



OUTLOOK DOCKLANDS

A CONTEXT ON BUSINESS, CULTURE, LIFESTYLE AND RESIDENTIAL

JUNE 2015

WALKABILITY AND ACCESSIBILITY
The central location of Docklands provides excellent access to amenity for residents.

POPULATION GROWTH
The population of Docklands is forecast to grow by 76% in the next decade.

KEY DEMOGRAPHICS
Docklands contains a high concentration of high income earners and white collar professionals.

ENTERTAINMENT
Docklands is home to Etihad Stadium and a range of restaurants and cafés, and it is close to amenity in the Melbourne CBD.

EMPLOYMENT
Melbourne's central business district, which incorporates Docklands, the Melbourne CBD and Southbank, employs some 315,000 people, 53,000 of whom are employed in Docklands.

INFRASTRUCTURE
Ongoing investment continues in Docklands, including Harbour Esplanade and Ron Barassi Senior Park.

RESIDENTIAL MARKET
Median prices in Docklands achieve a premium over those in Southbank and the CBD.

RENTAL MARKET
Median rents for apartments in Docklands have grown at a rate of 2.6% per annum over the last 10 years.

The Docklands residential market has performed well over the past decade. Docklands provides a more tranquil lifestyle than many other inner city suburbs.

MELBOURNE WAS RECENTLY VOTED THE WORLD'S MOST LIVEABLE CITY.



DOCKLANDS OFFERS RESIDENTS A WATERFRONT LIFESTYLE.



DOCKLANDS IS A SHORT WALK OR TRAM RIDE TO THE MELBOURNE CBD.



In 2014 Melbourne was voted the World's Most Liveable City by the Economist Intelligence Unit (EIU) for the fourth consecutive year.

WHY MELBOURNE

Melbourne was again voted the World's Most Liveable City by the EIU in 2014. The population of Melbourne is growing rapidly, adding more residents per year than any other Australian city. In 2013-14 Melbourne is estimated to have added over 90,000 new residents to reach a population of 4.3 million. Victoria's stable economy and strong education sector is further aiding growth. The education sector attracts a large number of international students, which contributes to a growing multicultural character.



EIU 2014 GLOBAL LIVEABILITY RANKINGS

| | |
|----|----------------------|
| 1 | MELBOURNE, AUSTRALIA |
| 2 | VIENNA, AUSTRIA |
| 3 | VANCOUVER, CANADA |
| 4 | TORONTO, CANADA |
| 5 | ADELAIDE, AUSTRALIA |
| 6 | CALGARY, CANADA |
| 7 | SYDNEY, AUSTRALIA |
| 8 | HELSINKI, SWEDEN |
| 9 | PERTH, AUSTRALIA |
| 10 | AUCKLAND, NZ |

Source: Economist Intelligence Unit 2014

MAJOR EVENTS

Melbourne is the major events capital of Australia.

Melbourne is host to a range of global events that draw tourists from around the world. This is beneficial to the local economy, including accommodation, food services and retail. These events also allow people interstate and overseas to see some of the Melbourne lifestyle, which encourages immigration.

MELBOURNE'S MAJOR EVENTS



AUSTRALIAN OPEN TENNIS



CRICKET WORLD CUP 2015



MELBOURNE CUP



MELBOURNE FOOD & WINE FESTIVAL



MELBOURNE FORMULA 1 GRAND PRIX



ASIA CUP 2015

AUSTRALIA'S HIGHEST POPULATION GROWTH

Melbourne added more residents between 2003 and 2013 than any other Australian city.

In the decade through 2013, ABS data shows that Greater Melbourne added more new residents than any other Australian city. The ABS has forecast Melbourne will become Australia's largest city by 2053. There are a number of factors driving Melbourne's growth:

Victoria maintained positive net state migration for the six years through June 2014, while New South Wales, South Australia, Tasmania and the Northern Territory have lost residents to other states over this time.

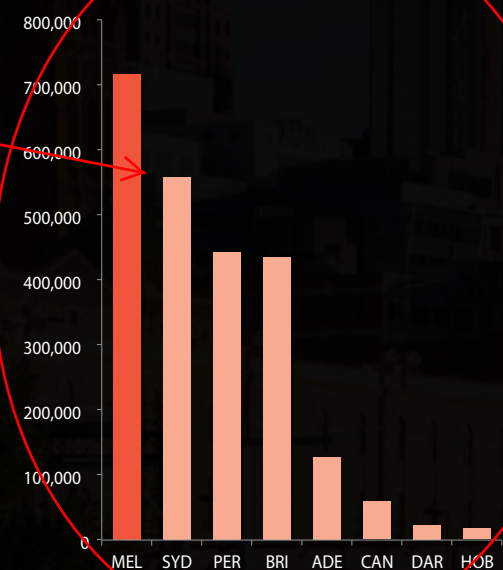
Victoria added over 350,000 new overseas residents in the past six years.

