

Article rank | 4 Jul 2010 | Sunday Herald Sun

# Small is beautiful as the dream changes

THE Australian dream used to be a broad patch of turf in the suburbs with a corrugated shed and outhouse, a Blue Heeler and a Hills Hoist.



If you were lucky, a kit home on an acre at Bonnie Doon awaited in the summer for some murky water lake swimming with the kids.

But the '50s rush to the suburbs has been replaced by a race to city lifestyle as innerurban nooks are snapped up under fierce competition.

Even holiday homes are becoming holiday townhouses.

In many areas apartment prices are overtaking house prices in the same vicinity as a growing number of Melburnians embrace the trend towards small and modern.

As the population grows and the dream changes, some families are choosing to buy up by scaling down — moving from a large and cheaper suburban house to a more expensive townhouse closer to the action of the city.

### DOWNSIZING

Parents Darren and Kim Bates have shrunk the size of their home, but inflated the price tag.

After selling their big-block property in Blackburn North through Tim Heavyside, of Fletchers, the couple have bought a much smaller, but much dearer, townhouse in Kew.

With two children under 10 and only a small courtyard for a backyard, Mrs Bates said surrounding parkland easily made up for the shrinkage in space.

"We are quite looking forward to not doing as much gardening," she said.

"We plan to stay here at least until the kids finish school — possibly longer.

"It is a bit closer to the city than where we were and our daughter is excited because she can walk to school."

In many areas of Melbourne median sale prices for houses are being overtaken by median sale prices for units — a largely unprecedented trend.

In Abbotsford last week a new, multi-storey apartment with three bedrooms on 30sq m in Park St was close to sale at \$1.2 million.

Two weeks before, a period three-bedroom house on 221sq m in Raphael St, one street away in Abbotsford, was passed in at \$840,000 at auction.

Realestate.com.au statistics reveal that in March this year the median price for a unit in Abbotsford sat at \$732,000, while the median house price lagged at \$641,000.

The phenomenon is not restricted to the inner city, with seaside Beaumaris recording a median unit price of \$1.2 million in March — ahead of \$1.03 million for houses.

Demand for units is being felt as far away as Caroline Springs, where in March the median unit price was \$362,000 — \$12,000 more than the median house price.

Blackburn, Fitzroy and Collingwood have also seen unit prices overtake house prices in the past year.

Ariel Brukarz, of Melbournebased online apartment sales service Apartment Superstore, said a portion of the market was made up of "empty-nesters" — boomers whose children had left home, leaving mum and dad to seek a low-maintenance property close to the city.

"But there are also a lot of younger couples looking at apartments for the long term," he said.

Australians were starting to view apartments with an Asian mindset.

"People are happy with the smaller size, because they want to be in and around the action," he said.

"There is the perception that if you move too far out you may risk losing friends and nobody will visit you. Clients are often willing to sacrifice a backyard and go with something that has a small courtyard and nowhere to put a pet if it's closer to the city."

#### RISE OF THE HOLIDAY FLAT

Though the city is centrepiece, townhouses are no longer just a town thing.

In the Phillip Island town of Cowes the median price of units has routinely broken above the price of houses in the past year as holidaymakers try to bring a touch of latte urbanisation to their weekends away.

Peter Buitenhuis, of Judith Wright Real Estate in Cowes, said holiday home preferences had changed dramatically over the past decade.

"If you looked at this area 10 years ago you would see very few townhouses," he said.

"We are finding townhouses and apartments are becoming more and more popular and they tick all the boxes for busy people. They don't want to do gardening and they find the properties also rent very well."

The phenomenon is also being felt in Airey's Inlet where this year the median unit price hit \$775,000 while the median house price trailed at \$650,000.

Lakes Entrance has shown a similar trend with the median March house price of \$255,000 overshadowed by a median unit price of \$292,500.

Apollo Bay saw unit prices move higher than house prices in September and again in March.

Catherine Cashmore, of JPP buyer advocates, said the rise of unit prices in a number of areas was driven by a variety of factors. She recently bought a unit for a couple who said they would raise a family in the home — a common occurrence in the current market.

"We can certainly see that preferences are changing," she said. "That is certainly the underlying theme."

MARKET COOLS, CLEARANCE AT 66% AS winter's big chill settled in, the housing market seemed to continue its cool-off this weekend.

The number of auctions reduced to about 560 while the clearance rate levelled at 66 per cent.

Investors were still out in force as post-auction negotiations saw many properties sold after being passed in.

Frank Valentic, of Advantage Property, said out of five auctions attended by the buyer advocates two were passed, but later sold.

"We are seeing a return to a normal market — it is not going to be a big crash," he said.

"We will be seeing more normal results with still a few strong sales breaking through."

Leo Dardha, of Hocking Stuart in Yarraville, said sales were slower and stock lower than last week.

"Last week we had six out of six; this week we just had the one property selling," he said.

But pockets of the market still displayed bullish behaviour.

One terrace house in Albert St, Brunswick, sold for \$610,000 — \$35,000 above the reserve.

Agent Peter Jones, of Nelson Alexander, said an investor prevailed after bidding hotly against a prospective owneroccupier couple.

"There was not that decent a crowd, but it was a strong result nonetheless," he said.

Strong bidding was seen at other auctions, with Catherine Cashmore, of JPP Buyer Advocates, reporting a house in Boronia that "flew" at auction when contested by four bidders.

"It sold well above the reserve right on the mortgage belt where people might be thinking the market is slowing — it's not," she said.

# The Family Unit

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oy editor  
THE Australian dream

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### MARKET REPORT

**MARKET COOLS, CLEARANCE AT 66**  
AS winter's big chill sets in, the housing market seemed to collapse its cool-off this weekend. The number of auctions reduced to about 550, with the clearance rate levelled at 66 per cent. Investors were still out force as post-auction negotiations saw many



The number of auctions is expected to rise slightly next week, ahead of a forecast winter slump in a fortnight.

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