

Lifestyle, Location, Supply

ALJ330 Assignment 1

First home buyers are increasingly adopting apartment style living for its lifestyle benefits, as the Victorian Government seeks to increase the availability of high-density housing across Melbourne to address the city's housing shortage.

However, experts have warned that simply increasing supply may not be enough, raising concerns about whether developments will meet the liveability standards buyers are seeking.

Chief of Research and Economics at Domain, Dr Nicola Powell, said younger buyers are becoming more willing to compromise their living arrangements in favour of their livelihoods.

"It's a strategic trade off, [they] are trading space but prioritising location," she said.

While this shift in living environments may be for greater convenience in everyday life, it ultimately reflects the affordability pressures of houses across Melbourne, where rising house prices have led to apartment style living becoming more achievable for the young first home buyer.

Proximity to public transport, employment and lifestyle amenities are becoming key factors for first home buyers, particularly within inner city areas of Melbourne.

Powell suggested that "lifestyle is everything, walkability and access to transport are core drivers of demand."

Apartments are no longer perceived solely as an entry point or a downgrade to a larger house, but as long-term options that align with the lifestyle priorities of many young people.

However, Luc Redman, an analyst from the REA Group suggested that whilst Victoria is perhaps outperforming other states in planning reforms aimed at boosting housing supply, the reforms may also lead to greater issues in housing accessibility.

"The main constraint will be the zoning regulations, particularly for those at the missing middle in medium density housing."

Redman considered the possible disconnect between the policy ambitions of the Victorian Government and the practical reality of constructing more homes.

It is important that the homes sought after by many are actually built.

Nicola Powell implored the need for greater supply in medium density dwellings such as town houses and unit blocks, "many young buyers with children are veering away from apartments because they are too small for a growing family," she said.

According to Domain, first home buyers in Melbourne can buy a unit for a cheaper price than five years ago.

“Search patterns suggest many want something in between an apartment and a house, so that must be delivered.”

As the state election looms, there are proposed plans for construction of more high-density apartment style living arrangements in leafy suburbs such as Brighton, Malvern, Malvern East and Toorak.

Redman stated that apartment buildings taller than four storeys “which can exist in these inner suburbs” will likely cause the greatest number of issues. “It is quite easy to get push back on developments, which can restrict supply.”

Nicola Powell contended that whilst inner city living is ideal for many young buyers due to the proximity to amenities, “middle and high-density living is being considered by buyers in some of the middle and outer suburbs” of Melbourne due to greater affordability and supply.

For some, entering into the housing market is feeling more and more unattainable. However, should there be an increase in the supply of medium and high-density style homes, younger buyers may have a viable path to home ownership.



A four-storey apartment complex under construction next to liveability factors such as Central Park and the number 5 tram line on Wattletree Road in East Malvern.