for regional Victoria to 1.9 per cent.

Market Overview

Following the Reserve Bank meeting in April 2020, the cash rate remained unchanged at 0.25 per cent after two rate cuts in March 2020 in response to the global coronavirus outbreak.

There were 3,107 reported auctions in March. A total of 2,267 of these sold representing a clearance rate of 73.0 per cent for the month. There were a total of 31,403 reported auctions in Victoria in the past 12 months, with a 72.6 per cent clearance rate.

There were an estimated 8,928 house and unit sales transacted in Victoria for the month, and 113,665 sales in the past 12 months. Based on these estimates, the share of auctions sold as a percentage of overall sales was 20.0 per cent in the 12 months to March 2020.

The REIV Residential Market Index (RMX) for Victoria fell by 3.1 per cent to 127.0 over the four weeks to 19th April. The House price index fell by 5.7 per cent to 124.7 and the Unit price index also fell by 4.3 per cent to 127.6 over same period.

Victoria's vacancy rate rose to 2.2 per cent in March 2020. The weekly median rent for both houses and units in metropolitan Melbourne fell to \$470 and \$430 per week respectively. In regional Victoria, the weekly median rent for houses remained at \$350 per week while unit experienced increase to \$295 per week in regional Victoria.

Economy

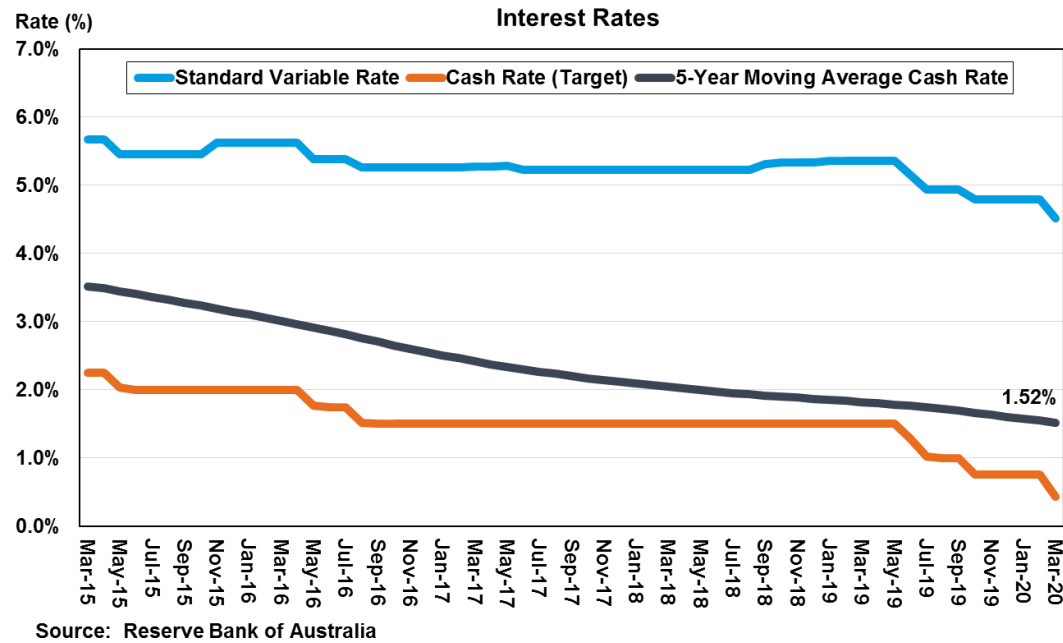
Following the Reserve Bank meeting in April 2020, the cash rate remained unchanged at 0.25 per cent after two rate cuts in March 2020 in response to the global coronavirus outbreak.

The coronavirus has had a significant impact on economies and financial systems around the world. There is uncertainty about the near-term outlook for the Australian economy. Economic contraction is expected to be recorded in the June quarter and the unemployment rate is also expected to increase.

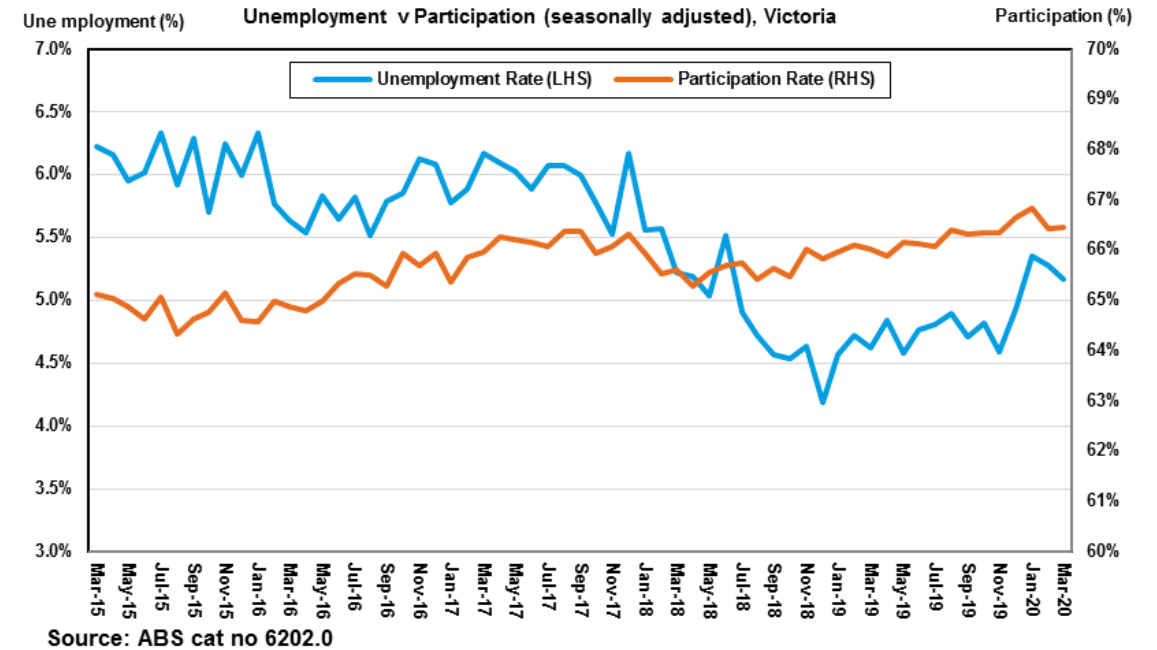
According to ABS, the seasonally adjusted unemployment rate increased in all states and territories except Victoria, the largest increases were 0.4 pts in South Australia (6.2%) and 0.2 pts in both New South Wales (4.8%) and Western Australia (5.4%). The seasonally adjusted unemployment rate decreased by 0.1 pts in Victoria (5.2%).

