

Local Market Intelligence

Noble Park (Melbourne)

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RESEARCH

KEY CONSIDERATIONS

- ↑ **NEW SKYRAIL:** Has improved connectivity to the CBD, also has paved the way for the High Capacity Metro Trains (running in 2019).
- ↑ **GENTRIFICATION:** Recent infrastructure investments have triggered **gentrification**.
- ↓ **CHANGING REGULATIONS:** From 1 July 2017 investors purchasing off-the-plan properties anywhere in Victoria will **no longer** receive **stamp duty concessions**.

MARKET INDICATORS

\$672,000
2017 median house price.
(Metro Melbourne = \$688,000).

+10.3% p.a.
20 yr average house price growth.
(Metro Melbourne = +8.7% p.a.).

+4.5% p.a.
10 yr av. annual rent growth in 1 bedroom Units.
(Metro Melbourne = +4.1% p.a.).

(See page 2 for more information)

DEMAND INDICATORS

45-64 Years Old
Largest segment of population = 22% (2016).
(Metro Melbourne = 24%).

\$39,000 p.a.
Average Annual Income of 25-34 year olds (2016).
(Metro Melbourne = \$46,000 p.a.).

(See page 3 for more information)

SUPPLY INDICATORS

33%
Townhouses and Apartments (2016). (Acceptance of higher density living).

42%
Dwellings that are rented (2016) (Metro Melbourne + 31%).






169 apartments
Completed between 1990–2018.

(See page 4 for more information)








SUBURB CONTEXT & FUNDAMENTALS

- » Noble Park is a suburb in Melbourne's South East located in the City of Greater Dandenong Local Government Area (LGA).
- » Noble Park is an older suburb, with a mix of residential, commercial and industrial uses comprising a substantial number of aged and inferior residential and commercial buildings, that are being progressively identified as development opportunities.
- » Noble Park is located in close proximity to the emerging Dandenong CBD, Dandenong National Employment & Innovation Cluster (NEIC) and is accessible to the Melbourne CBD and Monash NEIC via train and car. In comparison to other suburbs within Melbourne's middle ring Noble Park represents an affordable alternative.
- » The suburb's proximity and accessibility to the CBD, employment and education nodes, established transport and retail amenity has underpinned its growing popularity and robust price growth in recent years.

LIVEABILITY AND LIFESTYLE

	Douglas Street shopping strip (Noble Park), Dandenong Plaza (Dandenong), Waverley Gardens SC (Mulgrave), Parkmore SC (Keysborough), Chadstone SC (Malvern East) and local shopping strips of Springvale and Clayton.
	Several tertiary education institutions in proximity including Monash University (Clayton), Deakin University (Dandenong) and Chisholm TAFE (Dandenong).
	Employment opportunities within proximity including the CBD, Monash NEIC (Clayton) & Dandenong NEIC (Dandenong, Dandenong South).
	Mile Creek Linear, Ross, Noble Park, Greaves and Parkfield Reserves. Roth Hetherington Botanical Native Garden.
	Age/Tract Liveability Ranking 2015 = 258 th most liveable out of 321 suburbs of Melbourne

CONNECTIVITY

	25km South-east of the Melbourne CBD.
	Noble Park, Sandown Park and Yarraman Train Stations on Cranbourne and Pakenham Lines, all located within the vicinity of Noble Park.
	6 bus routes service the area.
	Newly built Djerring Trail passes through the centre and Eastlink trail to the east of Noble Park.
	Connectivity to metropolitan Melbourne via Princes Highway and Eastlink. Easy access to Monash Freeway via Heatherton Road.
	44 km to Melbourne (Tullamarine) Airport (55 minutes via M1 & Citylink).
	48/100 (Walkscore). Noble Park is 'moderately walkable'.



