

Investment Info

WEST MELBOURNE

URBIS RESIDENTIAL MARKET OUTLOOK



WEST MELBOURNE'S APARTMENT MARKET IS SUPPORTED BY STRONG AMENITY AND PROXIMITY TO THE MELBOURNE CBD.

WEST MELBOURNE

The average annual income of residents in West Melbourne is 45% greater than that of Greater Melbourne.

INFRASTRUCTURE

More than \$6 billion worth of infrastructure investment is in the pipeline for West Melbourne.

WALKABILITY AND ACCESSIBILITY

In West Melbourne, most daily errands can be completed by walking, as most necessary amenity is within walking distance.

RESIDENTIAL MARKET

There is growing demand for residential properties in West Melbourne, with the median price growing 5.9% over the past year.

RENTAL MARKET

West Melbourne has a low vacancy rate of 2.4% and growing demand for rental properties, evident from recent growth in rental contracts.

DEC
2015

WEST MELBOURNE PROVIDES AN INNER-CITY LIFESTYLE WITH EXPANSIVE PUBLIC OPEN SPACE,
MAKING IT A SUITABLE RESIDENTIAL LOCATION FOR WORKING PROFESSIONALS.




WEST MELBOURNE

WEST MELBOURNE'S POPULATION IS FORECAST TO MORE THAN TRIPLE OVER THE NEXT 20 YEARS

DEMOGRAPHICS

The average age of residents in West Melbourne is 33 years, and 52% of the population is aged between 20-34 years. This is a younger demographic than Greater Melbourne, which has an average age of 37 years. Additionally, 58% of households in West Melbourne are comprised of couples with no children, as well as 15% of residents undertaking tertiary education. Some 46% of households are non-family households which is higher than the Greater Melbourne average of 28%. Therefore, the West Melbourne demographic is suitable to apartment living, with a relatively high proportion of small households and young residents.

WHO LIVES IN WEST MELBOURNE

	WEST MELBOURNE	GREATER MELBOURNE
 % Aged 20-34	52%	23%
% Households Couples With No Children	58%	35%
% Non-Family Households	46%	28%
% Tertiary Students	15%	7%

Source: ABS, Urbis

EMPLOYMENT

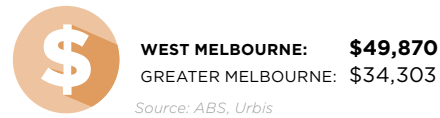
Given the proximity to key employment hubs such as the Melbourne CBD, Docklands and Southbank, West Melbourne has a particularly high proportion of white collar workers. Some 86% of employed residents are working in white-collar jobs, compared to the Greater Melbourne proportion of 72%.

Additionally, 56% of those employed in West Melbourne are either working as Managers or Professionals. This explains the proportionately high average per capita income, which in West Melbourne is 45% higher than the Greater Melbourne average.

WHITE COLLAR WORKERS*



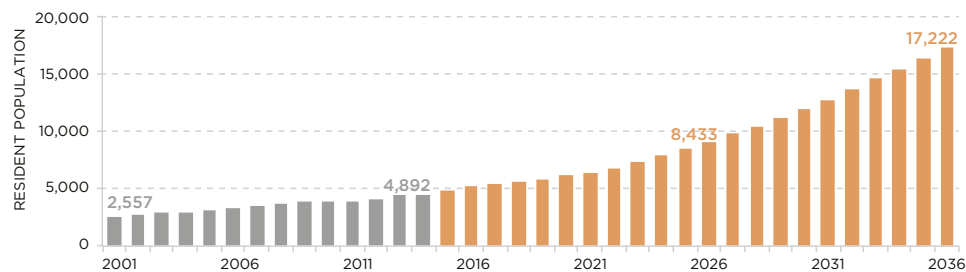
AVERAGE PER CAPITA INCOME



POPULATION

As of 2015, there are over 4,500 residents in West Melbourne. Over the past decade, the population has grown by 4.6% per annum as the suburb evolves from primarily industrial and commercial land uses to become an inner city residential hub. This is forecast to increase to a population growth rate of 6% per annum to 2036, by which time the population is estimated to have tripled.

POPULATION FORECAST WEST MELBOURNE



Source: ABS, ForecastID, Urbis

INFRASTRUCTURE

THERE IS OVER \$6 BILLION WORTH OF INFRASTRUCTURE INVESTMENT IN THE DEVELOPMENT PIPELINE IN WEST MELBOURNE.

