

PRESENTED BY

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INVESTMENT POTENTIAL OF DONCASTER HILL 2020 LESSONS LEARNED (2000 – 2010)

WHY DONCASTER HILL

+ Demand

- + First Housing Survey
- + Doncaster Hill Cost Benefit Analysis

+ Supply

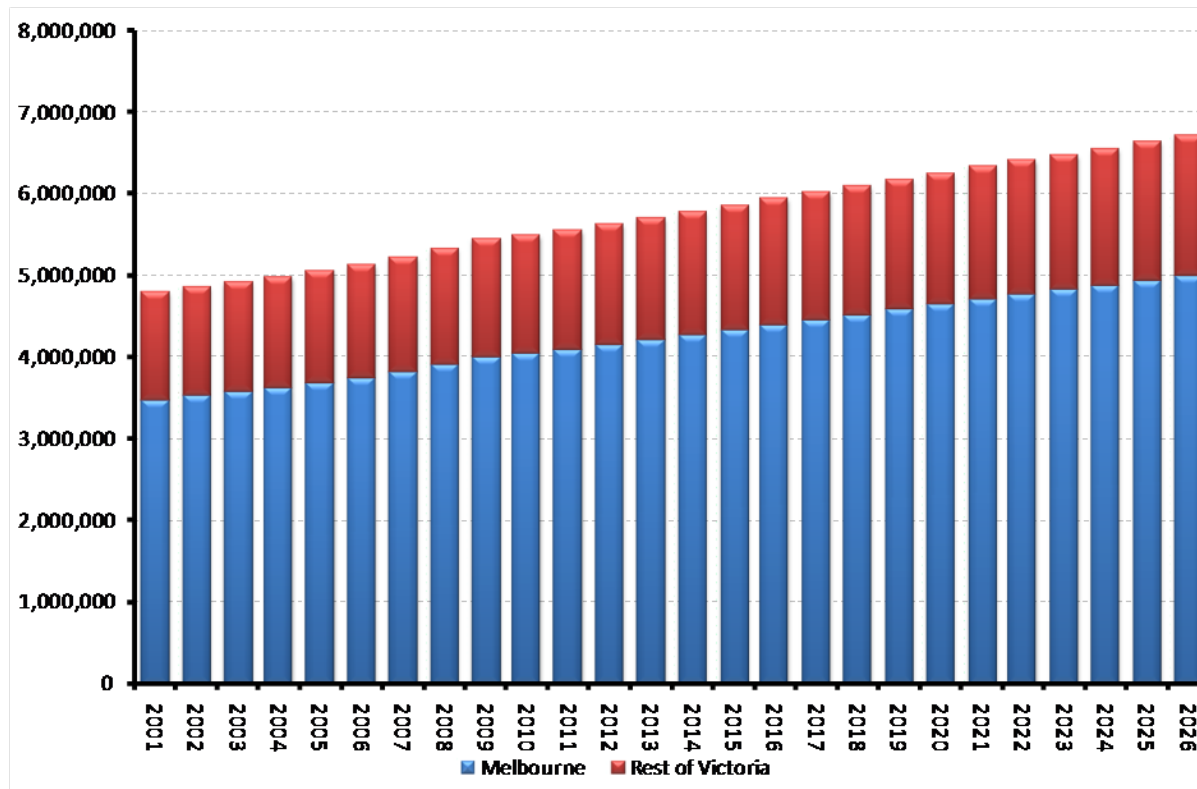
- + High Density Residential
 - + Office
 - + Mixed Use
 - + Retail
 - + Westfield
- ## + Melbourne's New 2010 Boulevard