Economy

Interest Rates



Labour Force



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RESIDENTIAL MARKET

Prices

The REIV Residential Market Index (RMX) is a residential property price index (RPPI) designed to provide a current, simple insight into real property price trends in Victoria. An RPPI measures the price change of the stock of residential dwellings over time.

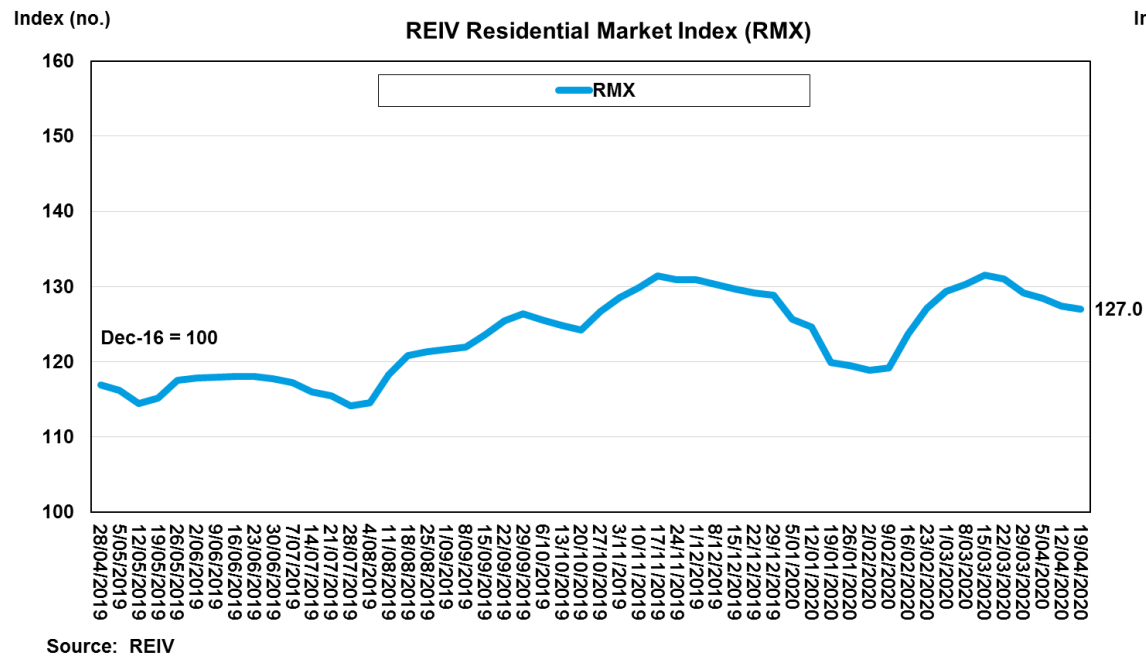
The RMX has been gradually declining since late March due to coronavirus outbreak which saw significant restrictions placed on real estate transactions.

In the four weeks to 19th April, the RMX for Victoria fell by 3.1 per cent to 127.0. The House price index fell by 5.7 per cent to 124.7 and the Unit price index also fell by 4.3 per cent to 127.6 over same period.

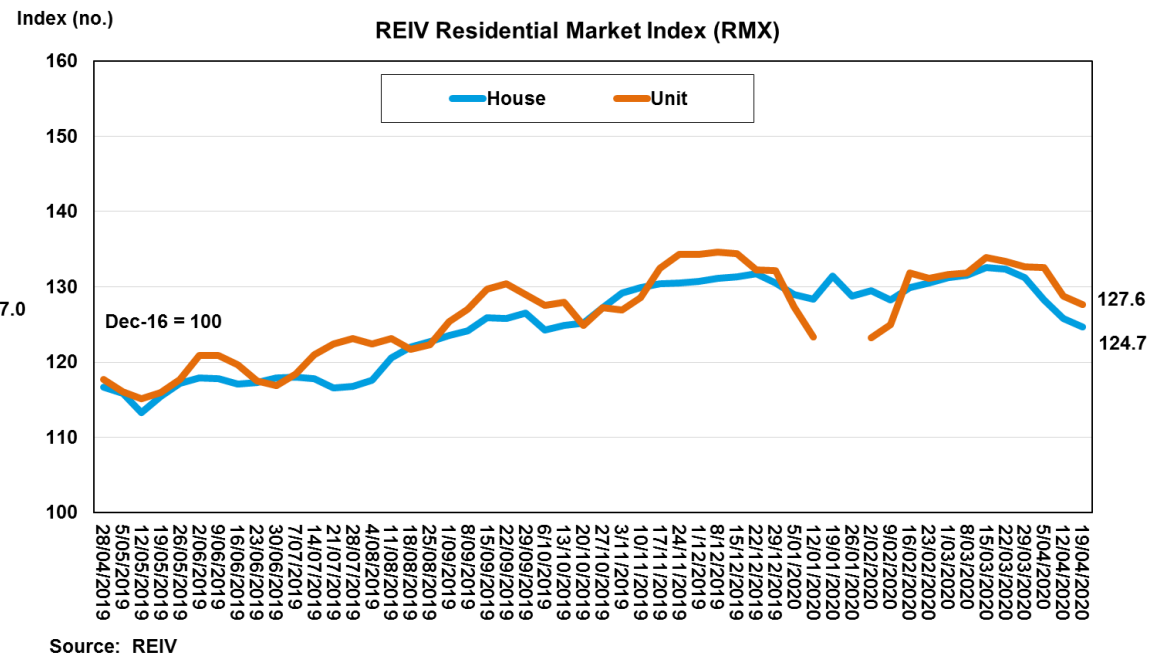
The RMX provides a current, simple insight into real property price trends in Victoria. It is calculated weekly based on properties selling prices during the period and weighted to the total number of properties in Victoria. The index indicates price movement relative to the base calculation period of 2016.

