

MONEY PLANNING & BUDGETING POPULATION

'I feel like a different person': moving from the city to the regions

By John Collett & Caitlin Fitzsimmons
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It's only been five months since he moved from Melbourne to Albury, but Sam Kadi can't imagine returning to the big smoke.

"I don't see myself going back to Melbourne, not live there anyway," says Sam, 30. "Albury has changed so much since five years ago; it used to feel like a country town, but now it's like a small city. The area is relaxing, the people are amazing, the weather is beautiful and there's no traffic."

His sister and business partner Hanna Kadi, 29, who moved with her husband and their young daughter, feels the same way.

"I have so much more time, I'm home by 3-3.30pm and I feel like a different person," Hanna says. "The only reason I'd go back to Melbourne is for my parents, but they're talking about moving out here when they retire in a couple of years."



Hanna Kadi, with her daughter Elissa Hatoum, in the Albury cafe she owns with her brother.

Photo: Mark Jesser

Albury is one of seven cities in NSW that have banded together to form the [Evocities](#) marketing initiative to encourage people to move from the capital cities. The others are Armidale, Bathurst, Dubbo, Orange, Tamworth and Wagga Wagga.

Sydney and Melbourne are growing at break-neck speed. On current projections, both cities are expected to hit 8 million people by mid-century, from about 5 million now. House prices in both cities are unaffordable for many and traffic congestion is getting worse.

The trend for those like Sam and Hanna to relocate to regional towns is likely to grow, says Mark McCrindle, a social researcher who has his own consultancy, McCrindle Research.

“What was originally a pull factor of these areas for a tree or sea change, is now more of a push factor for people wanting a change,” McCrindle says. “It’s discomfort with the affordability of the big cities and the infrastructure challenges that’s pushing people out of cities, rather than the pull factor of a particular idealistic location.”

Financial considerations

Laura Menschik, a financial planner and director of WLM Financial, says for many people a major attraction of a move to the regions is to be able to get into the property market or to sell their capital-city home and reduce their mortgage by buying a cheaper home.

But anyone thinking of making the move has to first draw up a realistic budget, to see if the move stacks up. While the costs of housing are likely to be much less, there are likely to be increases in some expenses, such as spending on petrol, and families may be paying school fees for the first time, Menschik says.

Employment is usually the biggest issue for people considering the move.

“Can you work from home or get a job as a teacher at the local school where you will be paid the same but, hopefully, be spending less?” Menschik says. “Is there going to be work, including for those who want to work part-time and work for the children when they are older and want to establish a bit of financial independence.”

For Sam and Hanna, the answer was self-employment. The siblings ran a cafe together in Melbourne and were looking for a business to buy when they visited their cousins in Albury and fell in love with the area.

The siblings bought the Electra cafe on the main street in November last year and recently rebranded it Thick as Thieves. The menu features Mediterranean flavours, inspired by the family's Lebanese heritage.

Hanna moved with her husband Ayman Hatoum, 35, and their daughter Elissa, 4. Hatoum is a hairdresser and while he did not line up work before the move, Hanna says there are plenty of salons looking for staff.

Having family in town has made it easier to integrate. Hanna says she has regular customers and the fruit and vegetable sellers and garbage collectors know her by name.

The most striking difference to the big city is the cost of real estate – the cafe in Melbourne cost about twice as much in rent as the one in Albury.