Changing Melbourne market fundamentals

Melbourne Market Fundamentals

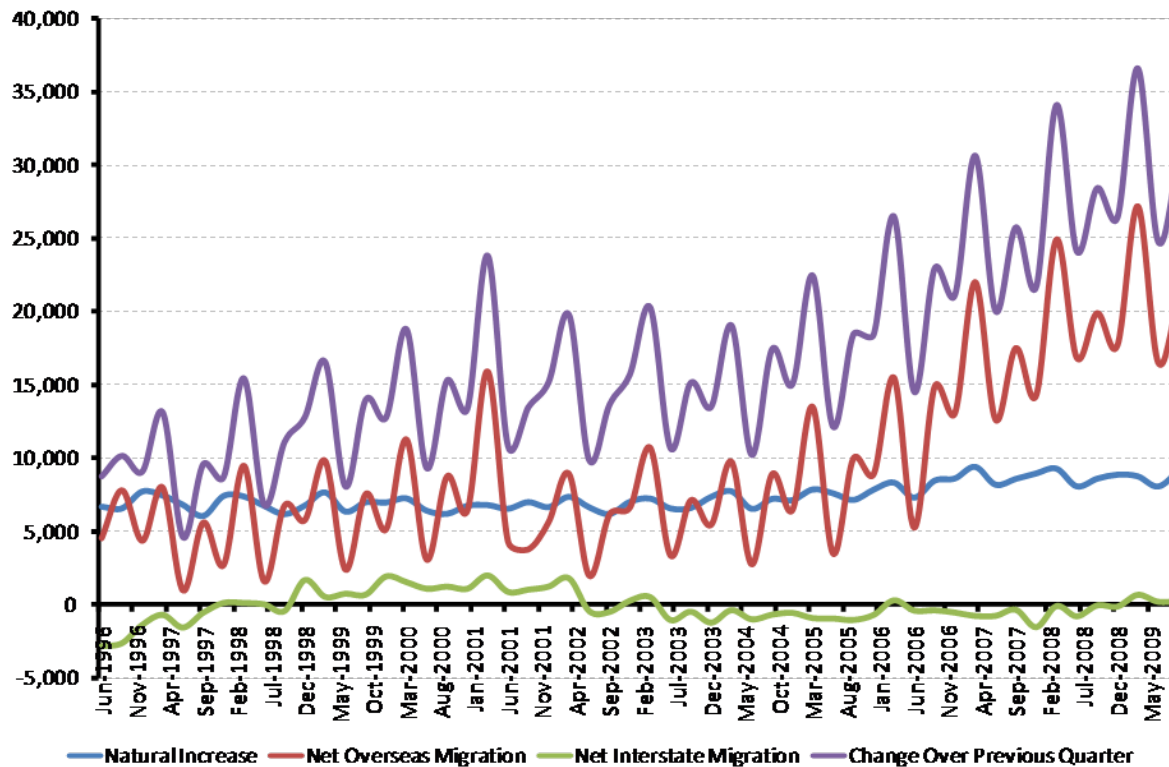
+ Between 2001 and 2009 Victoria grew by 640,000 people to reach a total population of 5.4 million



Source: ABS Regional Population Growth (Cat. NO. 3218.0) (2010), Victoria in Future population projections (2009), MacroPlan Australia (2010).

