

# MARKET OUTLOOK

## YARRAS EDGE

A well established community on the north facing bank of the Yarra River, with easy access to Melbourne's CBD and Port Melbourne.



**YARRA'S EDGE**  
**39% RENTAL PREMIUM\***  
**OVER INNER MELBOURNE**

*\* Two bed apartment product  
Source: ABS*



**MELBOURNE**  
**#1 MOST LIVEABLE CITY**

*Source: Economist Intelligence Unit*

Prepared exclusively for  
**Mirvac**

January 2017



Top: Yarra's Edge - open space; Bottom left: Docklands Employment Hub - estimated 57% employment growth by 2025 ; Bottom right: Yarra's Edge - 1.5km of water-frontage

# MELBOURNE

International purchasers are attracted by Melbourne's environment, lifestyle, education, infrastructure and economic opportunities.

## THE WORLD'S MOST LIVEABLE CITY

Melbourne's vibrant city centre with access to a vast array of attractions and a stable political, economic and legal environment continues to attract residents seeking a place to live, work and play.

Melbourne was awarded, for the 6th year in a row, title of the World's Most Liveable City in 2016 by the Economist Intelligence Unit, ahead of cities like Vienna, Vancouver and Toronto. Melbourne has featured in the world's top three most liveable cities since the survey began.



A GLOBAL, MULTICULTURAL CITY, MELBOURNE ATTRACTS RESIDENTS FROM MORE THAN 235 COUNTRIES AND REGIONS.



OF RESIDENTS SPEAK A LANGUAGE OTHER THAN ENGLISH

Source: Economist Intelligence Unit; Invest Victoria

## CREATIVE & CULTURAL OFFER

Melbourne is home to some of the key arts and cultural venues in Australia.



THE CITY OF MELBOURNE HAS

**359,886**

SEATS IN ENTERTAINMENT VENUES INCLUDING THEATRES, CONCERT HALLS AND STADIUMS.

Source: CLUE 2012



National Gallery of Victoria



Federation Square

## AUSTRALIA'S EVENT CAPITAL

Melbourne is Australia's Capital of major sporting and entertainment events.

Melbourne hosts world class events such as:



THE AUSTRALIAN OPEN  
TENNIS GRAND SLAM



INTERNATIONAL  
CONCERT ACTS



INTERNATIONAL  
TEST CRICKET



AUSTRALIAN RULES  
FOOTBALL



FORMULA ONE  
GRAND PRIX

Source: Visit Melbourne

## EDUCATION DESTINATION

Melbourne is a university city, home to a number of renowned institutions. The University of Melbourne is Australia's no.1 ranked university and is consistently ranked in the top 50 universities globally. It is located less than 5km from Yarra's Edge.

Universities in Melbourne

UNIVERSITY OF MELBOURNE

DEAKIN UNIVERSITY

MONASH UNIVERSITY

SWINBURNE UNIVERSITY OF  
TECHNOLOGY

RMIT UNIVERSITY

VICTORIA UNIVERSITY

LA TROBE UNIVERSITY

AUSTRALIAN CATHOLIC  
UNIVERSITY

UNIVERSITY OF  
MELBOURNE  
RANKING



AUSTRALIA



GLOBAL

Source: Times Higher Education World University Rankings, 2015

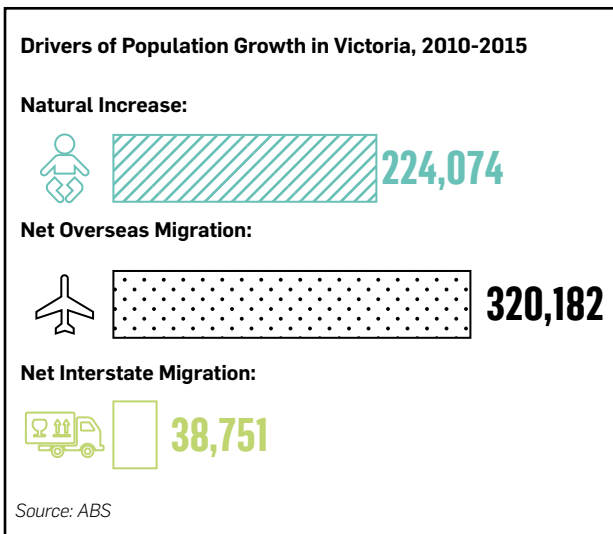
# MELBOURNE

The World's Most Liveable City continues to experience rapid population growth.