HOUSE PRICE INDICATORS

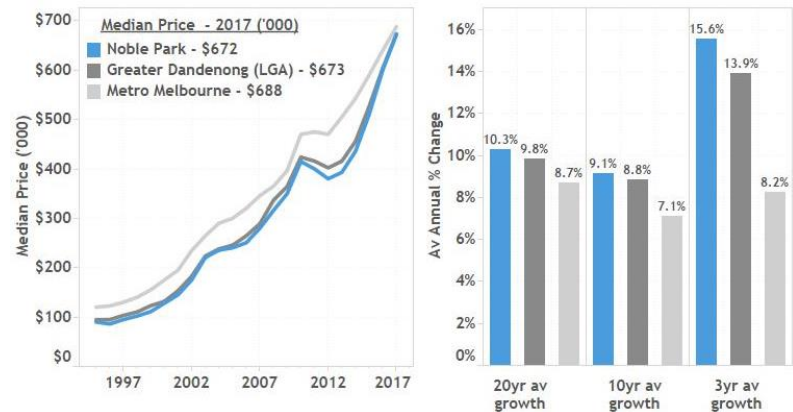
Prices for standalone houses are used as a proxy for overall residential property market conditions as it most accurately reflects purchaser demand.

The 2017 median house price in Noble Park was \$672,000. This was similar to that recorded across Greater Dandenong LGA (\$673,000) and slightly lower than the Metropolitan Melbourne (\$688,000) median.

The 20 years of average house price growth for Noble Park has been higher than both Greater Dandenong LGA and Metro Melbourne. Noble Park has consistently outperformed both the Greater Dandenong LGA and Metro Melbourne respectively.

Noble Park's median house price and consistent outperformance in growth, is a reflection of high and increasing demand to reside in the area.

MEDIAN HOUSE PRICE & AVERAGE ANNUAL % CHANGE (ALL BEDROOMS) – NOBLE PARK (1996-2017)*



*These are the figures from the APM Pricer and reflect the transacted and settled sales recorded by the APM.

HOUSE PRICE RELATIVITY

The suburb to the south (Keysborough) and west (Springvale and Springvale South) of Noble Park are maturing housing markets and this is reflected in their higher median house prices. Noble Park is also following the same trend and becoming more mature compared to Dandenong (East), Noble Park North and Dandenong North (North East).

Noble Park's housing market is beginning to transform with larger residential lots being redeveloped into townhouses and apartments.

As Noble Park continues to be redeveloped, particularly around Noble Park, Sandown Park and Yarraman stations, it stands to attract residents priced out of the surrounding higher priced housing markets but who still wish to reside close to the transport with easy access to CBD, and enjoy the proximity to higher order jobs, educational institutions and retail amenity.

2017 MEDIAN HOUSE PRICE (ALL BEDROOMS) – NOBLE PARK AND SURROUNDING SUBURBS*



* These are the figures from the APM Pricer and reflect the transacted and settled sales recorded by the APM.

RENTAL MARKET INDICATORS

The 10 year average annual growth in rents for one bedroom units in Noble Park was +4.5% which is higher than the metropolitan Melbourne equivalent (+4.1%).

Noble Park had 1.2% vacancy rate while the Metropolitan Melbourne had a vacancy rate of 2.0%, at the end of September 2018.

The comparatively higher 10 year average annual growth rates of rents in Noble Park and the low vacancy rates are a reflection of demand from renters choosing to reside in the suburb.

GROWTH IN RENTS & VACANCY RATES – NOBLE PARK*

10 YEAR AVE. ANNUAL GROWTH IN RENTS (1 BEDROOM UNITS)

Noble Park
+4.5%

Metro Melbourne
+4.1%

VACANCY RATES (ALL DWELLINGS, SEPT 2018)

Noble Park
1.2%

Metro Melbourne
2.0%

*Note: Rental growth figures are obtained from the Dept of Health & Human Services (DHHS), with the March 20 18 qtr being the most up to date quarter. Units = apartments, flats, units, townhouses and terrace houses. The vacancy rates are obtained from SQM/REIV and relate to all dwellings in the suburb of Noble Park as well as Metro Melbourne. This data is up to date as at August 2018.