Melbourne Market Fundamentals

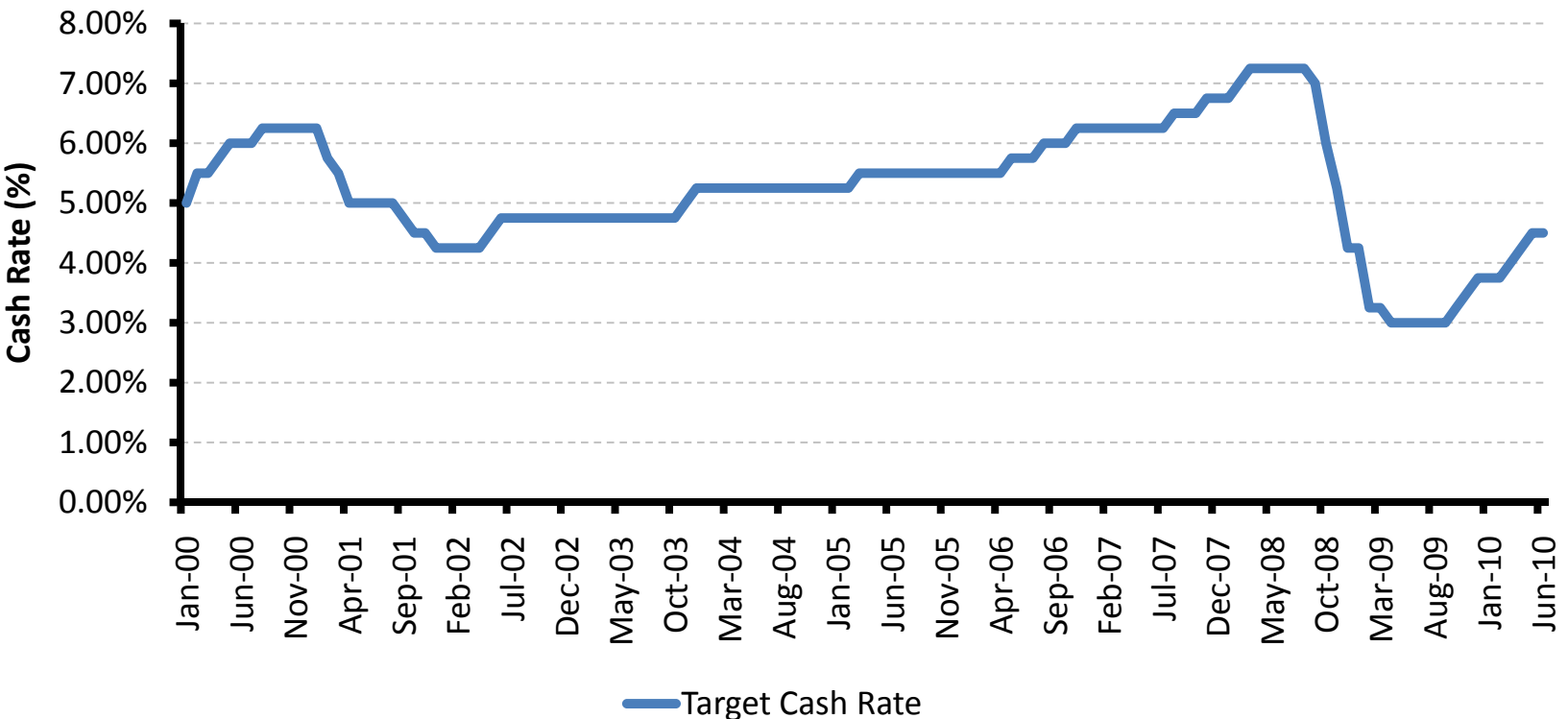
- + Net overseas migration is increasing
- + In 2001/02 net overseas migration 44%.
- + In 2008/09 increased to 70%