INFRASTRUCTURE & INVESTMENT

West Melbourne consists of a variety of recreational spaces. Flagstaff Gardens is a park containing 18 acres of public open space, and includes tennis courts, playgrounds, netball courts and a running track. Other West Melbourne points of interest include Eades Park and Festival Hall, one of Melbourne's iconic music venues. Victoria Street extends to the eastern area of West Melbourne, and consists of a number of bars, cafes and restaurants.

There is almost \$6 billion worth of infrastructure investment in the pipeline in West Melbourne, suggesting it is a suburb which is transitioning to an emerging inner city residential and mixed use destination. Key projects include:

- ④ The E-Gate development, with a total project value of \$5 billion, is a mixed-use redevelopment of the former West Melbourne Rail Yards. Covering land of 20 hectares, it is planned to accommodate some 10,000 new residents and provide retail, commercial and community facilities.
- ④ The Melbourne Metro Rail Project is a \$9 billion proposal to construct a rail tunnel from South Kensington Railway Station to the Domain Interchange in South Yarra with a total of five underground stations. Construction is estimated to be completed by 2026.



WALKABILITY & ACCESSIBILITY

WEST MELBOURNE IS LOCATED IN PROXIMITY TO KEY AMENITY, ENABLING A CONVENIENT WALKABLE NEIGHBORHOOD AND LIFESTYLE.



West Melbourne borders the Melbourne CBD, which is the largest employment hub in Melbourne, and consists of a vast array of entertainment amenity. Additionally, the Queen Victoria Market, which is on the border of West Melbourne, is a market for meat, fruit and vegetables and deli foods as well as general retail. It is the largest open air market in the Southern Hemisphere, and is a popular tourist attraction.

The University High School boundary encapsulates part of West Melbourne, meaning students that fall within this area are able to attend this high school. Additionally, there are a variety of other primary and secondary schools in the surrounding suburb of North Melbourne, and the University of Melbourne and RMIT are both located in proximity to West Melbourne, meaning residents have convenient access to all levels of education.



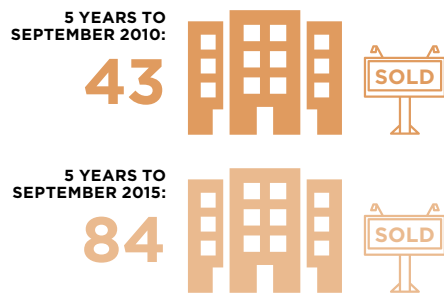
RESIDENTIAL MARKET

DEMAND FOR APARTMENTS IN WEST MELBOURNE HAS GROWN OVER THE PAST 10 YEARS.

APARTMENT SALES CYCLE

The number of apartment sales transactions in West Melbourne has increased, with an average of 43 sales every six months for the five years to September 2010, and an average of 84 every six months for the five years to September 2015. This is indicative of a more active residential property market in West Melbourne.

SIX MONTH AVERAGE APARTMENT SALES:

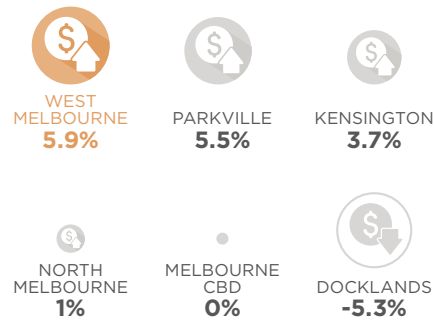


Source: RP Data CoreLogic, Urbis

PRICE GROWTH

Over the past 12 months, West Melbourne's median apartment price has grown by 5.9%. This is higher than all of the nearby suburbs, including Parkville, Kensington, North Melbourne, Melbourne CBD and Docklands. The recent growth suggests demand for residency in West Melbourne has grown significantly in recent times, which has been supported by approximately \$60 million worth of infrastructure investment over a variety of uses in the past year.

