

The median price of a house in Melbourne has appreciated by 46 per cent in the past five years and analysis of REIV sales results shows that there are a number of suburbs in the inner west where demand has been higher.

The strong appreciation has occurred because the western suburbs have been undervalued for some time. In recent years many buyers have compared the homes available in the west to significantly more expensive ones located a comparable distance from the CBD in the east, north east and south – and demand has risen accordingly.

The region has good transport services and improvements are planned for the next decade.

Top of the list is Footscray. Five years ago the median was \$311,000, well below Melbourne's median of \$371,000. Since then the median has appreciated by 94 per cent to \$602,500, now above Melbourne's. The strength of demand for homes in Footscray is highlighted by the fact that the median has appreciated by 34 per cent in the last 12 months – higher than any neighbouring suburbs. Buyers still believe it is good value.

Sunshine has recorded similar demand, with an increase in its median of 78 per cent to a still-affordable \$426,000.

Yarraville has a median similar to Footscray at \$602,500 and has recorded similar growth, with an increase of 73 per cent in five years.

St Albans has many very affordable homes, a median of \$360,000, and has recorded a 67 per cent increase in its median.

Newport, Footscray West, Altona and Keilor East have all recorded increases in excess of the Melbourne-wide result.

The REIV would not be surprised to see demand for homes in west to continue to be strong for the next few years, especially due to the city's growing population.

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