Prices

REIV Residential Market Index (RMX)



REIV RMX, House and Unit Index



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Auction Market

There were 3,107 reported auctions in March. A total of 2,267 of these sold representing a clearance rate of 73.0 per cent for the month. There were a total of 31,403 reported auctions in Victoria in the past 12 months, with a 72.6 per cent clearance rate.

The middle Melbourne region recorded the highest number of auctions with 1,296 auctions and 74.6 per cent of them sold. Inner Melbourne had 1,015 auctions with 74.2 per cent clearance rate; while outer Melbourne sold 69.6 per cent from 668 auctions. Regional Victoria had 128 auctions with 64.1 per cent selling.

The local government areas of Glen Eira (223), Monash (187), Whitehorse (183), Boroondara (176), and Moreland (171) had the highest number of auctions in March.

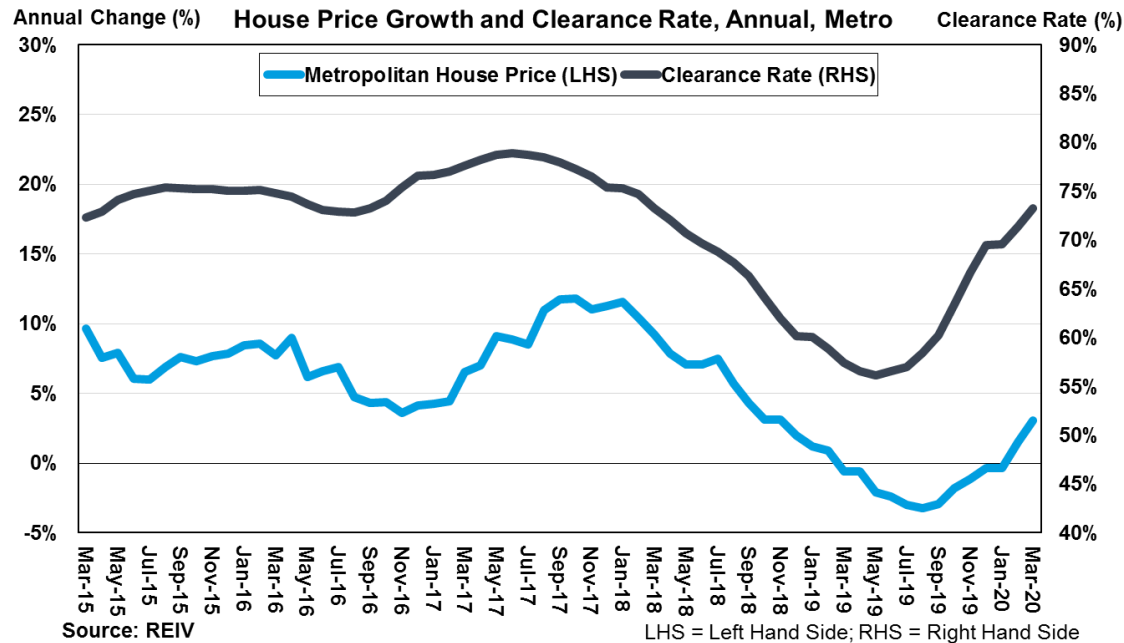
At the suburb level, Reservoir had the most auctions for the month, with 50 reported auctions, followed by Craigieburn (46) and Mount Waverley (45). Craigieburn (35) had the highest number of properties sold by auction, followed by Reservoir (34).

Three suburbs recorded 100 per cent clearance rates over the month – Oakleigh South (13), Burwood (11), and Moonee Ponds (10).

It should be noted that the REIV continues to receive results several weeks after the date of auction which may lead to revisions in auction data.