12 MONTH MEDIAN PRICE GROWTH

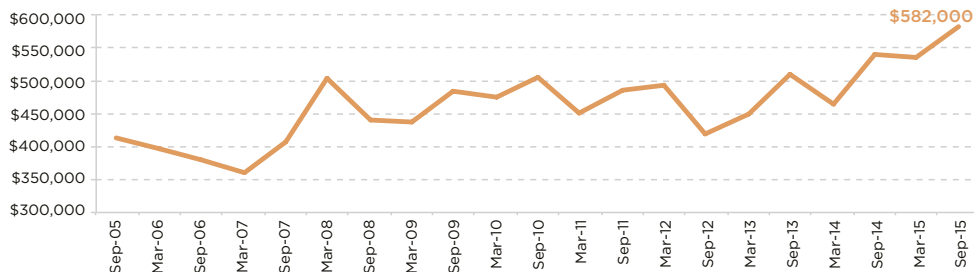


Source: RP Data CoreLogic, Urbis

MEDIAN APARTMENT PRICE

The median apartment price in West Melbourne for the six months ending September 2015 was \$582,000, which is 25% higher than the median for Greater Melbourne. This indicates that West Melbourne is a popular suburb, compared to many other suburbs in Melbourne, which results in a price premium associated with property in the area. This is attributed to convenient access to education, employment and entertainment.

MEDIAN APARTMENT SALE PRICE WEST MELBOURNE



Source: RP Data CoreLogic, Urbis

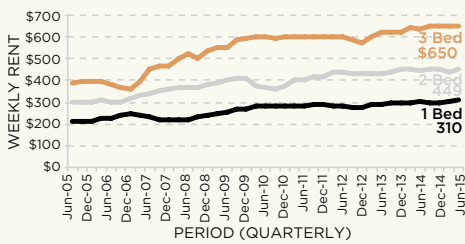
RENTAL MARKET

THE WEST MELBOURNE RENTAL MARKET HAS PERFORMED STRONGLY, WITH A LOW VACANCY RATE, INCREASING MEDIAN RENT AND CONTRACT VOLUME.

MEDIAN WEEKLY RENTS

The median rental rates for one, two and three bedroom apartments in West Melbourne registered \$310, \$449 and \$650 per week respectively, as of June 2015. The West Melbourne apartment rental market has grown strongly over the past 10 years, growing at a rate of 4.0% for one bed, 4.1% for two bed and 5.2% for three bed apartments. This suggests there is growing desire for renters to reside in West Melbourne.

MEDIAN WEEKLY UNIT RENTS WEST MELBOURNE

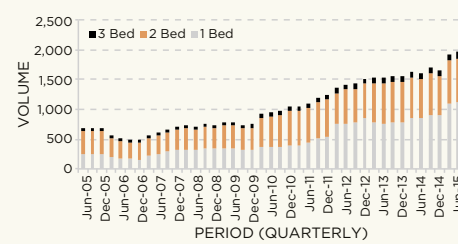


Source: Department of Human Services, Urbis

RENTAL CONTRACTS

The Department of Human Services tracks the number of rental contracts signed for apartments in West Melbourne. Over the past 10 years the number of rental contracts for one, two and three bed apartments grew strongly by 16.2%, 7.1% and 6.1% per annum respectively. This implies that new supply continues to be absorbed. It is also indicative of an emerging suburb, as it highlights the shift in land use to residential property in West Melbourne.

RENTAL CONTRACT VOLUME WEST MELBOURNE



Source: Department of Human Services, Urbis

VACANCY RATE

West Melbourne registered a vacancy rate of 2.4% for December 2015. This is lower than many other suburbs in the City of Melbourne, which suggests that demand for rental properties in West Melbourne is particularly high in comparison to the available supply. Low vacancy combined with growing volume of renters and continued rental growth are evidence of this demand.

VACANCY RATE

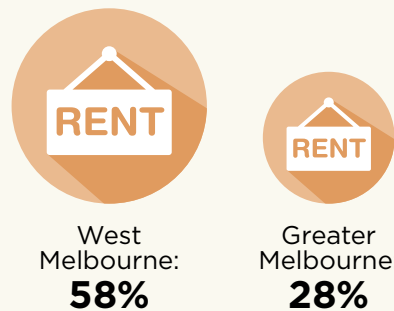
Suburb	Vacancy Rate
WEST MELBOURNE	2.4%
NORTH MELBOURNE	2.5%
DOCKLANDS	3.4%
CARLTON	3.5%
MELBOURNE CBD	4.5%

Source: SQM Research

RENTAL MARKET DEPTH

Some 58% of households in West Melbourne are renting, compared to 28% in Greater Melbourne. This is linked to the local drivers of rental demand, including proximity to the CBD, good transport, strong amenity and proximity to tertiary education.

HOUSEHOLDS RENTING



Source: ABS, Urbis



urbis.com.au
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