## RAPID POPULATION GROWTH

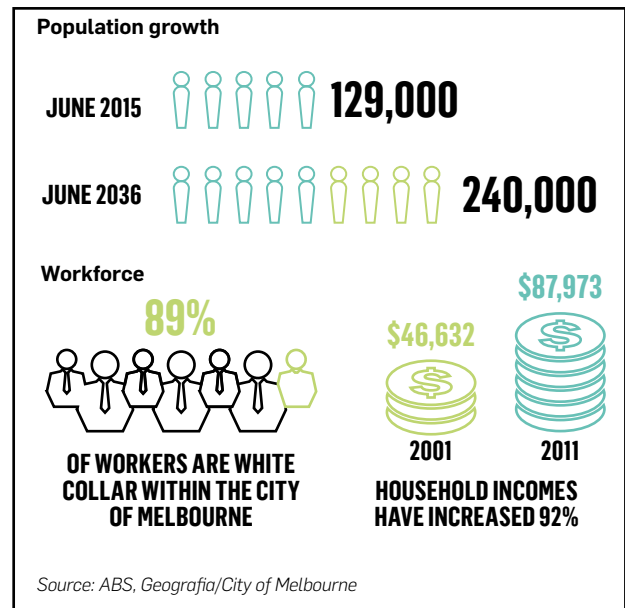
Victoria added over 107,000 residents in 2015.

This rapid growth is expected to continue. Victoria is forecast to add an additional 103,000 residents per year over the next 15 years, exceeding expected growth in NSW of 95,000 per year.



## CITY LIVING

The City of Melbourne was Victoria's fastest growing Local Government Area (LGA), with the population growing by 5.6% in 2014-2015.



## INFRASTRUCTURE & INVESTMENT

Plan Melbourne outlines the long-term vision for Melbourne, with potential to become a city of 7.7 million people by 2050. The strategy sets out an ambitious programme of infrastructure investment.

### Key Projects



Source: Plan Melbourne; Public Transport Victoria; Invest Victoria

## GROSS LOCAL PRODUCT

Economic activity in the City of Melbourne has outpaced both the Australian and Victorian average over the last 10 years and now accommodates some 450,000 jobs.

### Growth in dollars 2005-2015

YEAR	GROSS LOCAL PRODUCT (\$B)
2015	90.6
2014	88.5
2013	87.6
2012	86.7
2011	81.1
2010	75.4
2009	73.2
2008	71.6
2007	68.4
2006	65.1
2005	63

