

In 2016, the City of Tea Tree Gully commissioned a major study to identify and understand the segments of the residential market that would be attracted to Modbury Precinct. The study also provided recommendations on how to connect these segments effectively.



Both qualitative and quantitative research was carried out by assessing the responses of residents who:

Live within 10 kilometres of the Modbury Precinct;

and

Were open¹ to moving within the next 10 years.

From this research, segments 1 and 2 emerged that would be attracted to living in Modbury. It is these segments that Council will work towards attracting in the short term.

¹ "Openness" to living in Modbury varied depending on the level of affinity with the precinct, as well as level of selectiveness about the respondent's area of residence.

Insights for investors and developers

Modbury



The following provides a summary for each of the two priority segments, as to what they are looking for in regards to housing for their next move.

Segment 1 (Community and comfort chasers)	Segment 2 (Value seeking lifestylers)
<ul style="list-style-type: none">• Most (75%) are looking to buy• If buying, looking to spend between \$300,000 and \$600,000• If renting, looking to spend \$200 – \$400 per week• Looking for a 2 (35%) or 3 (45%) bedroom home• 1 – 2 car spaces• 22% would like to move to a unit or apartment• 15% would like to live in a townhouse• They understand that they may need to make compromises with where they live• 73% want to find a suitable retirement living arrangement for when they are older	<ul style="list-style-type: none">• Most (54%) intended to buy, 14% would rent and 30% would consider both• If buying, looking to spend between \$300,000 and \$500,000• If renting, looking to spend \$200 – \$400 per week• Looking for a 2 (22%) or 3 (53%) bedroom home• 1 – 2 car spaces• Over half of this segment want a family sized home• They were the segment who was most open to the idea of living in a townhouse (21%)• This segment wants space – 45% want a large backyard• They understand that they may need to make compromises with where they live• 20% would like to move to a unit or apartment

For investors looking to buy in Modbury with a view of leasing properties to either of these segments, they would be best placed targeting rental properties at the ‘Value seeking lifestylers’, as their propensity to rent was considerably higher than that of the ‘Community and comfort chasers’, and particularly if currently living at home, the realisation of the costs associated with home ownership might make renting a more viable short to mid-term solution for this segment. Small or medium family-sized homes with 2–3 bedrooms and a backyard are important to this segment. Investors should keep in mind that this segment is looking for a modern home. The basics are enough for this segment, but incorporating ‘space’ is important.

For developers, regardless of which segment they are targeting with the completed development, 2–3 bedroom homes are in demand, as are homes with at least 1 car park. When considering the development, developers need to be mindful of the likely expenditure of these segments, and know that they will not necessarily be developing high end, luxurious homes. Space, modern design, functionality and the basics are what these segments are looking for.