

Apartment buyers get a lucky break

New projects are facing a lot more competition as thousands of units hit the market, writes **Kamahl Cogdon**

CHOICES have grown and prices have shrunk in Melbourne's apartment market, a new report shows. There were 25 per cent more apartments on the market in the last six months of last year, compared with the same time the year before, Oliver Hume Research's *Medium and High-Density Digest* found. And many apartments came with lower price tags than those of a year earlier.

Oliver Hume general manager Andrew Perkins says the combination of greater supply and lower prices made apartment buying very attractive late last year.

"The increase in supply of apartments meant it was a great time to buy with greater choice and greater competition for sales," Perkins says.

He says it's too early to say if the trend will continue, but planning applications for projects continue to rise this year.

The report found 80 new medium and high-density projects, offering 6200 apartments or units, hit the market in the second half of last year.

The new projects took the total number of developments on sale to about 370 and the total number of units on offer to about 28,000.

Melbourne, St Kilda, Brunswick, Docklands, South Yarra, Hawthorn, Richmond, Port Melbourne, Prahran and Footscray were hot spots for this development. The report found the median price of entry-level one-bedroom apartments dipped about 1.5 per cent, from \$385,000 to \$379,500.

Entry-level studios fell from \$305,000 to \$302,500. The median price of an entry-level two-bedroom apartment crept up \$1000 to \$530,000.

The median number of apartments within a development was 43, but projects were as big as 1249 apartments.

The median size of an entry-level studio apartment in the inner areas of Melbourne, Port Phillip, Stonnington and Yarra was 34sq m.

Studios were as small as 18sq m. One-bedroom apartments in these

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areas had a median size of 50sq m, but came as small as 30sq m. Two-bedroom apartments had a median size of 72sq m, but started at 45sq m.

"The median size of apartments in the inner municipalities was no smaller than those in outer suburbs," Perkins says.

"They are now very good value for money, especially when compared with product from a year ago."