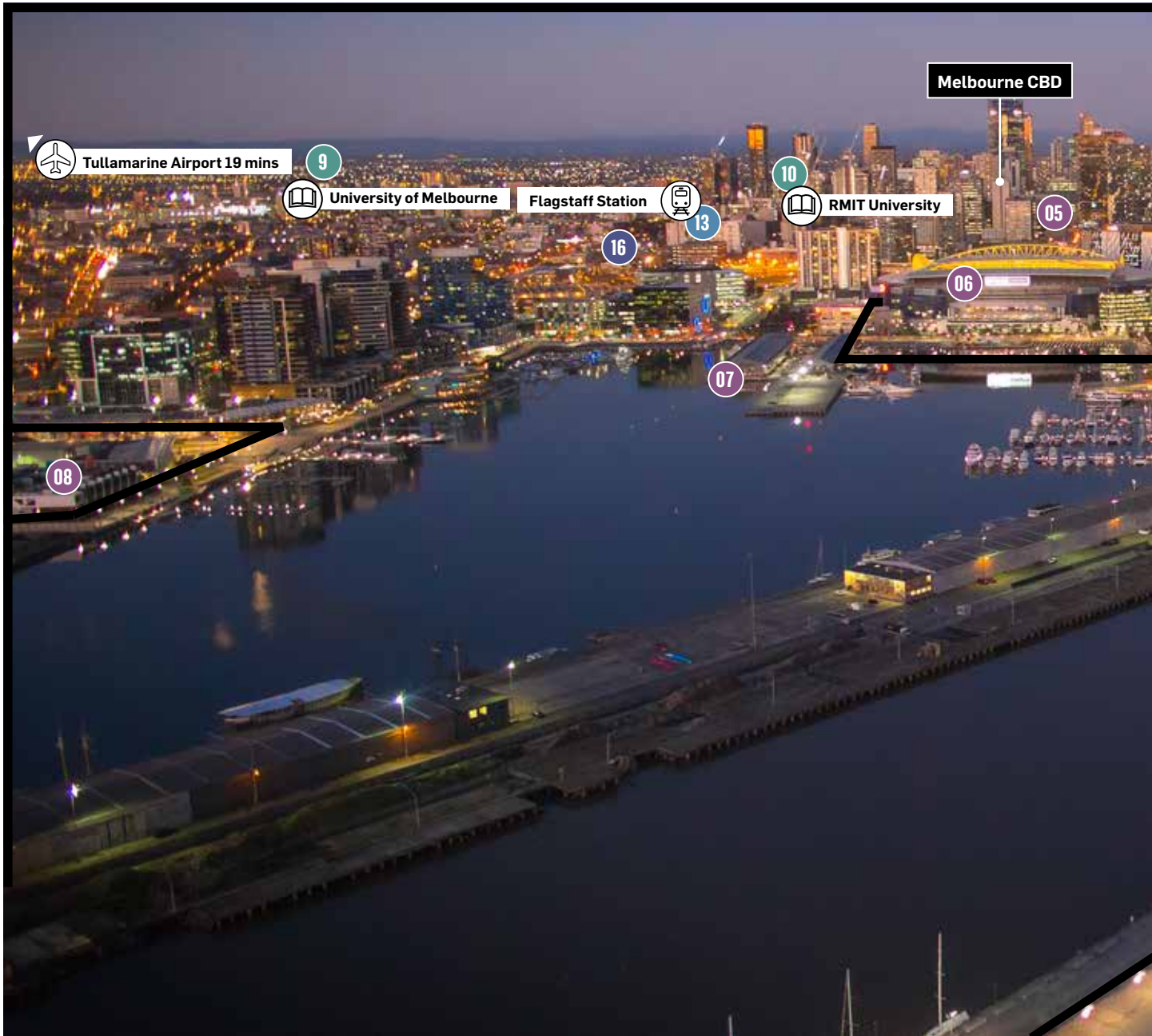


**THE GROSS REGIONAL PRODUCT OF THE CITY OF MELBOURNE GREW TO \$90.6 BILLION IN 2015, FROM \$63.0 BILLION IN 2005.**

Source: City of Melbourne;