Victoria's strong education sector attracted 113,000 international students in 2013, more than any other state.

Melbourne hosts some of the world's largest events, providing exposure for Melbourne on a global stage to both tourists and potential new residents.

The majority of new residents and international students coming to Victoria choose to live in Greater Melbourne, as it is the education and employment hub of Victoria.

NEW RESIDENTS
Australian Major Cities, 2003-2013



Source: ABS

Apartment prices in Melbourne have achieved strong growth over the past 20 years, but remain more affordable than Sydney.

MELBOURNE

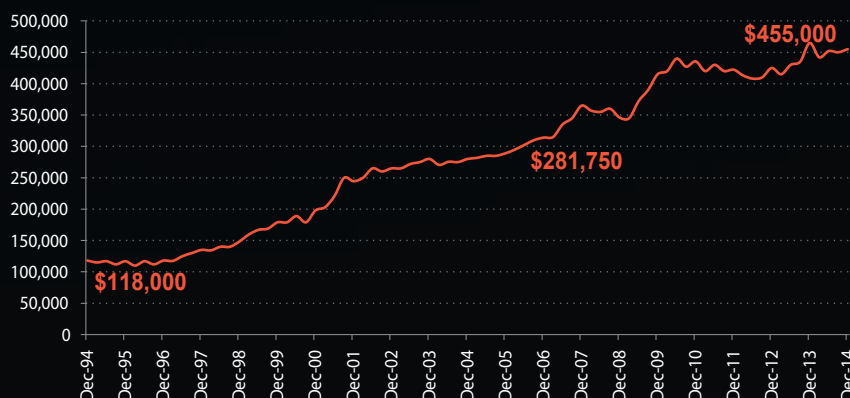
MELBOURNE APARTMENT MARKET

Apartment prices have continued to appreciate in Melbourne over the past decade.

In the December 2014 quarter, Greater Melbourne registered a median apartment price of \$455,000. The median sale price for both houses and apartments rebounded rapidly in 2008 and 2009. Apartment prices in Melbourne have exhibited healthy growth over the past two decades, appreciating at an average annual rate of 7%.

Melbourne's apartment market has been buoyed by changing lifestyle and housing preferences in Melbourne. Residents of inner Melbourne apartments can obtain affordable access to the broad amenity the city provides, as well as maintained outdoor areas, and facilities such as gyms and community space. Many other global cities have experienced this trend, and Melbourne still has far more detached housing than many other major global capitals. High density accommodation will be crucial to Melbourne in accommodating the rapid population growth forecast for the city.

MEDIAN APARTMENT PRICE
Greater Melbourne



Source: RPData

| CITY | APARTMENTS/SEMI-DETACHED/OTHER % | DETACHED HOUSING % |
|---------------|----------------------------------|--------------------|
| Kuala Lumpur | 97% | 3% |
| London | 94% | 6% |
| Vancouver | 66% | 34% |
| New York City | 64% | 36% |
| Sydney | 39% | 61% |
| Melbourne | 27% | 73% |

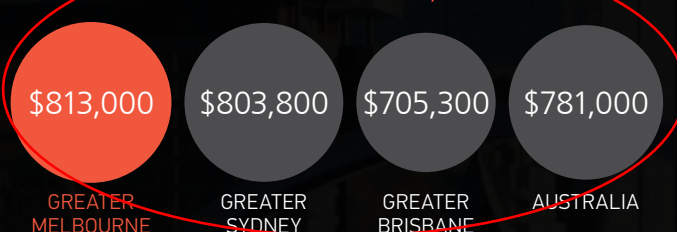
Source: Urbis

GROWING WEALTH & INCOME

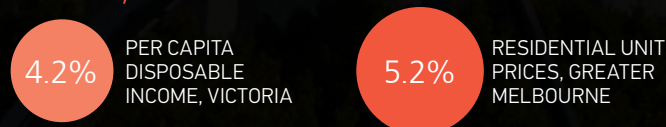
Melbourne is one of Australia's wealthiest cities.

