

## **MEDIA RELEASE**

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### **Home sizes shrink while prices rise in growth areas**

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The City of Wyndham is Melbourne's boom corridor with home sizes increasing by 60% in the past three years and prices rocketing \$50,000 per annum to be the most expensive – and expansive - region for new home estates according to figures released today by Oliver Hume Research.

However, while Wyndham may be home to the new mansions – with a median size of 287 sqm compared to 198 sqm in Cardinia - it is atypical of the rest of Melbourne's five other growth areas that have seen home sizes fall by a median 8 sqm in the past three years.

The price biggest jump in media prices was in Wyndham with a \$168,000 (60.5%) rise in prices in three years while Whittlesea (9.4%) and Casey (11.1%) had the smallest price rises of \$33,000 and \$38,000 respectively..

With an average build price (house and land) of \$445,000 Wyndham was 13% higher than the Melbourne growth areas median price and 24% more expensive than Cardinia (\$342,000) which is the most affordable.

Oliver Hume National Research Manager Mr Andrew Perkins said excluding Wyndham homes sizes have actually fallen marginally in the past three years.

The biggest drop in size was in Whittlesea where homes fell from 269 sqm in 2006 to 242 sqm at the end of 2009.

He said the median sized house in Melbourne's growth areas was 232 sqm costing \$390,000 (based on Oliver Hume's house and land price index established in 2006). In 2006 the media house size was 240 sqm and it cost \$305,000 indicating prices had risen almost 30% over the period.

“Much of the drop in house size can be attributed to the rise of the First Home Buyer market boom in the 2007-2008 period where they peaked at an unprecedented 70% of all sales across the markets. These houses are generally smaller homes as they house singles or small families and affordability is paramount,” Mr Perkins said.

He said home sizes shrank though to late 2009 when the Global Financial Crisis was easing but homes sizes have not yet rebounded back to the 2006 levels.

Oliver Hume Director Mr Paul Ciprian predicted that moving forward, when the FHB grant is out of play, house sizes would stabilize and people would forgo land size to maintain affordability without compromising on house size.

“On that basis the scales will tilt back to the 2006 sizes and builders will accommodate houses on blocks down from 580 sqm to 470 sqm.” he said.

2009	Cardinia	Casey	Wyndham	Melton	Hume	Whittlesea	All
<b>House Size sqm</b>	198	209	287	241	224	242	232
<b>House and Land Package Index</b>	\$362,000	\$383,000	\$445,000	\$342,000	\$379,000	\$387,000	\$390,000
<b>2006</b>							
<b>Size</b>	-33 (231)	-57.5 (266.5)	81 (207)	74 (137)	-25 (249)	-47 (269)	-8 (240)
<b>Price change %</b>	31.5%	11.1%	60.5%	34%	21.9%	9.4%	28.1%
<b>Price change \$</b>	\$87,000 (\$275,000)	\$38,000 (\$345,00)	\$168,000 (\$277,000)	\$87,000 (\$255,000)	\$68,000 (\$311,000)	\$33,000 (\$354,00)	\$85,000 (\$305,000)

Source: Oliver Hume Research

**For further information please contact:**

**Andrew Perkins, Senior Research Manager at Oliver Hume Real Estate Group Ph: (03) 9669 5999**

**Paul Ciprian, Director, Oliver Hume 03 9669 5999 mobile 0417350750**

**Media enquiries to Grant Muller on (03) 9853 7665 mobile 0411 602 233**

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