# WALKABILITY & ACCESSIBILITY



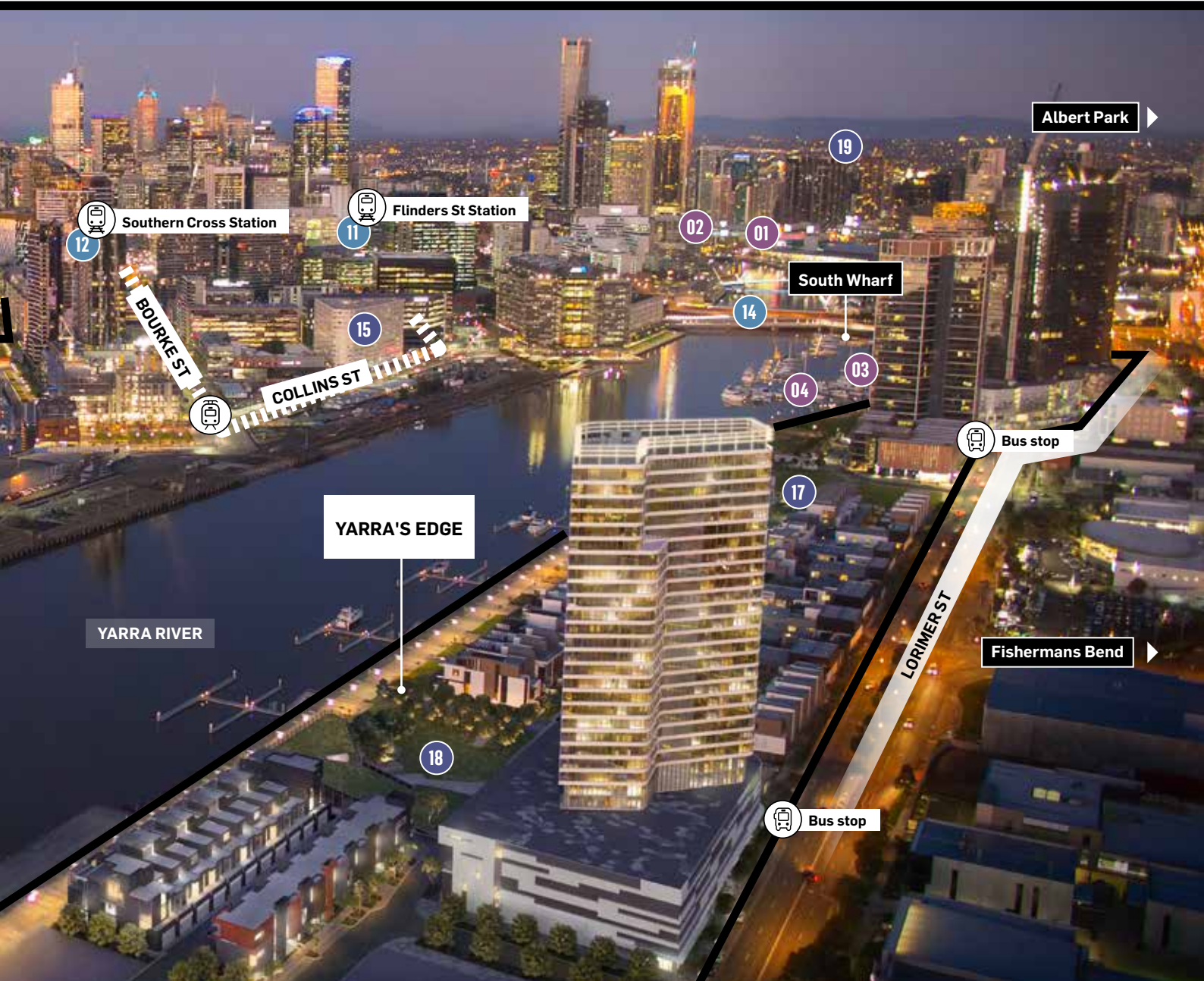
**Yarra's Edge is located in Docklands and is within minutes of Melbourne's CBD, providing good access to jobs, entertainment and amenities.**

Located south west of Melbourne's CBD, Yarra's Edge is situated along 1.5km of Yarra River frontage between the Charles Grimes and Bolte Bridges. A well-established community comprising luxury apartment towers, waterfront

homes, parkland, local retail amenity and a marina with 165 berths, Yarra's Edge is located on the sunny north facing river bank, connected to South Wharf and close to Crown Entertainment Complex, Southbank and the Melbourne city centre. Convenient public transport can be accessed via a bus connection on Lorimer Street, with Tram and train stops an approximate 15 minute walk away.

Yarra's Edge is directly north of the Fishermans Bend Urban Renewal Area which, over the next 40 years, is expected to be home to approximately 80,000 residents and 40,000 jobs. As one of the largest urban renewal projects in the world, the urbanisation of Fishermans Bend will involve significant investment in infrastructure and amenities, with Yarra's Edge well positioned to benefit from this growth.

Yarra's Edge offers the prospect of waterfront access, CBD views, and neighbours the bayside suburbs of Port Melbourne and South Melbourne, with convenient access to public transport networks.