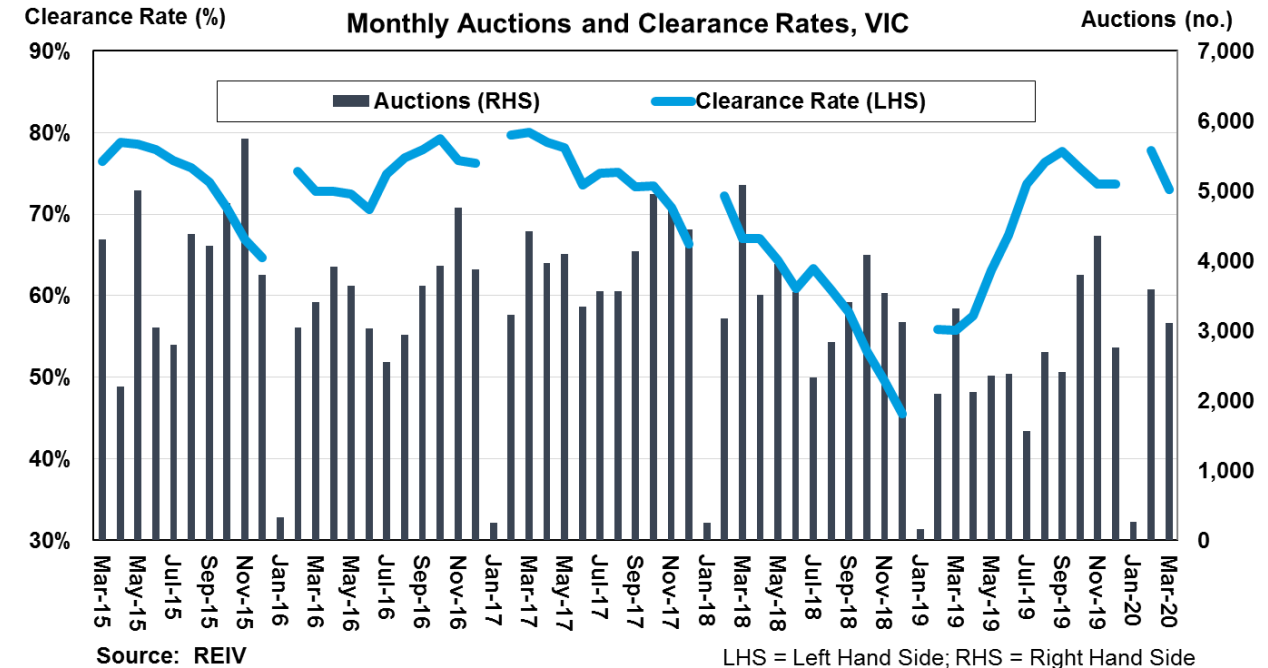
Auction Market

House Price Growth and Clearance Rate, Rolling Annual, Melbourne



[Customise this chart for your area, click here](#)

Auctions v Clearance Rate, Victoria



Auction Market

Highest Clearance Rates, March 2020

SUBURB	SOLD	CLEARANCE RATE
OAKLEIGH SOUTH	13	100.00%
BURWOOD	11	100.00%
MOONEE PONDS	10	100.00%
KEILOR EAST	15	93.80%
ASCOT VALE	14	93.30%
BOX HILL NORTH	14	93.30%
ARMADALE	13	92.90%
MENTONE	13	92.90%
LALOR	20	90.90%
BELMONT	9	90.00%
CLARINDA	9	90.00%
FOREST HILL	9	90.00%
WESTMEADOWS	9	90.00%

Highest Number of Auction Sales, March 2020

SUBURB	SOLD	CLEARANCE RATE
CRAIGIEBURN	35	76.10%
RESERVOIR	34	68.00%
PRESTON	31	77.50%
MOUNT WAVERLEY	31	68.90%
GLEN WAVERLEY	29	74.40%
CAULFIELD NORTH	28	87.50%
DONCASTER EAST	27	65.90%
BENTLEIGH EAST	26	72.20%
RICHMOND	25	89.30%
BENTLEIGH	24	82.80%
CARNEGIE	24	80.00%

NOTE: Includes sales between 01 -31 March 2020 for suburbs with 10 or more auctions

Rental Market

Victoria's vacancy rate rose to 2.2 per cent in March 2020.

The vacancy rate across metropolitan Melbourne remained at 2.3 per cent in March 2020. Within Melbourne's sub-regions, vacancy rate also has remained to 2.0 per cent for inner Melbourne. Middle Melbourne's vacancy rate rose to 3.5 per cent while it fell to 1.8 per cent for outer Melbourne.

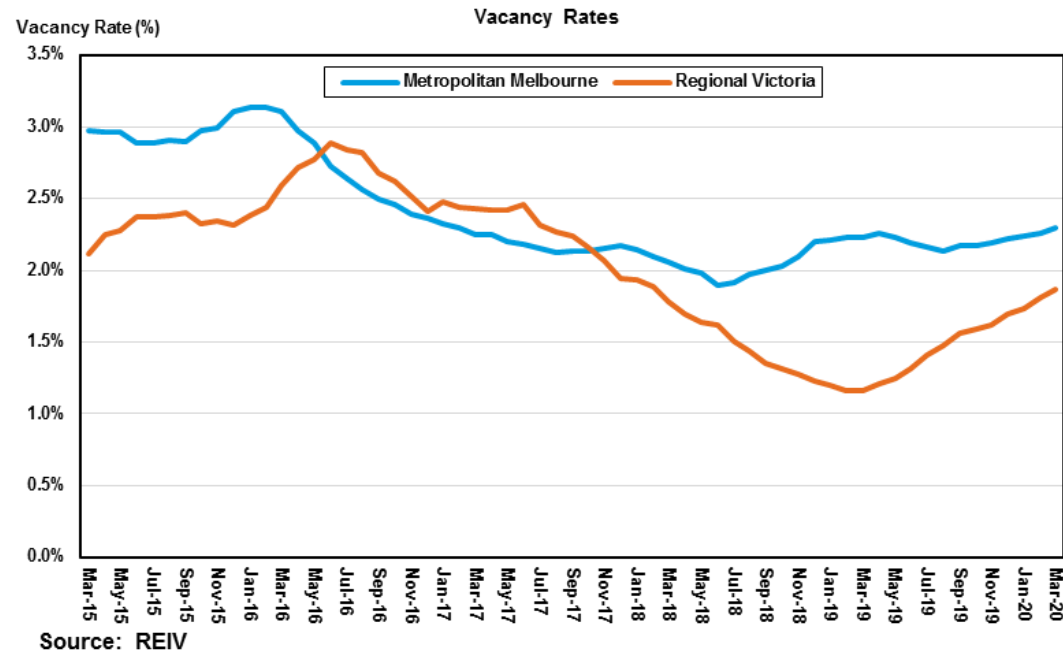
The vacancy rate in regional Victoria increased again to 1.9 per cent over the month. The vacancy rate in the Ballarat and Bendigo region rose to 2.6 per cent and 1.2 per cent respectively. It has remained at 2.2 per cent for Geelong region for five consecutive months.