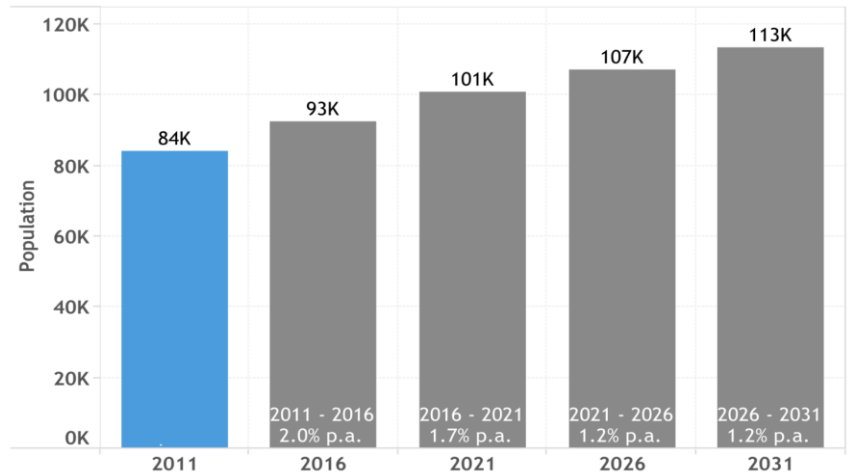
POPULATION INDICATORS

Metropolitan Melbourne has continued to be the leading magnet of population growth in Australia. Importantly, over 2017 it grew by 139,500 (ABS) new residents which significantly up on the long term average.

This high rate of population growth has supported demand for additional and diverse ranges of dwellings. **Housing preferences in Melbourne continue to change, with house prices reaching a point where alternative forms of accommodation (particularly apartments) have become an attractive housing choice.**

At a more local level, the population in the Keysborough – Springvale District* of the City of Greater Dandenong LGA is also growing with very high growth over 2011-2016 and 2016-2021. **With an increase in the population comes an increase in the demand for additional and diverse ranges of housing typologies including apartments.**

POPULATION GROWTH - VIFSA (2016) KEYSBOROUGH-SPRINGVALE DISTRICT (2011-2031)



*VIFSA Keysborough - Springvale District= the suburbs of Keysborough, Bangholme, Springvale, Springvale South, Noble Park and Noble Park North.

DEMOGRAPHIC INDICATORS

At the 2016 Census, the largest segment of the population in Noble Park were 45 – 64 year olds (22%) and the predominant household type was *Couples with Children* (32%).

25% of Noble Park residents aged 18 – 24 years are presently attending university. Noble Park is an attractive option for university students given its proximity to Monash University coupled with its relatively affordable housing.

According to City of Greater Dandenong, by 2031 it is anticipated that the largest increase in age group in Noble Park will be in the 35-44 year olds. Having a greater proportion of middle age working population will reinforce gentrification and urban transformation.

Noble Park has a significant segment of young to middle aged residents, many of whom are studying at university or employed professionals. Apartments are an attractive form of accommodation and will suit the financial, lifestyle and functional needs of these household types.

DEMOGRAPHIC DRIVERS OF DEMAND, NOBLE PARK (2016)

LARGEST SEGMENT OF POPULATION

SOURCE - ABS [2016]

45 - 64 Years

Noble Park
22%

Metro Melbourne
24%



PREDOMINANT HOUSEHOLD TYPE

SOURCE - ABS [2016]

Couples with Children

Noble Park
32%

Metro Melbourne
35%



UNIVERSITY STUDENTS % of 18-24 year olds

SOURCE - ABS [2016]

Noble Park
25%

Metro Melbourne
30%



LARGEST INCREASE IN POPULATION (2016-2031)

SOURCE - City of Greater Dandenong.

35 - 44 Years

Noble Park
+3,732 Residents



SOCIO-ECONOMIC INDICATORS

The primary occupation for residents in Noble Park at the 2016 Census was *Labourers* (19%) and the primary industry of employment was in *Manufacturing* (17%).

The median personal income in Noble Park was in 2016, \$25,000 per annum and the average annual income for the 25 - 34 year olds was \$39,000 per annum. Both these income brackets were less than the Metropolitan Melbourne incomes which reflects the areas working class origins.