A prolonged period of economic growth has resulted in Greater Melbourne becoming one of the wealthiest cities in Australia. ABS data shows that in 2012 average household net worth in Greater Melbourne was \$813,000, second only to Canberra (\$929,800). Household wealth in Sydney measured \$803,800 on average, and Brisbane \$705,300. This compares to an average of \$781,000 for Australia, meaning Melburnians are on average wealthier than the broader Australian population. Net worth has increased as a result of income growth and the strong performance of Melbourne's residential market.

AVERAGE HOUSEHOLD NET WORTH, 2012



GROWTH, 2004-2014



Source: ABS

WALKABILITY & ACCESSIBILITY

Docklands



Residents of Docklands can walk or take a tram into the heart of Melbourne, and have easy access to employment, education and entertainment.

Over 50,000 people are employed in Docklands. Within Docklands residents have access to shopping destinations, restaurants and cafés, trams and trains, Etihad Stadium and an abundance of nearby employment. Southern Cross Station provides convenient access to Melbourne's metropolitan and rural train networks.

The location of Docklands also allows access to the entertainment, education and employment within Melbourne's CBD. Docklands is serviced by three tram lines that run into the CBD via La Trobe, Bourke and Collins Streets. Melbourne's CBD contains a wide range of restaurants, cafés and shopping destinations. It is also home to educational institutions including RMIT University and Victoria University, and provides employment for over 220,000 people.



ETIHAD
STADIUM



DOCKLANDS
PARK



RESTAURANT
AND CAFÉ
CAPACITY OF
21,500



HARBOUR
TOWN
106
RETAILERS

RESIDENTIAL MARKET

Docklands

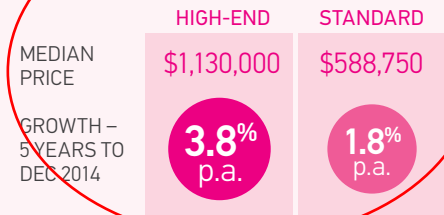
Apartment prices in Docklands have exhibited steady growth in the past decade.

APARTMENT SALES CYCLE

Apartments across Docklands have achieved solid growth in median prices. The median price for an apartment in Docklands was \$600,000 in the December 2014 quarter. This relatively high median price is indicative of the proportion of quality apartments in Docklands and the desirable water views.

Within the Docklands market there are submarkets that include the more affordable apartments without water or city views, through to the luxury market, which comprises larger apartments in high-quality buildings and with extensive water and/or city views. There is a limited supply of waterfront apartments in Docklands as sites are largely developed, and demand for these properties is meeting limited supply. High-end apartments have grown at a compound annual rate of 3.8% over the past five years compared to just 1.8% growth for the remainder of the market.

DOCKLANDS HIGH-END* MARKET PERFORMANCE



* High-end apartments are those valued in the top quintile of the market

Source: RPData, Urbis

DOCKLANDS LUXURY MARKET

The median sale price of apartments in Docklands currently measures \$600,000. Docklands sales prices achieve a 9% premium over Southbank and a 45% premium over the Melbourne CBD. There are a number of factors that contribute to the premium associated with Docklands property, including:

- Waterside location and water and city views available from many of the apartment buildings.
- The tranquil atmosphere when compared to the CBD
- Newer stock of property. The first apartment buildings in Docklands were not constructed until 2002. Therefore, the stock of property in Docklands is generally in better condition than existing stock elsewhere in Melbourne.
- Proximity to lifestyle and entertainment locations, including restaurants, cafés and Etihad Stadium.
- An abundance of amenity including Southern Cross Station and other public transport options, docks and boat storage, a recently built community library and a range of nearby employment options.

Features such as waterside location and being adjacent to the CBD are in limited supply, and the scarcity of such sites is increasing. Across the City of Melbourne, Urbis estimates that only 7% of residential properties are within 20m of water, indicative of the short supply of such properties. Furthermore, in 2013 Knight Frank surveyed 10 coastal regions around the world and found the average premium for waterfront property (including property with water frontage or a direct line of sight to water) was 63%.

DOCKLANDS APARTMENT PREMIUM

PREMIUM OVER MELBOURNE CBD

45%



PREMIUM OVER SOUTHBANK

9%

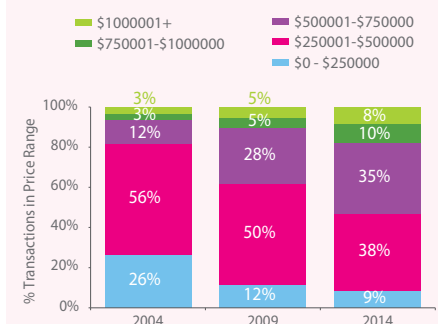
Source: RP Data

PREMIUM APARTMENT MARKET GROWTH

The proportion of premium apartment sales in Docklands is increasing. In 2014, 8% of apartment sales were for apartments priced at over \$1 million, up from just 3% in 2004. Conversely, the proportion of sales for properties worth under \$250,000 has declined from 26% in 2004 to just 9% in 2014. At the highest end, over the past 5 years there have been 19 apartment sales in Docklands for upwards of \$3 million. This included a penthouse sale worth \$5.7 million in mid-2014. The recently completed Quays development registered over 30 sales above \$1 million.

