



THE MALVERN STAR

Blessed with good schools and transport infrastructure, right now could be a good time to buy into the blue ribbon suburb of Malvern. **AUREN CROSS**

Known for its tree-lined streets and Victorian-style houses, Malvern is arguably one of Melbourne's best suburbs, situated just 12 kilometres southeast of the CBD. It's just been listed as a hotspot by WBP Property Group, and chief executive officer Greville Pabst says it'll "outperform" the Melbourne market in the coming years due to its desirable location and the lifestyle it offers.

"We're going to see a period of growth that's reasonably flat, on the back of a period where Melbourne's growth has been extraordinary," Pabst says.

"Over the last 18 months it wasn't rocket science and you were a popstar for anything you bought – you'd make 20 per cent. But 2011 is the year of the shrewd investor and it'll provide good opportunities if you buy right."

That 'buying right' option lies in Melbourne's inner east, according to Pabst. He says it's still cheaper than Toorak, St Kilda and Hawthorn, yet close enough to be dragged along with the capital growth. The suburb, which is where the Malvern Star bike was created in 1902, could also give you a smooth investing ride and help take your property portfolio up a gear.

"It makes it very desirable for high income earners that can afford it; better than Toorak or Hawthorn," Pabst says.

AMENITIES

The suburb of Malvern is "cut up a little bit" according to Pabst, sliced by Malvern and Malvern East. There's an exclusive part, the Gascoigne Estate, which runs between Manning Road and Wattletree Road and forms part of Malvern East.

City of Stonnington Mayor Melina Sehr says Malvern is bounded by Toorak Road and Gardiners Creek in the north, Tooronga Road in the east, Dandenong Road in the south and Glenferrie Road in the west. The population has remained relatively unchanged for some time and is currently at 9422.

"Malvern experienced a small increase in population between 1996 and 2001 – a result of new dwellings being added to the area," Sehr says.

"Over the last 10 years, the population has remained stable with a small increase of 293 people in Malvern."

Pabst adds the main reason the population has remained stable is because Malvern is already established and there's no more land to build on. However, residents living closer to Malvern's centre have better access to transport facilities and this is where you'll continue to see growth, he says.

"When you look within an area and say where will the growth be, you've got to be close to transport.

"It's becoming very important," Pabst says. "The further out of the city you go, the harder it is to get back into city areas."

Most people like staying close to the inner-city side, west of Warrigal Road, because there's "great transport and private schools", according to Pabst.

"You've got fantastic universities and sporting facilities, major shopping areas and easy access to freeways. It's definitely a lifestyle in itself and as you head into Glen Iris you get a lot more for your money."

Schools include Caulfield Grammar School, St James School, Malvern Prep School, Malvern Central School and De La Salle College. Monash University is also "just down the road" from Malvern East, Pabst says.

JPP senior buyers advocate Catherine Cashmore says all of the schools are "very prestigious", so the kind of buyer or renter attracted to Malvern is likely to be looking for somewhere close to a good school.

After a day in the classroom there are heaps of places for the kids to run around. You've got Central Park, Malvern Gardens and Hedgeley Dene Gardens – the television show *Neighbours* has even done three weddings there!

Council figures indicate 50 per cent of people living in Malvern are professionals and of those, 20 per cent work in manage-

ment roles, while 13 per cent are in clerical work. There are also 7774 businesses within the City of Stonnington area.

"Apart from retail trade, the most prevalent business types are the professional services including marketing and business management, medical and dental, computer, legal and accounting, and finance and investment," Sehr says.

Of course, there's so much more than just businesses in Malvern. The Caulfield Racecourse is very popular and Malvern is also home to the Melbourne Fashion Festival every year, along with carols, symphony under the stars and jazz festivals.

Of all the activities though, the real drawcard for Malvern is its fantastic shopping, according to Cashmore.

"The shopping strip doesn't just attract people from Malvern but also from Glenferrie Road," Cashmore says.

"It's got a variety of restaurants, coffee shops and boutique fashion stores."

Metropole's Andrew Nichols says Malvern is close to Chadstone Shopping Centre too, which is "one of the largest in the southern hemisphere".

"The girls just love shopping there, you can't get them out once they go in," he says.