The weekly median rent for both houses and units in metropolitan Melbourne fell to \$470 and \$430 per week respectively. In regional Victoria, the weekly median rent for houses remained at \$350 per week while unit experienced increase to \$295 per week in regional Victoria.

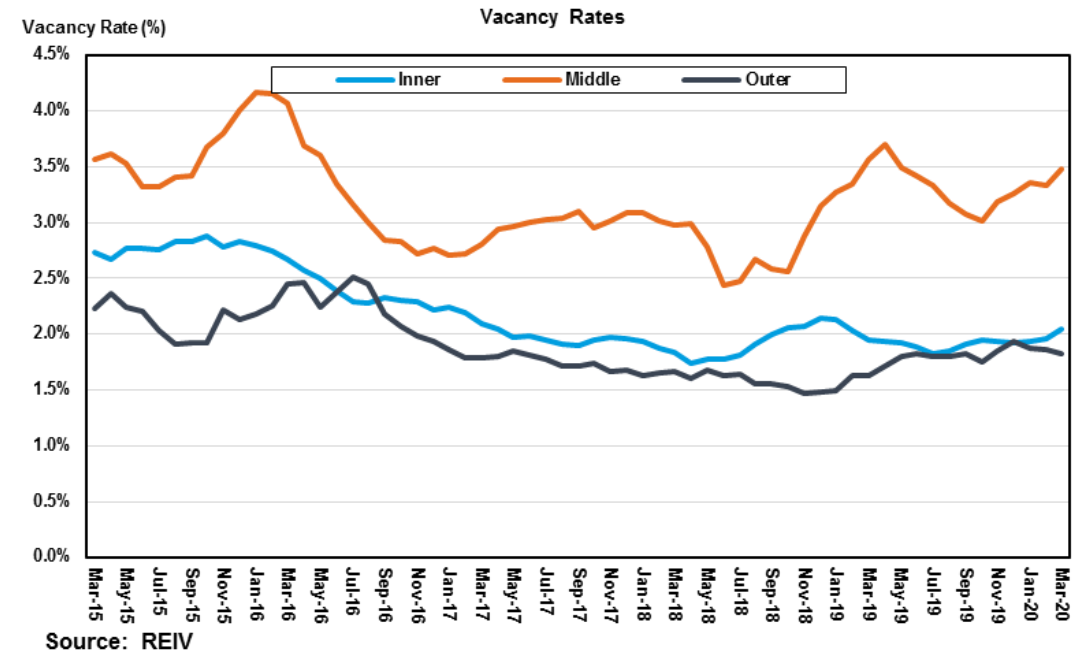
Weekly rents for houses in Geelong region fell to \$400 per week while Bendigo houses saw an increase to \$350 per week. It remained at \$340 per week for Ballarat region.

Rental Market

Vacancy Rates, Melbourne & Regional Victoria



Vacancy Rates, Metropolitan Melbourne



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Rental Market

VACANCY RATES, 6-month average trend	MARCH 2020	FEBRUARY 2020
Inner Total	2.0	2.0
Inner (0-4Km)	2.0	1.8
Inner (4-10Km)	2.0	2.1
Middle (10-20Km)	3.5	3.3
Outer Total	1.8	1.9
Outer (20+Km Exc. Mornington Pen.)	1.8	1.8
Outer (Mornington Pen.)	3.4	3.7
Metro Melbourne	2.3	2.3
Geelong	2.2	2.2
Bendigo	1.2	1.1
Ballarat	2.6	2.4
Regional Victoria	1.9	1.8
Victoria Total	2.2	2.1

MEDIAN HOUSE RENTS	MARCH 2020	FEBRUARY 2020
Inner	\$650	\$700
Middle	\$480	\$480
Outer	\$403	\$410
Metro Melbourne	\$470	\$480
Geelong	\$400	\$410
Ballarat	\$340	\$340
Bendigo	\$350	\$343
Regional Victoria	\$350	\$350
MEDIAN UNIT RENTS	MARCH 2020	FEBRUARY 2020
Inner	\$450	\$460
Middle	\$440	\$450
Outer	\$375	\$370
Metro Melbourne	\$430	\$450
Geelong	\$330	\$350
Ballarat	\$280	\$280
Bendigo	\$278	\$275
Regional Victoria	\$295	\$280

Transactions

There were an estimated 8,928 house and unit sales transacted in Victoria for the month, and 113,665 sales in the past 12 months. Based on these estimates, the share of auctions sold as a percentage of overall sales was 20.0 per cent in the 12 months to March 2020.

In the 12 months ending February 2020, there were approximately 110,444 new housing finance commitments (excluding refinancing) in Victoria. This is a fall of 6.8 per cent from February 2019.