Recent luxury developments in Docklands have contributed to the higher price points achieved in Docklands in recent years. These properties have achieved prices considerably higher than the average for Docklands, and the features of the building along with the waterfront location have contributed to this. These trends suggest that while the supply of luxury developments in Docklands is limited, buyers are increasingly willing to pay a premium for a genuinely prime location.

APARTMENT PRICE POINTS Docklands



Source: RP Data, Urbis

Median Weekly Rents in Docklands achieve a premium over the CBD and Southbank.




RENTAL MARKET

Docklands

MEDIAN WEEKLY RENTS

Docklands offers residents proximity to amenity, education and employment, which attracts a strong rental market and drives rents across all residential properties. Across all types of apartments, median weekly rents in Docklands have grown at a rate of 2.6% per annum over the ten years to September 2014. The median rent for one bedroom apartments registered \$410 for the September 2014 quarter. Two bedroom apartments registered \$530 per week and three bedroom apartments achieved \$850 per week.

MEDIAN WEEKLY RENTS, DOCKLANDS AS AT SEPTEMBER 2014, LATEST AVAILABLE DATA

| | |
|--|-------|
|  1 BEDROOM | \$410 |
|  2 BEDROOM | \$530 |
|  3 BEDROOM | \$850 |

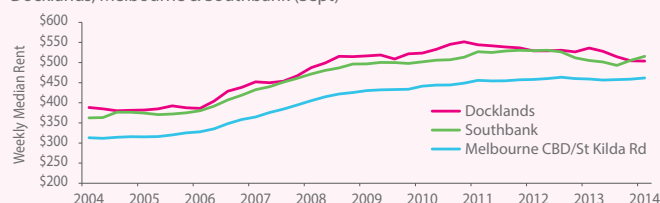
Source: DHS, Urbis

RENTAL MARKET

Rents in Docklands achieve a premium over Melbourne (incorporating the Melbourne CBD and St Kilda Rd), and achieves rents generally in line with Southbank. The attractiveness of the market to renters is aided by the position of Docklands within proximity to over 50,000 jobs in Docklands and over 220,000 jobs in the Melbourne CBD, according to City of Melbourne statistics. Docklands has both a high proportion of white collar workers and a high proportion of renters. The rental market has flattened in the past five years as the supply of dwellings in Docklands has continued to grow strongly.

MEDIAN WEEKLY RENTS

Docklands, Melbourne & Southbank (Sept)



As at September 2014

Source: Department of Human Services

LUXURY RENTAL MARKET

The market for luxury apartment rentals in Docklands is evidenced by several apartments that have recently achieved significant premiums in rents. These apartments can be considered luxury due to size, location, building amenity or the quality of the fixtures and fittings.

| RENTAL PROPERTY LOCATION | BEDS | WEEKLY RENT | PREMIUM ACHIEVED OVER MEDIAN RENT |
|------------------------------------|------|-------------|-----------------------------------|
| 20 Convention Centre Place | 2 | \$700 | 32% |
| 86 River Esplanade | 2 | \$750 | 42% |
| Yarra Point, 1 Point Park Crescent | 2 | \$725 | 37% |
| Yarra Point, 1 Point Park Crescent | 3 | \$1,100 | 29% |
| The Conder, 2 New Quay Promenade | 2 | \$675 | 27% |
| Tower 3, 70 Lorimer Street | 2 | \$840 | 58% |
| Nolan, 39 Caravel Lane | 3 | \$950 | 12% |
| The Quays, 231 Harbour Esplanade | 2 | \$680 | 28% |




Source: Lucas Real Estate as at May 2015

DOCKLANDS LUXURY APARTMENT SUPPLY

Despite a growing number of \$1+ million apartments, Docklands contains a limited supply of larger apartments, or those that may be considered luxury. Apartments sizes across NewQuay, for example, are predominantly in line with the average for Docklands. The recent supply of apartments in the NewQuay area (including Digital Harbour) have been more or less consistent with the average sizes of Docklands apartments. No developments have significantly differentiated themselves based on size.

