

MIDDLE SUBURBS



PICTURE: MELANIE FAITH DOVE

BEST PERFORMERS

KEILOR EAST

FOR many residents, the name is one of the most curious things about Keilor East. The hilltop suburb is closer to the shopping villages and community services of Essendon and Niddrie than its part-namesake Keilor.

According to Stockdale & Leggo agent Patrick Phu, Keilor East residents find Essendon and Niddrie schools more convenient than those in Keilor. He says residents also enjoy a relatively stress-free drive to much larger retail hubs in Moonee Ponds, Essendon North or Highpoint, in Maribyrnong. Locals have been lobbying to rename Keilor East, with possibilities including Essendon West, Essendon Hills, Milleara or Rosehill.

Regardless of its name, Keilor East is leading the charge of six north-western suburbs that share a Keilor link, including Keilor Park, Keilor Lodge, Keilor Downs and Keilor North.

According to the REIV, Keilor East's median rose 29.7 per cent last year to \$625,000, substantially higher than Keilor, which reported a median house price increase of 5.6 per cent to \$565,000.

ALTONA

ASTUTE investors appear to have seized on another understated and spectacularly located western suburb. As such, it can be argued that Altona (above) – almost 13 kilometres west of central Melbourne – is no longer on the radar for most first-home buyers. Altona's median house price has surged from a relatively affordable \$448,000 two years ago to \$642,000 today. In 2008, the difference between an average-priced house in Altona and neighbouring Williamstown was \$352,000. That gap has now closed to \$211,000.

"Altona has been the forgotten bayside suburb because you have to drive past the industrial area before you get there – and unfortunately, while you have to drive past the refineries, it will always have a stigma," says Karin Mackay, of Australian Property Buyers.

HEIDELBERG HEIGHTS

IT COULD be said Heidelberg Heights looks better on a map than it does in reality. Just 10 kilometres north-east of the CBD, it is surrounded by middle-class suburbs and an array of shops, public transport, schools, parkland and medical facilities. It also includes many nondescript, cheaper houses, many of which used to be former public housing, making it difficult to find inspiration, driving through some of its streets.

Uninspiring streetscapes may be one reason Heidelberg Heights' median price has been lower than the metropolitan average, and comparable to suburbs of a similar distance in the west.

But that appears to be changing. Heidelberg Heights' median house price surged 27.6 per cent in the year to February. The suburb's unit and apartment market hasn't run so fast, with the median rising just 2.5 per cent to \$461,000.



Keilor East's annual median house price surged 29.7 per cent.

PICTURE: CRAIG SILLITOE

Neighbours liven up the party

Sharing borders with aspirational suburbs is proving a bonus for several areas, reports **Marc Pallisco**.

ONE THING stands out about the best-performing middle-ring suburbs this year: they abut the most desirable neighbourhoods in their wider regions.

Keilor East and Airport West in Melbourne's north-west, for example, reported annual median house price surges of 29.7 per cent and 27 per cent in the year to February, according to the Real Estate Institute of Victoria.

Both areas abut the established suburb of Essendon, the region's only million-dollar enclave.

Being further away from a train station, however, and with fewer character homes, they carry much lower average house prices: \$625,000 for Keilor East and \$600,000 for Airport West.

Avondale Heights, another suburb that shares a boundary with Essendon, also recorded a significant increase in its median house price, up 22 per cent to \$580,000.

KPMG demographer Bernard Salt describes Essendon, along with Williamstown, as an "aspirational" suburb in the wider north and west metropolitan region — the suburbs people choose when they want to live west of the Yarra River.

As such, it isn't surprising Williamstown's neighbouring bayside suburb of Altona was the second-best performing middle-ring suburb this year, with a median value of \$642,000 — up 27.6 per cent.

Williamstown has a median value of \$853,000 after seeing a 6.6 per cent increase.

Buyer's advocate Karin Mackay, of Australian Property Buyers, describes Altona as undervalued. "It's a fantastic suburb with beautiful period homes, a beach, and a village-like atmosphere, but some people cannot get their head around it as it's a western suburb."

As an example, Ms Mackay says a \$2.3 million Elwood property would sell for \$1.3 million if it was in Williamstown, which is about the same distance as Elwood from town towards the west. "Altona has excellent infrastructure with three train stations [Seaholme, Altona and Westona], plenty of schools, excellent retail amenities and, despite being just 12 kilometres from the CBD, has a real fishing village atmosphere," she says.

Other suburbs to rank in the REIV's table of best-performing middle-ring suburbs are Heidelberg Heights, which adjoins the much more expensive Eaglemont and Ivanhoe, and Surrey Hills, neighbouring Canterbury in the east.

Oak Park, north of Melbourne, shares the same postcode as Glenroy and has been another strong performer, measured by annual median house value growth. Oak Park, with a median of \$666,000, abuts Strathmore, where the median sale price last year rose 14.3 per cent to \$893,000 (and is also adjacent to Essendon).

Last year the best performing middle-ring suburbs were much more exclusive and included Balwyn, Brighton East, Camberwell and Balwyn North. This year the median house value of many of these prestige suburbs has dipped or recorded growth that was more subdued than their sub-\$1 million counterparts.

The worst-performing middle-ring suburbs include Eaglemont, where the median value fell 11.8 per cent in the year to February. Hampton also reported a negligible drop of 0.2 per cent to \$1.2 million. Neighbouring Brighton and Brighton East were also among the worst performers, with growth up only 0.8 per cent and 4.3 per cent respectively.

According to the REIV, the overall median house price for the middle-ring suburbs surged 15.14 per cent to \$616,000. Since 2006 the median for Melbourne's middle suburbs has increased 64.27 per cent, making them better performing than the inner-city suburbs (63.24 per cent) and outer suburbs (53.45 per cent).

Real-estate agency Vinci Carbone, which sells residential development sites, expects government and councils to continue making more efficient use of "infill" middle-ring development sites that can be rezoned and filled with townhouses and apartments. Sustainability, liveability and affordability are among the reasons given by planners for higher-density, middle-ring suburban development.

According to Frank Vinci, these variables are expected to continue to drive medium-density redevelopment in some middle-ring suburbs. This is despite the dumping of the former state government's controversial Melbourne 2030 planning document, later rebranded as Melbourne @ 5 Million, encouraging high-density development around transport nodes.

In the past 12 to 24 months, many former commercial and industrial sites in suburbs such as Avondale Heights, Cheltenham and Coburg North have been rezoned and are being replaced by townhouses and apartment-based villages.

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KARIN MACKAY,
Australian Property
Buyers