The total number of building approvals in February 2020 rose by 55.7 per cent compared to previous month in seasonally adjusted terms, with approximately 6,693 dwelling units approved. There were 58,794 dwelling units approved in the past 12 months to February for Victoria.

Properties in Melbourne spent 32 days on market in March 2020, one day less than previous month. For regional Victoria, the median days on market rose by 2 days to 56 days.

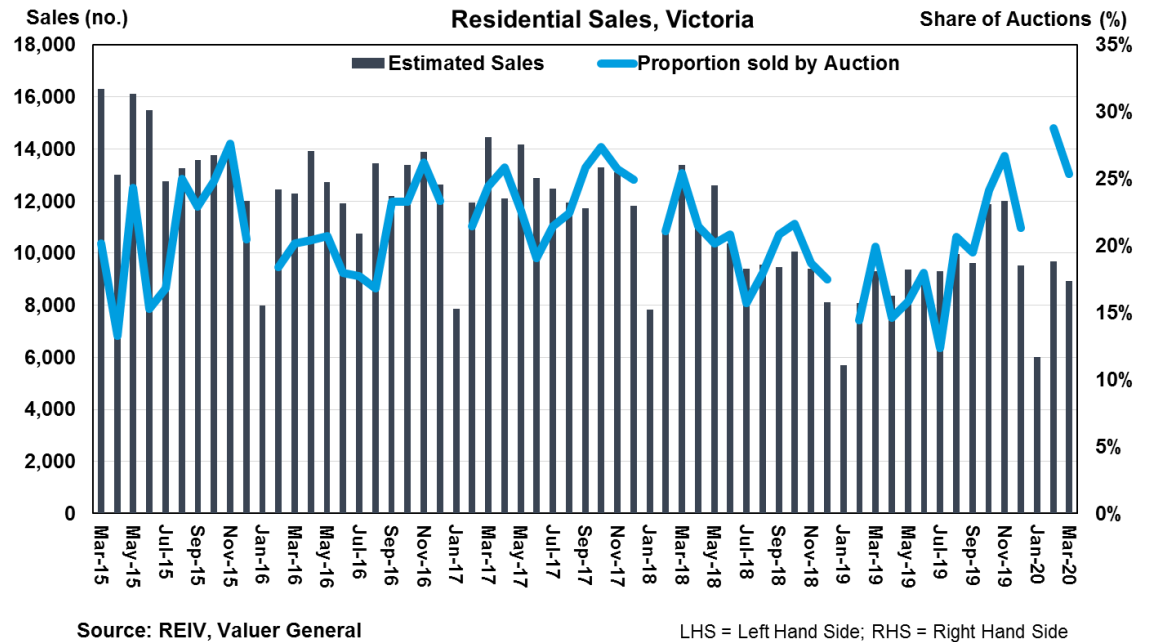
Within metropolitan area, Inner Melbourne had the highest number with 34 days on market, followed by middle and outer Melbourne with 32 and 29 days on market respectively.