Waterfront sites are often the location of higher-end residential properties. The fundamental constraint on supply of waterfront property (given there is a limited amount of water frontage in the city) has contributed to the strong performance of the high-end market within Docklands.

AVERAGE APARTMENT SIZES –DOCKLANDS

| | | |
|-------|---------|---|
| 1 BED | 53 sqm |  |
| 2 BED | 80 sqm |  |
| 3 BED | 148 sqm |  |

Source: Urbis

Estimates based on the average for new developments that are currently selling off-the-plan.

EMPLOYMENT & EDUCATION

Docklands

The number of workers employed in Docklands has surged in the past decade

EMPLOYMENT GROWTH

As Docklands has developed and matured, it has become an extension of Melbourne's central business district. This spreading of the CBD was part of the initial plan for Docklands. The area now has over 50,000 employees, up from just 7,600 a decade earlier. According to Plan Melbourne, Docklands will eventually house 60,000 employees. Docklands has attracted several prominent tenants to its commercial space, including ANZ, NAB, Telstra, Medibank, Lion and Myer. The main industries of employment in both Docklands and the Melbourne CBD are high-skill, high value add industries, including finance and insurance, business services and public administration. The concentration of these industries aligns with the demographics of Docklands residents, which include a high concentration of white collar workers.

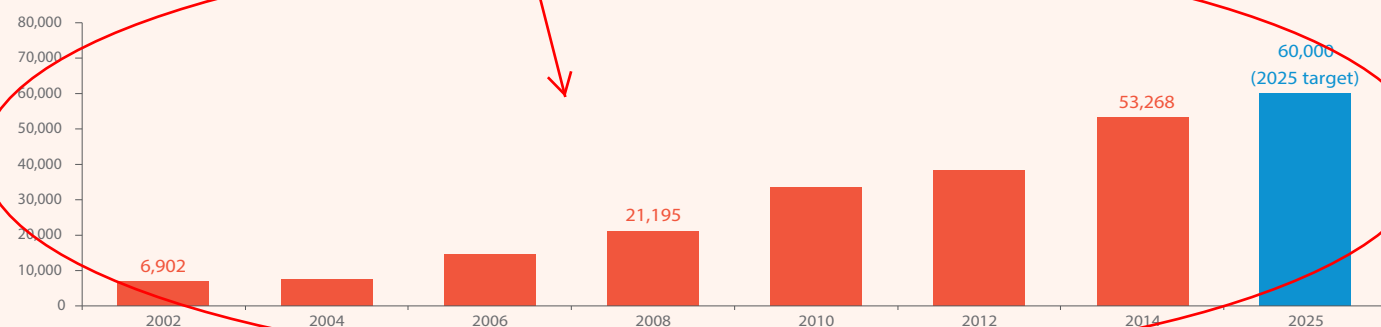
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| EMPLOYING INDUSTRIES | EMPLOYEES |
|----------------------------------|-----------|
| FINANCE AND INSURANCE | 22,731 |
| BUSINESS SERVICES | 6,126 |
| PUBLIC ADMINISTRATION AND SAFETY | 5,193 |

Source: City of Melbourne

EMPLOYMENT

Docklands Employment, 2002-2025



Source: City of Melbourne

EDUCATION

Docklands is located in proximity to a number of education institutions. This includes the universities and vocational education institutions based in and around the Melbourne CBD, as well as secondary schools.

EDUCATION

UNIVERSITIES & TERTIARY



University of Melbourne
RMIT University
Victoria University
Kangan Institute
Kaplan Business School

SECONDARY



Haileybury City (2017)
Melbourne Grammar School
Melbourne High School
MacRobertson Girls School
St Aloysius College
University High School

Residents of Docklands earn higher incomes than those in the Melbourne CBD and Southbank.