**ENTERTAINMENT**

- 01 Crown Entertainment Complex
- 02 Southbank Dining Precinct
- 03 South Wharf Dining & Shopping Precinct
- 04 Yarra's Edge Marina
- 05 Emporium Shopping Centre
- 06 Etihad Stadium
- 07 Central Pier
- 08 Waterfront City Restaurant & Entertainment

**EDUCATION**

- 09 University of Melbourne
- 10 RMIT University

**INFRASTRUCTURE**

- 11 Flinders Street Station
- 12 Southern Cross Train Station
- 13 Flagstaff Train Station
- 14 Webb Bridge

**OPEN SPACE**

- 15 Docklands Park
- 16 Flagstaff Gardens
- 17 Point Park
- 18 Wharf Landing Park and The Wharf Club
- 19 Botanical Gardens

- Train station
- Tram station
- Bus stop



# INFRASTRUCTURE & INVESTMENT

Melbourne Docklands is home to major corporate tenants and is a hub of sustainable design. When complete, Yarra's Edge will comprise 1.5km of Yarra River frontage.



**\$12 BILLION**

**INFRASTRUCTURE  
RECENTLY COMPLETED OR  
UNDER CONSTRUCTION**



**\$17.5 BILLION**  
**TOTAL INVESTMENT  
TO 2025**

Source: Places Victoria

## MELBOURNE DOCKLANDS - INVESTMENT & URBAN RENEWAL

Melbourne Docklands is a 190 hectare inner city development connecting the western edge of the Melbourne CBD to the harbour.

After over a decade of consistent growth, Melbourne Docklands has transformed into a modern residential, commercial and visitor destination, which has attracted a total of \$12 billion in private sector investment since the project's inception in 2000. Upon completion, Melbourne Docklands is expected to have attracted in excess of \$17.5 billion of private investment and be home to an estimated 20,000 residents, 80,000 workers, over 1,000,000 sq.m of office space and millions of visitors annually.

### MAJOR TENANTS

Melbourne Docklands is a centre for corporate and media investment with major tenants including banks and media networks; NAB; ANZ; The Age; Channel 9.

### SUSTAINABLE DESIGN

Commercial development in Docklands is required to meet a minimum standard set by the Ecologically Sustainable Development Guide. This has created a cluster of sustainably designed commercial buildings which appeal to major businesses and drive activity in the local area, benefiting the community.

## YARRA'S EDGE - MASTER PLANNED DEVELOPMENT



**Yarra's Edge is a 14.5 ha site developed by Mirvac which occupies a strategic location within Melbourne Docklands, adjacent to Southbank, between the CBD and future Fishermans Bend Urban Renewal Area.**

Yarra's Edge continues to undergo a transformation from industrial docklands to a diverse and prosperous urban waterfront community.

Yarra's Edge is currently home to over 3,000 residents with access to:

- Direct river frontage and city views;
- A 165 berth Marina;
- 22,500 sqm promenade;
- 3.7ha of open space and 4 parks, including the 1ha Point Park;
- Close proximity to walking and cycling tracks;
- A vast selection of cafes and boutique shops nearby.

## FISHERMANS BEND URBAN RENEWAL AREA



**The Fishermans Bend Urban Renewal Area plans to further expand Melbourne's central city to the south-west.**

This will connect the existing CBD to Port Phillip Bay. By 2050, Fishermans Bend, which covers an area of approximately 455 hectares, could accommodate up to 40,000 new jobs and 80,000 residents.

In future, Melbourne's underground rail network is proposed to extend into Fishermans Bend, providing an important high capacity connection to the City Loop and broader rail network.

Source: Places Victoria, City of Port Phillip

# POPULATION & DEMOGRAPHICS

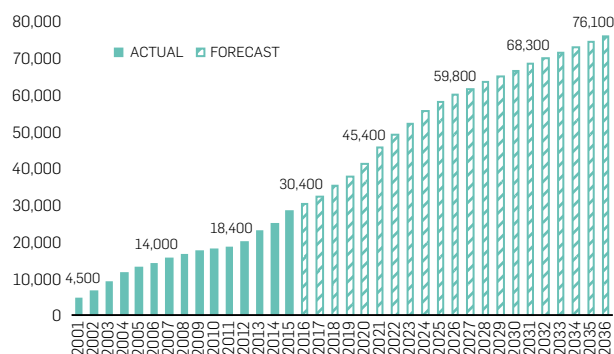
Yarra's Edge demonstrates a more even age distribution, with higher household incomes, than the Docklands/Southbank benchmark.