Transactions

Building Approvals, Victoria

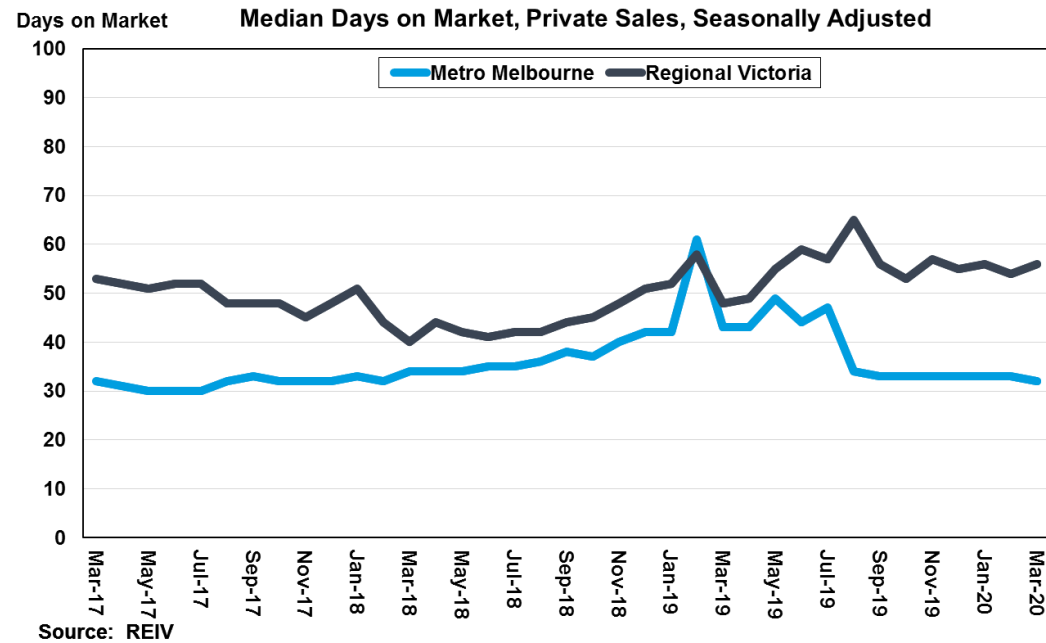


Estimated Sale Volume, Victoria



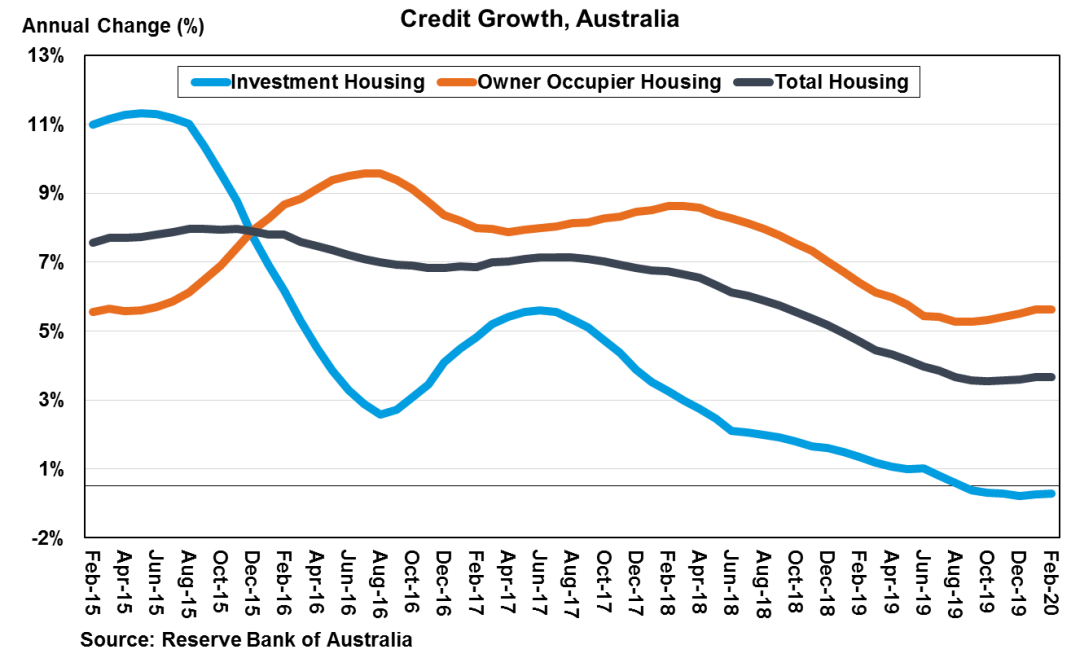
Transactions

Days on Market, Victoria



[Customise this chart click here](#)

Credit Growth, Australia



COMMERCIAL MARKET

Commercial Market

Capital values in the commercial office space rose by 3.8 per cent to \$4,256/sqm in March. Net face rents fell by 4.2 per cent to \$218/sqm. Net rental yields fell by 0.4 percentage points to 5.1 per cent.

Capital values for the industrial sector fell by 1.4 per cent to \$1,725/sqm and net face rents also fell by 4.5 per cent to \$106/sqm. Net rental yields fell by 0.2 percentage points to 6.1 per cent.

Capital values for the retail sector rose slightly by 0.8 per cent to \$4,167/sqm over the month, while net face rent also rose by 13.8 per cent to \$214/sqm. Net rental yields rose by 0.6 percentage points to 5.1 per cent.

Commercial Market

Commercial Office

	LOWER QUARTILE	MEDIAN MAR-20	UPPER QUARTILE	LOWER QUARTILE	MEDIAN FEB-20	UPPER QUARTILE	MONTH CHANGE
Capital values (\$/sqm)	\$2,224	\$4,256	\$5,819	\$2,167	\$4,100	\$5,455	3.8%
Net face rents (\$/sqm)	\$140	\$218	\$273	\$179	\$227	\$272	-4.2%
Net Rental Yield (% pa)	4.9%	5.1%	7.1%	5.0%	5.5%	7.6%	-0.4 pts

Industrial

	LOWER QUARTILE	MEDIAN MAR-20	UPPER QUARTILE	LOWER QUARTILE	MEDIAN FEB-20	UPPER QUARTILE	MONTH CHANGE
Capital values (\$/sqm)	\$1,183	\$1,725	\$2,255	\$1,213	\$1,750	\$2,394	-1.4%
Net face rents (\$/sqm)	\$81	\$106	\$133	\$82	\$111	\$138	-4.5%
Net Rental Yield (% pa)	5.3%	6.1%	6.9%	5.2%	6.3%	6.8%	-0.2 pts

General Retail

	LOWER QUARTILE	MEDIAN MAR-20	UPPER QUARTILE	LOWER QUARTILE	MEDIAN FEB-20	UPPER QUARTILE	MONTH CHANGE
Capital values (\$/sqm)	\$2,181	\$4,167	\$7,941	\$2,081	\$4,135	\$7,842	0.8%
Net face rents (\$/sqm)	\$153	\$214	\$325	\$147	\$188	\$310	13.8%
Net Rental Yield (% pa)	4.7%	5.1%	6.7%	4.5%	4.5%	6.6%	0.6 pts

Commercial Market

Top 10 Commercial Sales, March Quarter 2020

ADDRESS	SALE DATE	PROPERTY TYPE	SALE METHOD	SALE PRICE
216 Victoria Pde, East Melbourne	Feb-20	Office	Sale	\$88,000,000
11 Wirraway Dr, Port Melbourne	Feb-20	Office	Sale	\$32,400,000
237 Ryrie St, Geelong	Jan-20	Office	Sale	\$28,000,000
462 St Kilda Rd, Melbourne	Jan-20	Function Venue	Sale	\$7,260,000
105 Queens Pde, Clifton Hill	Feb-20	Health Clinic	Sale	\$3,300,000
12 Howes St, Airport West	Feb-20	Office	Sale	\$2,520,000
114 Waterdale Rd, Ivanhoe	Jan-20	Health Clinic	Sale	\$2,375,000
2 Saskia Way, Morwell	Jan-20	Office	Private Sale	\$2,275,000
12 Northumberland St, South Melbourne	Mar-20	Office	Sale	\$2,185,000
67 Robinson St, Dandenong	Feb-20	Office	Sale	\$2,000,000