DEMOGRAPHICS

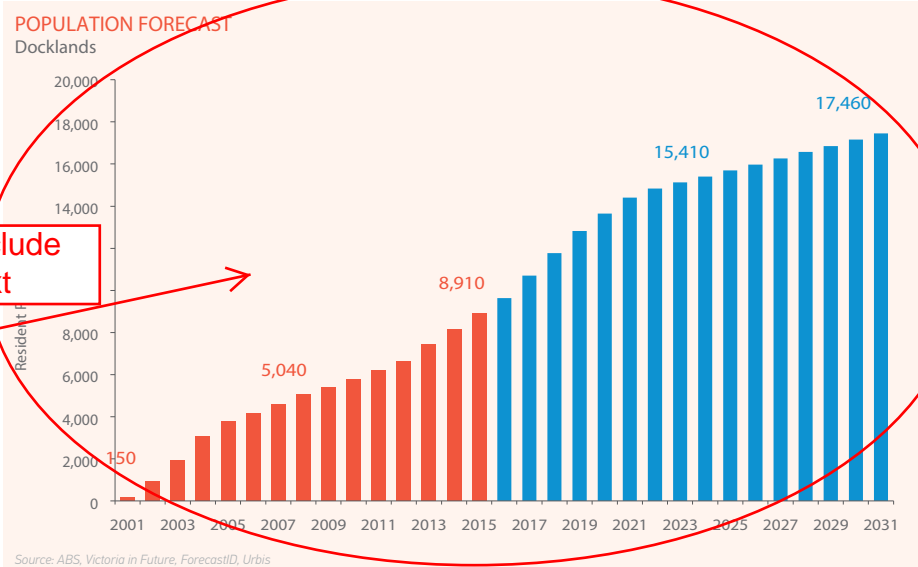
Docklands

POPULATION EXPANSION

The resident population of Docklands has grown to almost 9,000 since 2001.

Investment in Docklands since 2001 has seen it experience rapid growth, and residents have followed. This investment has been across residential and commercial space, as well as infrastructure.

In 2015, the resident population of Docklands is estimated at 8,910. As investment in Docklands continues in line with Plan Melbourne's original vision for the suburb, the population is forecast to reach 17,460 by 2031; almost doubling from the current level. Much of this growth is forecast in the next five years, when Docklands is forecast to grow by over 50%.

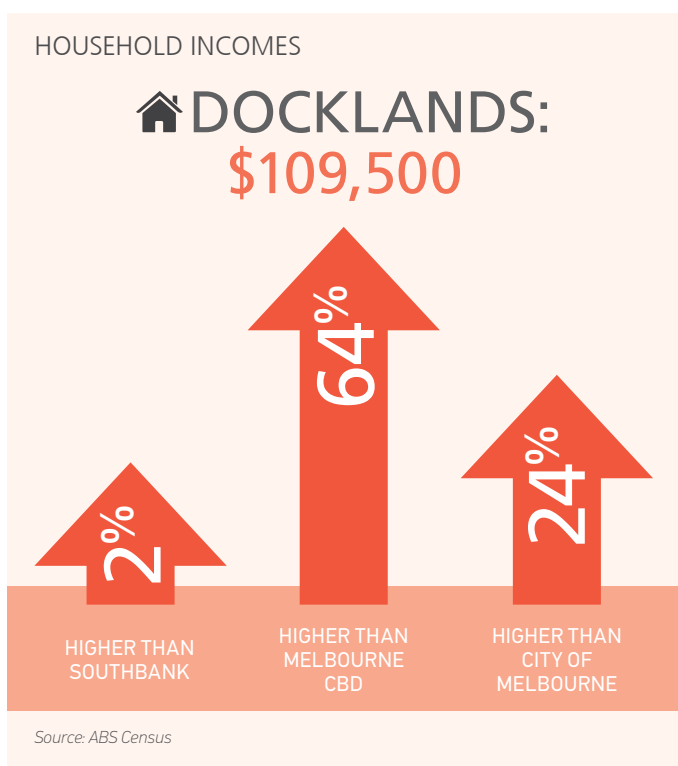


HIGH INCOMES

Docklands residents are characterised by high incomes. Not only are income levels higher than the City of Melbourne, they are also higher than other inner city suburbs such as the Melbourne CBD and Southbank. There are an abundance of high-skill employers in and around Docklands, evidenced by the high proportion of white collar workers and high incomes.

At the last census the average household income in Docklands was approximately \$109,500. This is 64% higher than households in the Melbourne CBD and 2% higher than those in Southbank. This suggests that Docklands is a popular suburb with higher income earners. The following factors contribute to this:

- Proximity to high-skill employment.
- The waterside location of Docklands and proximity to boating facilities.
- The lifestyle of Docklands living, including the growing number of restaurants and cafés.
- The amenity and convenience of Docklands, including access to transport, education and entertainment.
- Continued investment in Docklands.



INFRASTRUCTURE & INVESTMENT

Docklands

Docklands has direct connectivity to the Melbourne CBD via several free trams, and connectivity to Melbourne's train network via Southern Cross Station. Investment in community infrastructure is also underway.