## POPULATION GROWTH

Between 2005 and 2015, the Docklands-Southbank Statistical Local Area (SLA) registered an increase of around 1,560 new residents per annum.

The Docklands-Southbank SLA is forecast to increase by 47,600 new residents between now and 2036. This is above historic growth and equates to over 2,250 new residents per annum over the period, indicating a requirement for approximately 1,190 new dwellings per annum. This projected population growth highlights the long-term potential for additional dwellings within Melbourne's inner city.

Docklands-Southbank Population Growth



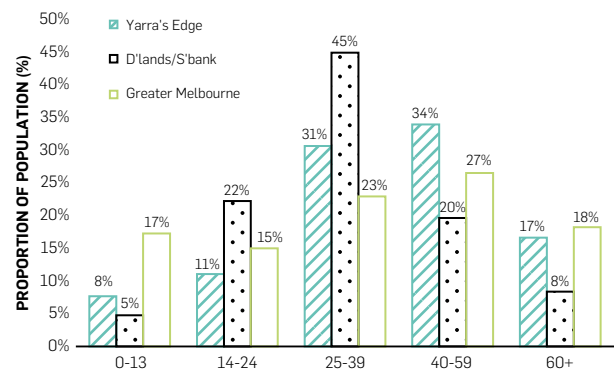
Source: ABS, City of Melbourne Population Forecasts (Geografia 2015)

## AGE DISTRIBUTION

Australian Bureau of Statistics Census 2011 data indicates that the largest demographic residing within Yarra's Edge is the 40 to 59 age group, at 34% of the population, followed by the 25 to 39 age group at 30.6%. In the wider Docklands/Southbank area, 44.9% of residents were aged between 25 and 39 in 2011.

This demonstrates that, in comparison with the wider surrounding area, Yarra's Edge is attracting a slightly older demographic. A high proportion of this demographic is engaged in white collar professions and financially secure. Yarra's Edge offers the prospect of a living environment within walking distance to the Melbourne CBD entertainment, sporting and cultural precinct. With its additional local amenity including Marina YE, parkland and recreational facilities this would be expected to appeal to a broad demographic.

Age Distribution



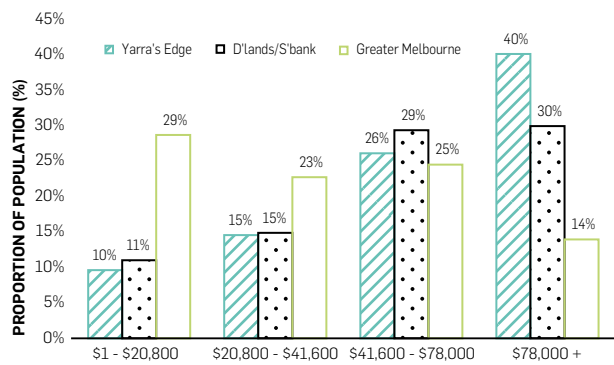
Source: ABS Census Data 2011

## PERSONAL INCOME (RESIDENTS AGED 15+)

According to the Census 2011 data, the residents of Yarra's Edge registered a median personal income that was 24% higher than the median personal income of residents in the wider Docklands/Southbank area and 111% higher than that registered across Greater Melbourne as a whole. This has been driven by a significant proportion of residents within the top income brackets.

The income distribution highlights that Yarra's Edge has a higher proportion of residents in the top income brackets, with 40% earning over \$78,000 annually, compared to 30% and 14% across the wider Docklands/Southbank area and Greater Melbourne respectively. This strong income profile is largely attributed to the range of high value employers in Docklands and the Melbourne CBD.

Annual Income



Note: Excludes Nil Income

Source: ABS Census Data 2011

# RESIDENTIAL MARKET

The median apartment sale price in Yarra's Edge has grown by 7.6% over the past year.