Residents of Noble Park are close to the Dandenong NEIC (4km southeast), which is a national significant employment cluster and hosts a range of industrial jobs from companies including Amazon, Bunnings, Aldi, Woolworths etc. Noble Park's close proximity to the employment precinct will lead to a strong demand for housing in the local area.

SOCIO-ECONOMIC DRIVERS OF DEMAND, NOBLE PARK (2016)

PRIMARY OCCUPATION

SOURCE - ABS [2016]

Labourers

Noble Park
19%

Metro Melbourne
8%



PRIMARY INDUSTRY OF EMPLOYMENT

SOURCE - ABS [2016]

Manufacturing

Noble Park
17%

Metro Melbourne
8%



MEDIAN PERSONAL INCOME

SOURCE - ABS [2016]

Noble Park
\$25,000 p.a.

Metro Melbourne
\$35,000 p.a.



AVERAGE ANNUAL INCOME (25 - 34 YEAR OLDS)

SOURCE - ABS [2016]

Noble Park
\$39,000 p.a.

Metro Melbourne
\$46,000 p.a.



NEW SUPPLY - CONTEMPORARY APARTMENTS

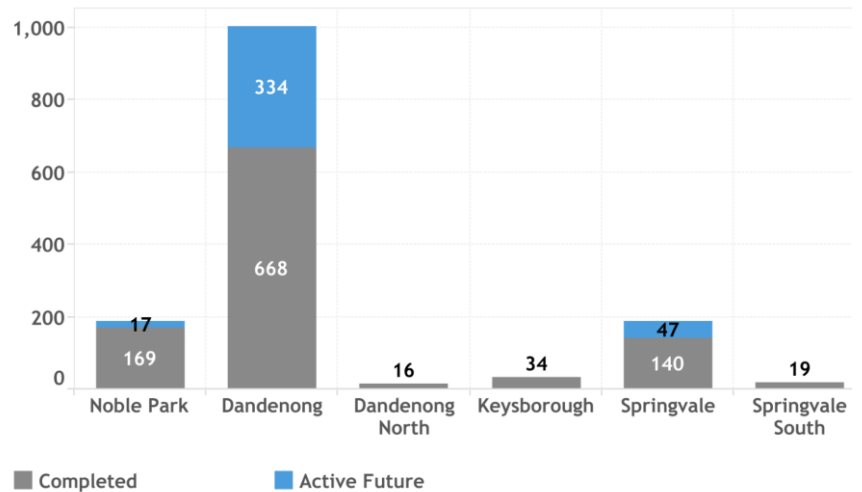
The first contemporary apartment project in Noble Park was completed in 2012. Since then there have been 169 contemporary apartments completed (approx. 28 apartments p.a.). A further 17 apartments will be added to the market upon completion of a presently active project.

The recently completed Skyrail project between Caulfield and Dandenong, and planned introduction of High Capacity Trains on this section in 2019, has been a catalyst of new developments in the Greater Dandenong LGA. The Skyrail has attracted a new wave of residential, retail, leisure, lifestyle and entertainment activities to respond to the residents' preferences and which has made the suburb an increasingly attractive location in which to live.

Noble Park is the second largest apartment market within the region (after Dandenong) and has more completed apartments compared to higher priced suburbs like Springvale and Keysborough.

CONTEMPORARY APARTMENTS*

NOBLE PARK AND RELEVANT SURROUNDING SUBURBS (1990-2019(f))



* Apartments in projects of 10 or more which have been completed since 1990. Excludes serviced apartments and student accommodation. These figures are from Charter's apartment database.

"Active Future" includes projects that have entered the market and are under construction or are marketed.