Docklands contains a range of infrastructure that enables residents to travel easily throughout Melbourne. This includes:

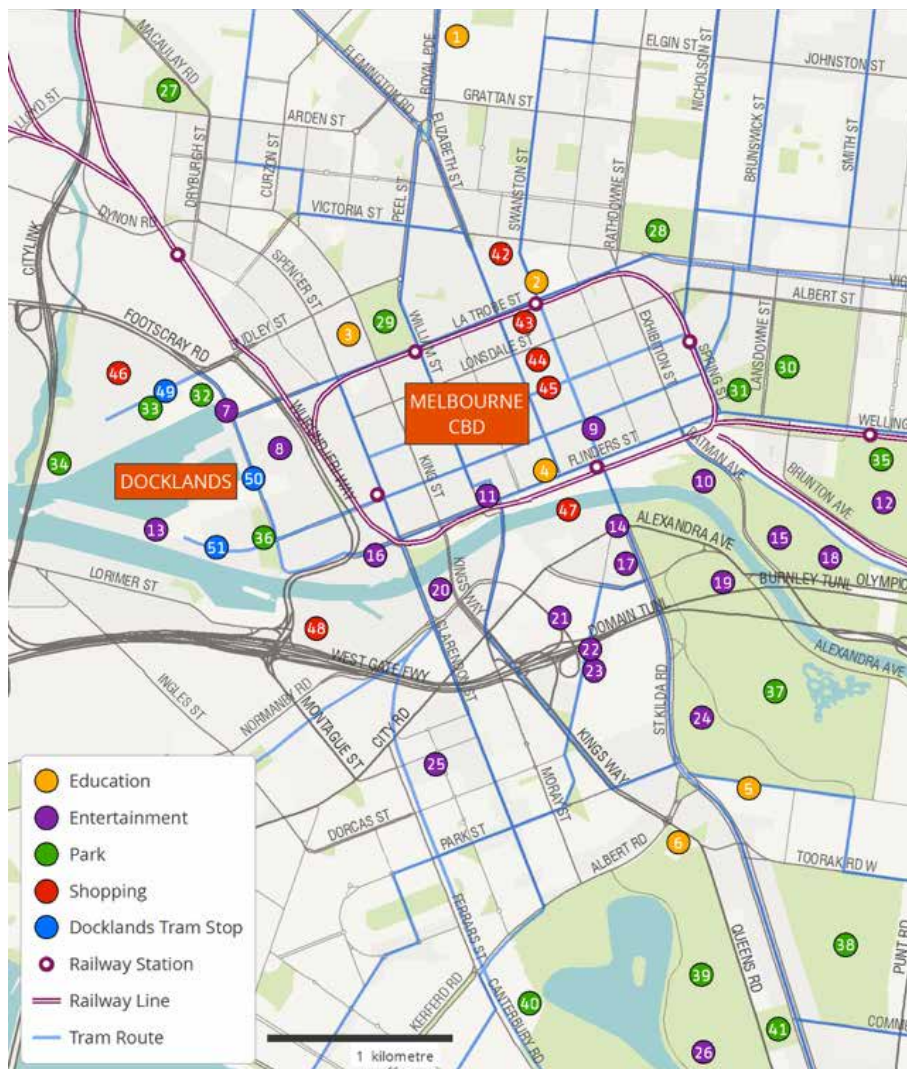
Train – Access to Southern Cross Station, one of Melbourne's City Loop train stations, which connects directly to Melbourne's metro and rural networks.

Tram – Several free trams to the CBD are accessible from two superstops located at Docklands Drive and Harbour Esplanade. These lines run via the city's main thoroughfares: La Trobe, Bourke and Collins Streets. A tram from Docklands to the CBD takes as little as two minutes, and approximately 5-10 minutes on average to travel to key points of interest in the CBD.

Road – Access via road is also available to Greater Melbourne and Melbourne airport, with direct access to the Citylink freeway. The Footscray Road freeway entrance is approximately 5 minutes' drive from Newquay in northern Docklands.

Investment in community infrastructure is well underway in Docklands. A library was recently built in Docklands, and the \$18 million Ron Barassi Senior Park is under construction in Newquay west. This park will provide open green space for relaxation, recreation and social and community activities.

Harbour Esplanade, Docklands, is also currently having being redeveloped with the expansion of the green area around the esplanade, creation of an event space and provisions for future water ferry transport.