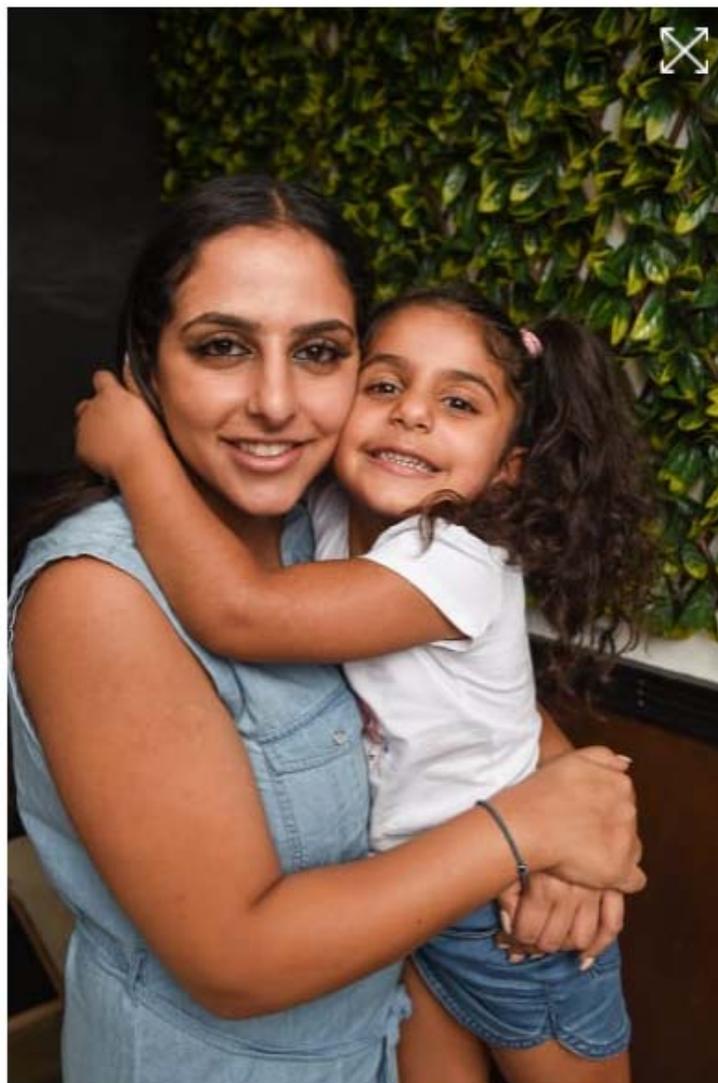
Affordable property

For Sam, who is single, the move to Albury is a chance to become a home owner for the first time.

“Melbourne is just too expensive to buy a house, if you haven't bought one already, it's harder and harder for young people to even think about buying a house,” he says. “I haven't checked out the prices in Albury yet ... but it's definitely on the cards.”

Hanna says she and her partner worked hard to buy a house in Epping in Melbourne about four years ago, which they hope to keep. If business keeps going well, they'll also buy a home in Albury at the end of the year.

Albury is a thriving regional centre, but other families make their escape to much smaller towns.



Having family in Albury has made the move from Melbourne easier for Hanna Kadi.

Merryn Padgett and Marcus Andrews and their two children live in Paynesville - population 3000 - in the Gippsland Lakes region in eastern Victoria. The couple initially bought a beach house to get away from Melbourne every now and again, but moved permanently in 2008 and have a much smaller mortgage.



Marcus Andrews with his kids Quinn, 11, and Asha, 6, enjoying the relaxed lifestyle in the Gippsland Lakes region.

Padgett, 38, works full-time for the local shire in community engagement. Andrews, 53, takes care of Quinn, 11, and Asha, 6, and has started an online business: [Earth and Sea](#), a campervan rental business powered by the [Camplify.com.au](#) booking platform - a kind of Airbnb for campervans.

Andrews estimates he has made about \$12,000 in the six months since starting the business - it is modest, but growing. A few years ago, he suffered a heart attack and couldn't return to full-time work. He is on medication and can no longer do strenuous work.

Back in the city, he owned two restaurants and worked long hours, often seven days a week.

"We were making good money; pretty much living the so-called dream," Andrews says. "I was supposedly successful but I was unhappy; I couldn't see a future for us in Melbourne."

He says it took a few years to adjust. "People here were a bit shy to start with, but we have now made good friends," he says.

Andrews says he can't imagine returning to the city and struggles to even visit Sydney or Melbourne because of the traffic and crowds.



Paynesville in Victoria, where Merryn Padgett and Marcus Andrews live.

Photo: Simon Johanson

Population growth

[Australian Bureau of Statistics figures released this week](#) show Melbourne had the largest population growth of 125,400 during the year to June 30, 2017, followed by Sydney with 101,600 and Brisbane with 48,000. Together, the three cities accounted for more than 70 per cent of Australia's population growth.

While Melbourne is growing faster, the bureau's figures show the trend of getting away from the hustle and bustle is strongest in Sydney. Overseas migration added 84,700 people to Sydney's population in 2017, but about 40,000 people left the city, with about 14,000 of those going to Melbourne.

People from other parts of Australia come to Sydney, but the net figure from those shifting within Australia is a loss of about 18,000 people from Sydney.

Location, location

Doron Peleg, the chief executive of residential property researcher RiskWise Property Research, says one of the key drivers of low quality of life in Sydney and, to a lesser extent, in Melbourne, is most people have to have two full-time incomes to be able to afford a house.

Peleg warns that while getting away from the hassles of the city can be appealing, it's important to become familiar with the places under consideration and research the local property market.

RiskWise has identified some regions in NSW and Victoria where the regional economy is in good shape, where the housing is affordable and within striking distance of either Sydney or Melbourne.

In Victoria, Peleg likes the Mornington Peninsula, the Yarra Ranges and the Bass Coast. In NSW he likes the Central Coast, Southern Highlands, Shoalhaven, and Wollongong and its nearby seaside towns such as Thirroul.



Thirroul, in the Illawarra region, south of Sydney, is a popular sea change location.



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