## APARTMENT SALES ANALYSIS

Waterfront property is highly coveted, with only 16% of dwellings in the Docklands, Melbourne and Southbank areas located in blocks that are within 10 metres of the waterfront. Research indicates that waterfront properties can command a premium of around 50% on neighbouring properties without views or access.

Yarra's Edge has outperformed the greater Docklands area for sale price growth, recording a 7.6% increase over the year to September 2016. Over this same time period, the Docklands benchmark registered negative growth of -5.1%.

Yarra's Edge also recorded a higher median sale price of \$880,000 compared to the Docklands average of \$560,000 for the September 2016 quarter. The median sale price of Yarra's Edge properties has been consistently higher than the wider Docklands area over the past 5 years.

Part of this price growth is due to the exclusivity of apartments in Yarra's Edge. In the past 5 years 3,309 apartments have been transacted in Docklands with only 620 in Yarra's Edge. With limited future opportunities to buy into this location this scarcity is set to continue.

### LOWER VOLUME & SUPPLY

Volume of sales last 5 years

#### YARRA'S EDGE

620

#### DOCKLANDS

3,309

Source: APM PriceFinder; Urbis

### STRONG GROWTH

Median Sale Price – Year to Sep 2016

#### YARRA'S EDGE

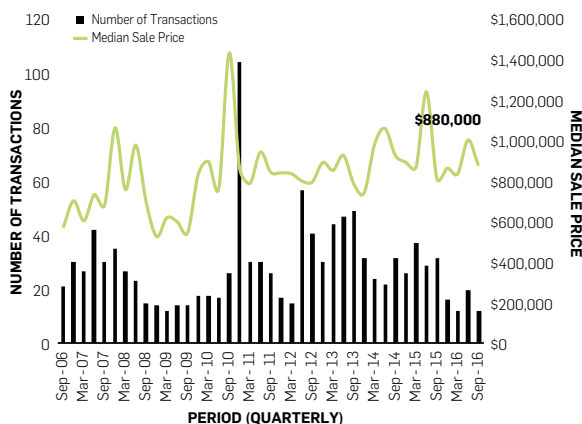
7.6%

#### DOCKLANDS

-5.1%

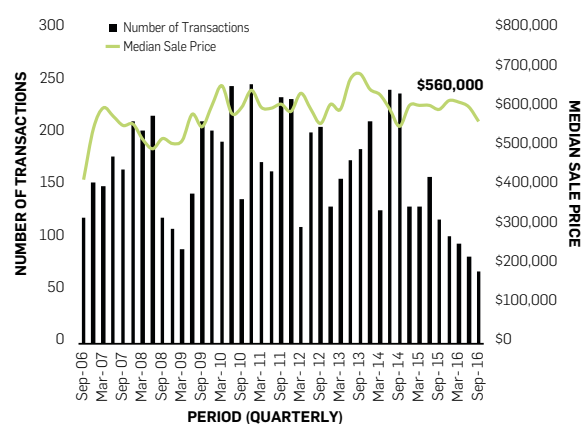
Source: APM PriceFinder; Urbis

### Sales Cycle – Yarra's Edge



Source: APM PriceFinder; Urbis

### Sales Cycle – Docklands



Source: APM PriceFinder; Urbis



# RENTAL MARKET

Yarra's Edge has been achieving a rental premium compared to the Inner Melbourne average.

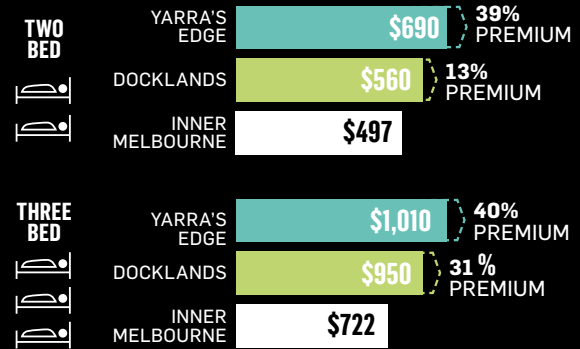
## APARTMENT RENT ANALYSIS

Average annual median rental increases in Docklands over the ten years ending June 2016 were 3.4% for two bedroom dwellings and 4.9% for three bedroom dwellings, with a trend for rental growth over the long term.