Education

1. University of Melbourne
2. RMIT
3. Haileybury City (opening 2017)
4. Victoria University Flinders Campus
5. Melbourne Grammar School
6. MacRobertson's Girls High School

Entertainment

7. Harbour Esplanade
8. Etihad Stadium
9. City Square (Melbourne Spring Fashion)
10. Birramung Marr (Night Noodle Market)
11. Immigration Museum
12. MCG
13. Docklands Library
14. Arts Centre Melbourne
15. Rod Laver Arena
16. Victorian Police Museum
17. National Gallery of Victoria

18. AAMI Park
19. Sidney Myer Music Bowl
20. Crown Casino and Entertainment Complex
21. Southbank Sunday Markets
22. Australian Centre for Contemporary Art
23. Malthouse Theatre
24. Shrine of Remembrance
25. South Melbourne Market
26. Melbourne Formula 1 Grand Prix

Parks/ Recreation

27. North Melbourne Cricket Ground
28. Carlton Gardens
29. Flagstaff Gardens
30. Fitzroy Gardens
31. Treasury Gardens
32. Monument Park
33. New Quay Central Park
34. Ron Barassi Senior Park
35. Yarra Park

36. Docklands Park
37. Royal Botanical Gardens
38. Fawcner Park
39. Albert Park Golf Course
40. Melbourne Sports & Aquatic Centre
41. Tennis World

Shopping

42. Queen Victoria Market
43. Melbourne Central
44. Emporium Melbourne
45. Bourke St Mall
46. Harbour Town
47. Southbank Promenade
48. DFO South Wharf

Docklands Tram Stop

49. Docklands Tram Routes 35, 70 & 86
50. Docklands Tram Routes 35, 70 & 75
51. Docklands Tram Routes 11 & 48

Docklands' central location places it near the heart of Melbourne's entertainment and retail centre.

ENTERTAINMENT & AMENITY

Docklands

ENTERTAINMENT

Docklands contains Melbourne's second-largest events arena, Etihad Stadium, which has a capacity of over 53,000. The stadium is home to Australian Football League (Australian rules) football teams Essendon, North Melbourne, St Kilda and the Western Bulldogs, and A-League soccer team Melbourne Victory. The stadium also hosts State of Origin interstate rugby league, domestic and international cricket and live shows, making it one of Melbourne's busiest and most diverse entertainment venues.

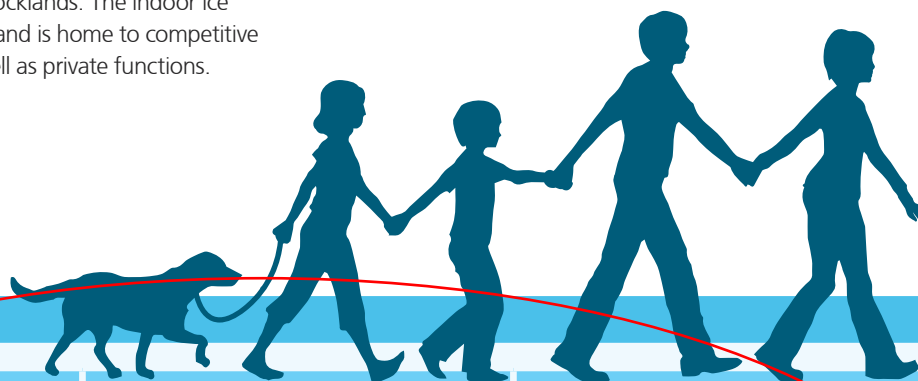
Docklands is also home to the Melbourne Star Observation Wheel. The megastructure is located in the Harbour Town precinct, and provides 360 degree views of up to 40km across Melbourne. The Medibank Icehouse is also located within Docklands. The indoor ice arena contains two Olympic-sized ice rinks, and is home to competitive and casual ice hockey and ice skating, as well as private functions.

AMENITY

Docklands contains Harbour Town shopping precinct, home to 106 retail and food services locations.

The proximity of Docklands to the Melbourne CBD provides further entertainment and amenity to residents. The CBD can be accessed via a tram or by walking. This is the centre of entertainment in Melbourne, with almost 1,300 restaurants and cafés with capacity for over 90,000. The Melbourne CBD also contains retail centres such as Bourke St, Collins St and Melbourne Central, as well as the recently constructed Emporium, which houses some 200 retailers.

WALKABILITY



| | Docklands | Brighton | Toorak |
|--|-----------|-----------|-----------|
| | 86 | 75 | 74 |
| | \$599,000 | \$820,000 | \$782,000 |

| | Albert Park | East Melbourne | South Yarra |
|--|-------------|----------------|-------------|
| | 85 | 92 | 92 |
| | \$710,000 | \$559,000 | \$521,750 |

| | St Kilda | Richmond | South Melbourne |
|--|-----------|-----------|-----------------|
| | 93 | 90 | 92 |
| | \$485,000 | \$559,975 | \$620,000 |



- WALK SCORE



- MEDIAN APARTMENT PRICE



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