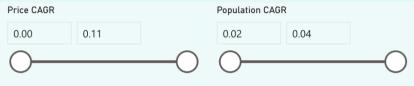# UC00177_Forecasting_Property_Investment_Hotspot - Aneesh Pedram

- Cluster 2 (High Price CAGR, Low Population Growth) – for example, Carlton. This is best suited for investors chasing capital appreciation from strong historical performance.
- Cluster 0 (Low Price CAGR, High Population Growth) – for example, North Melbourne. This is ideal for long-term, demographic-driven investments where rising demand will drive future prices.
- Cluster 1 (Balanced Growth) – for example, Kensington and South Yarra. This is best for investors seeking balanced returns from both economic and demographic growth.

Price CAGR

0.00	0.11

Population CAGR

0.02	0.04

According to a research by **Shore Financial** there is a **~2.8%** rise in house price for every **1%** increase in population.

Small Area Proportion of Price CAGR & Population CAGR

● Population CAGR ● Price CAGR

Investment Score by Small Area

Small Area	Score
Carlton	8.4
North Melbourne	8.3
West Melbourne (Residential)	5.7
South Yarra	5.7
Kensington	5.4
East Melbourne	4.9
Southbank	4.5
Melbourne (Remainder)	4.5
Docklands	3.7
Melbourne (CBD)	3.4
Parkville	1.8

Clustering Small Area by Price CAGR and Population CAGR

Cluster ● 0 ● 1 ● 2