"High Street has changed into a high-class fashion area and that's just around the corner from the main Malvern area."

Nichols says transport to and from shopping, parks and around town is easy and ideal, with trams all over the suburb.

"You've got trams down Wattletree Road, Glenferrie Road, High Street and Malvern Road," he says.

Good train lines that run directly in and out of the city also service the suburb, Cashmore says.

"Malvern train station is on the Frankston and Pakenham line and Cranbourne line, so you can get to virtually anywhere," she says.

"Tooronga train station also services a section of Malvern."

A major hospital, Cabrini Hospital, is found in Malvern. Nichols describes it as an "upmarket hospital" and one of Melbourne's major hospitals.

BLUE RIBBON HOUSING

Much of Malvern's appeal is due to its magnificent heritage buildings and houses. Council says 1399 sites are in the heritage overlay of the suburb and 30 per cent of those are houses. The majority of heritage

areas are along Glenferrie Road, Claremont Avenue precinct, Coonil Crescent precinct, Edsall Street precinct, Sorrett Avenue precinct and Malvern Village. Other heritage-listed buildings include Malvern station, Stonnington mansion, St George's Anglican Church, St Joseph's Catholic Church and Malvern Primary School.

Pabst says an older, more popular period home in Malvern will set you back at least \$1 million – but it's still much cheaper than nearby areas.

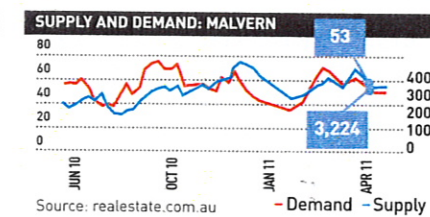
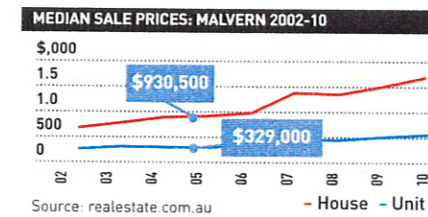
"For a house in South Yarra or Toorak, entry level would start at \$1.5 million upwards," he says.

"But Malvern is complemented by leafy tree-lined streets, reputed schools, good restaurants, cafés and bars, as well as retail shopping facilities."

Rental yield isn't that great in Malvern – Pabst says a three-bedroom home would probably rent for between \$700 and \$800 a week, or achieve a rental yield of 3.5 per cent. However, the real gains are in the capital growth.

"What always seems to be a good investment is a period single-fronted home, Victorian-style, in the inner-circle within a 10-kilometre radius of the CBD," Pabst says.

API DATA FILE [MALVERN]



MEDIANS

Location	Mar 11 (\$,000)	Mar 10 (\$,000)	12-month growth	Rent (\$)	Mar 11 total sold	Mar 10 total sold	Mar 11 total vendor discount	Mar 10 total vendor discount
Malvern (H)	1,575	1,507	4.5%	595	145	154	5%	4%
Malvern (U)	513	473	8.4%	370	50	66	6%	5%

Source: APM, SQM Research (accurate to March 31, 2011); H = houses, U = units

LOCAL SALES IN MALVERN

Address	Type	Price	Bedrooms	Sale date
Horace St	House	\$1,095,000	3	16/04/11
Wheatland Rd	House	\$1,490,000	3	09/04/11
Wheatland Rd	Unit	\$547,500	2	26/03/11
Cawkwell St	Unit	\$780,000	3	05/03/11

Source: rpdata.com

WHERE TO LOOK

Investors should look at: areas closer to parks and in quiet streets.

Investors should avoid: areas closer to Malvern East, Glen Iris and main roads, such as Glen Iris Road and Burke Road.

Source: JPP Buyer Advocates

MARKET ANALYSIS

Malvern has a balanced supply to demand situation. Incomes in Malvern are growing considerably faster than the Victorian average. The proportion of renters to owner-occupiers is similar to the Victorian average. Rental vacancy rates are at 2.6 per cent, which is higher than the Victorian average. 'Stock for sale' levels are up by 52 per cent year on year, which is lower than the average Victorian increase for the same period.

Source: SQM Research, www.sqmresearch.com.au (accurate to March 31, 2011)