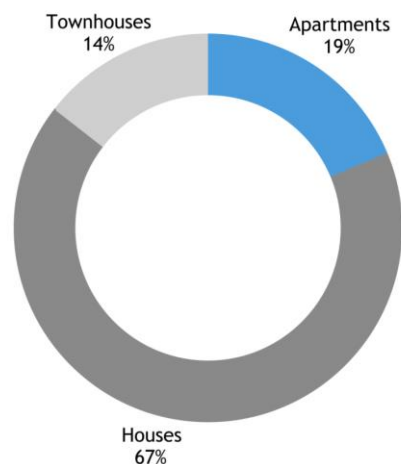
DWELLING MIX

At the 2016 Census, detached housing was the predominant dwelling type within Noble Park and accounted for 67% of the total dwellings in the suburb. The second highest housing type was Apartments[^] at 19%. This has followed by Townhouses^{^^}, which has accounted for 14% of total dwellings. The proportion of Townhouses in Noble Park has increased by 5%, when compared to 2011 census.

Townhouses and Apartments accounts for 33% of all dwellings in Noble Park. This illustrates that there has been an acceptance of higher density living in the suburb and the various demographic factors indicates that this will continue to grow.

Importantly, much of the unit dwelling stock in Noble Park is older and less functional than contemporary housing and is therefore less attractive to purchasers and renters, compared to new housing (particularly apartments) in well located areas.

DWELLING MIX, NOBLE PARK (2016) *



[^]Apartment = flats, units and apartments.

^{^^}Townhouses = semi-detached, row, terrace or townhouses.

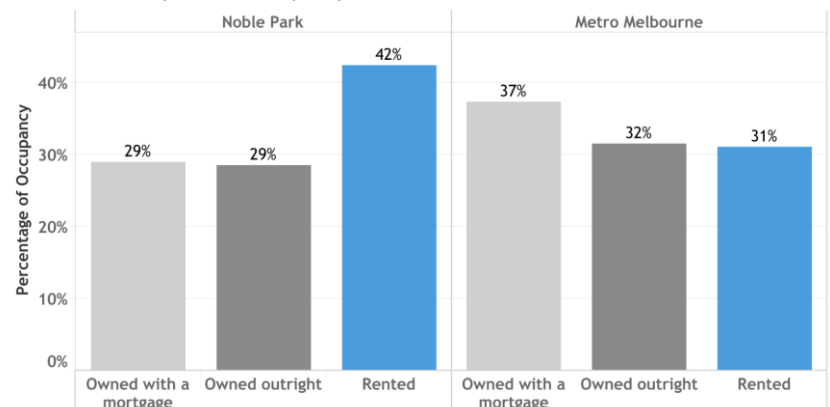
*2016 Census figures.

HOME OWNERSHIP

Noble Park has a significantly higher proportion of renters (42%) than metropolitan Melbourne (31%). This is a trend that could be initiated by number of young and middle aged residents in Noble Park, who seeks to reside close to their sources of employment and education.

The recent infrastructure investments in Noble Park such as the Skyrail, Noble Park station, Level Crossing Removals, new Djerring bike path, new open spaces and other improvements works around Noble Park Activity Centre; has improved the liveability for the suburb. As an effect of these investments and improvements, Noble Park will continue to evolve and gentrify with changing retail offerings and improved housing stock, which will attract younger and working age residents to the suburb. These new residents will continue to drive the gentrification of the suburb and make it an increasingly attractive place to live.

HOME OWNERSHIP, NOBLE PARK (2016) *



*2016 Census figures.

This Report provides an overview of Noble Park and has been carefully prepared by Charter Keck Cramer for Village Building Co. This Report is not intended to be comprehensive nor render financial advice and neither Charter Keck Cramer nor any persons involved in its preparation accepts any form of liability for its contents. The information contained herein was compiled in October 2018 and should not be relied upon to replace professional advice on specific matters. Charter Keck Cramer is not providing advice about a financial product, or the suitability of investment and is not a holder of an Australian Financial Services Licence. This report is Copyright and cannot be reproduced without written permission of Charter Keck Cramer.

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Sources: Charter Keck Cramer, Australian Bureau of Statistics, ForecastID, Dept. of Health & Human Services, Google maps, APM Price Finder, walkscore.com, Valuer General Victoria (VGV), The Age Liveability Rankings 2015, VIF 2016, Level Crossing Removal Authority, Transport for Victoria, City of Greater Dandenong, The World University Rankings and Moreland City Council.

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