The Rental Premium graph highlights the premium that dwellings within Docklands have over the wider Inner Melbourne benchmark. Median rental data indicated that Docklands was commanding a rental premium of between 13% (two bedroom dwellings) and 31% (three bedroom dwellings) over the Inner Melbourne Catchment at June 2016.

Yarra's Edge dwellings command an even greater rental premium: 39% higher than the Inner Melbourne median for two bedroom stock and 40% higher for three bedroom stock respectively.

## WEEKLY MEDIAN RENT 2016



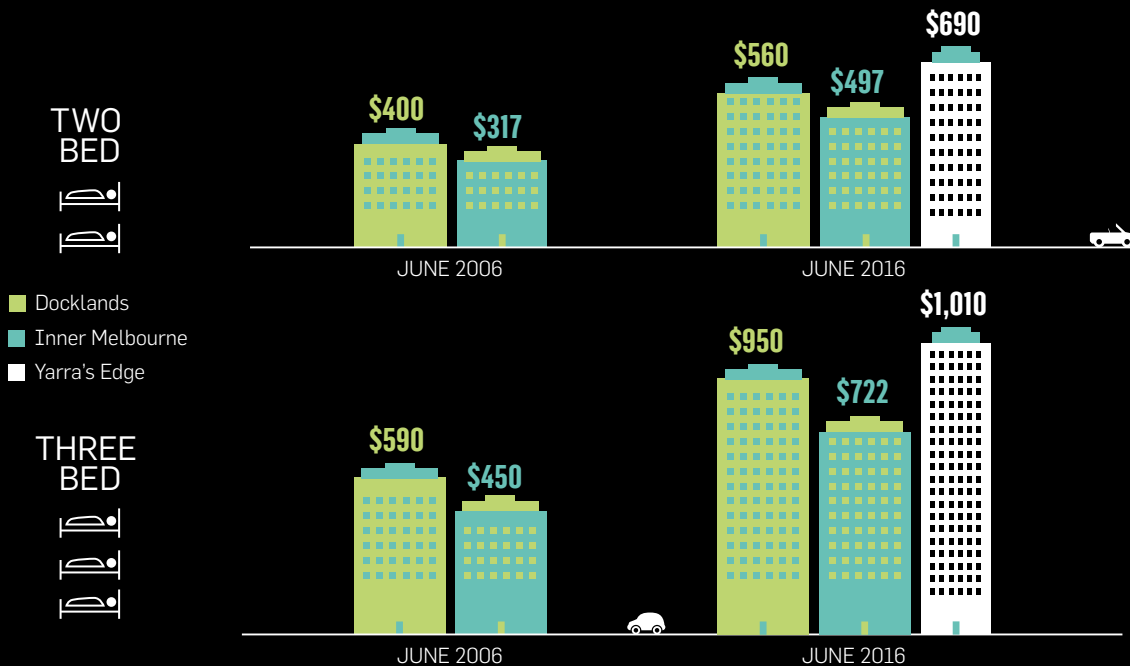
Source: Department of Human Services, APM PriceFinder, Urbis

## WEEKLY PREMIUM FOR FURNISHED STOCK (\$), DOCKLANDS & YARRA'S EDGE



Source: Lucas Real Estate; data is weekly median rent of recently leased & advertised properties, as at October 2015

## Rental Growth between 2006 and 2016



\* Inner Melbourne combines the suburbs from Flemington in the west to Richmond in the east, and from Carlton in the North to Armadale in the south.

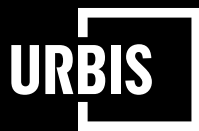






ARTIST'S IMPRESSION:  
Voyager at Wharf's Entrance, Yarra's Edge boasts the exclusive Rooftop Societe for residents which includes an outdoor lounge with fire pit, barbecue and yoga lawn and indoor dining, chef's kitchen and theatre.





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