Top 10 Industrial Sales, March Quarter 2020

ADDRESS	SALE DATE	PROPERTY TYPE	SALE METHOD	SALE PRICE
520 Graham St, Port Melbourne	Jan-20	Warehouse	Sale	\$72,245,000
200 Palmers Rd, Truganina	Feb-20	Industrial Land	Sale	\$57,239,000
30 Taras Av, Altona North	Jan-20	Warehouse	Sale	\$47,800,000
39 Naxos Way, Keysborough	Jan-20	Distribution Centre	Sale	\$24,376,000
195 Princes Hwy, Hallam	Jan-20	Removals/Storage	Sale	\$19,250,000
60 Fulton Dr, Derrimut	Mar-20	Warehouse	Sale	\$15,000,000
11 Bunney Rd, Oakleigh South	Feb-20	Warehouse	Private Sale	\$12,500,000
2 Southpark Cl, Keysborough	Feb-20	Warehouse	Private Sale	\$8,288,000
25 Arctic Ct, Keysborough	Jan-20	Factory	Sale	\$6,400,000
71 Maffra St, Coolaroo	Jan-20	Factory	Sale	\$4,500,000

Top 10 Retail Sales, March Quarter 2020

ADDRESS	SALE DATE	PROPERTY TYPE	SALE METHOD	SALE PRICE
111 William St, Melbourne	Jan-20	Retail	Sale	\$201,651,728
330 Ballarat Rd, Braybrook	Jan-20	Retail	Sale	\$54,000,000
825 Plenty Rd, South Morang	Jan-20	Retail	Sale	\$32,600,000
1464 Ferntree Gully Rd, Knoxfield	Jan-20	Retail	Sale	\$28,000,000
843 Whitehorse Rd, Box Hill	Jan-20	Service Station	Sale	\$19,694,888
1550 Pascoe Vale Rd, Coolaroo	Jan-20	Retail	Sale	\$17,000,000
80 Evans St, Sunbury	Jan-20	Retail	Sale	\$7,200,000
605 Boronia Rd, Wantirna	Feb-20	Service Station	Sale	\$7,130,000
78 Melbourne Rd, Rye	Jan-20	Retail	Sale	\$6,000,000
246 Epping Rd, Wollert	Jan-20	Service Station	Sale	\$4,650,000

ABOUT REIV

The Real Estate Institute of Victoria has been the peak professional association for the Victorian real estate industry since 1936.

Over 2,000 real estate agencies in Victoria are members of the REIV. These Members are located in city, rural and regional areas.

Members specialise in all facets of real estate, including: residential sales, commercial and industrial sales, auctions, business broking, buyers agency, property management, owners' corporations management and valuations.

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Glossary/About REIV data

What is a median price?

The median price is the middle price in a series of sales. For example, if 15 sales are recorded in a suburb and arranged in order from the lowest to the highest value, the eighth sale price is the median price. In the case where there is an even number of sales in a series, the median price is the average of the middle two prices.

Why do you use median prices?

Median prices provide a useful guide to market activity. The REIV does not intend for median price measures to be regarded as a valuation tool. The assessment of a property's value is a job for a qualified professional who possesses the knowledge, experience and comparable sales information required to do so.

What are upper and lower quartile points?

The lower quartile is the point where one quarter of the sales are of a lesser value, and the upper quartile is the point where one quarter of the sales are of a higher value.

How do you gather your data?

The REIV gathers most of its data online from agents submitting their sales results electronically and it also has a dedicated call centre to collect property sales results at the time of contract. The sales results submitted to the REIV include residential, commercial, industrial and rural sales results from around the state.

Is your data accurate?

All our data is checked for accuracy and questionable sales are either verified with the selling agent or excluded from analysis.

Why are only areas with 25, 30 or 50 sales included in snapshots?

Using a median price taken from a limited sample will tend to be more volatile from one period to the next. Therefore caution must be taken about making broad conclusions on the market from such figures.

How does the REIV classify property?

The REIV endeavours to use as similar classifications as possible to the ones used by real estate agents, in order to maintain the accuracy of data collected.

Property that falls under the 'house' classification includes:

- Detached houses
- Terraced houses
- Semi-detached houses
- Holiday houses
- Duplexes
- House and granny flat

Property that falls under the 'units & apartments' classification includes:

- Flats
- Units
- Apartments
- Townhouses
- Penthouses
- Villas
- Residential warehouse conversions
- Bed-sits

Glossary/ About REIV data

Which areas are included in 'metropolitan Melbourne'?

For the purpose of our analysis we define 'metropolitan Melbourne' as those suburbs contained within the following 31 municipalities:

- Banyule
- Bayside
- Boroondara
- Brimbank
- Cardinia
- Casey
- Darebin
- Frankston
- Glen Eira
- Greater Dandenong
- Hobsons Bay
- Hume
- Kingston
- Knox
- Manningham
- Maribyrnong
- Maroondah
- Melbourne
- Melton
- Monash

- Moonee Valley
- Moreland
- Mornington Peninsula
- Nillumbik
- Port Phillip
- Stonnington
- Whitehorse
- Whittlesea
- Wyndham
- Yarra
- Yarra Ranges

Which regions are 'inner', 'middle' and 'outer' Melbourne?

For the purposes of our analysis we define:

- 'inner' as being within 10km from the CBD;
- 'middle' as being between 10km and 20km of the CBD; and
- 'outer' as being more than 20km from the CBD.

The full suburb list of what is within the inner, middle, and outer regions is available on the REIV website at www.reiv.com.au/property-data/about-our-research/research-faq

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