Melbourne Market Fundamentals

+ Interest Rates

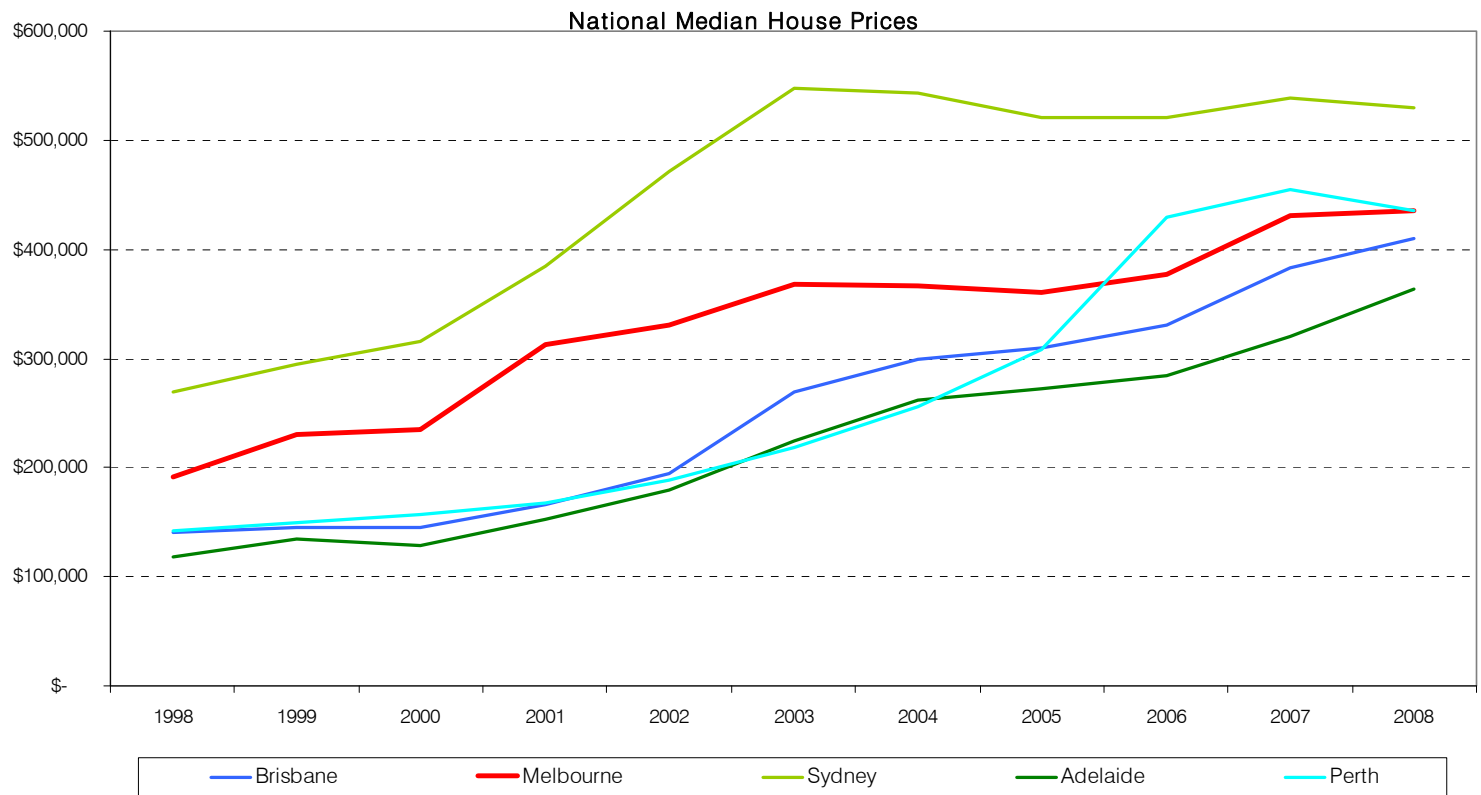
Target Cash Rate - Reserve Bank of Australia



Source: Reserve Bank of Australia (2010), MacroPlan Australia (2010).

Melbourne Market Fundamentals

Metropolitan median house prices have seen significant increases over the last decade



Melbourne Market Fundamentals

- + New policy framework
- + Melbourne @ 5m
- + Additional 600,000 dwellings
- + 53% or 318,000 dwellings in established areas
- + This State Government policy reinforced the role of activity centres in accommodating this forecast population growth.

New market
influences...

1. Capital Availability

- Australian dwelling approvals for detached houses were led by WA (26%) and VIC (13%)
- Post 2015 Synchronised world growth
- 2009 – 2011 – increasing rate of interest
- 2012 – 2015 - ?

2. New market's

- New housing and land products are required – FTA's/Ageing, Household Structure - swingles
- East of Melbourne is the prime candidate
- Asian

3. Mobility and Remote & Mobile Workers (RAMs)

- Increased wealth and increased demand for multiple dwellings
- Melbourne has a growing labour force and quality national and international connection

4. Ageing

- Re-urbanisation to capital cities
- Major new health investment

5. Wealth

- Significant increase in wealth over time (2% p.a. GDP growth)
- Significant increase in demand for high end products/premium locations
- Increase in demand to live in multiple dwellings

6. Climate Change/ Peak Oil

- Increased demand for energy efficiency
- Increased demand for fuel efficient vehicles
- Increased car ownership

7. TOD – Transit Orientated Development

- Design / Principles
- Mixed Use
- Public transport - Bus

8. Competitiveness

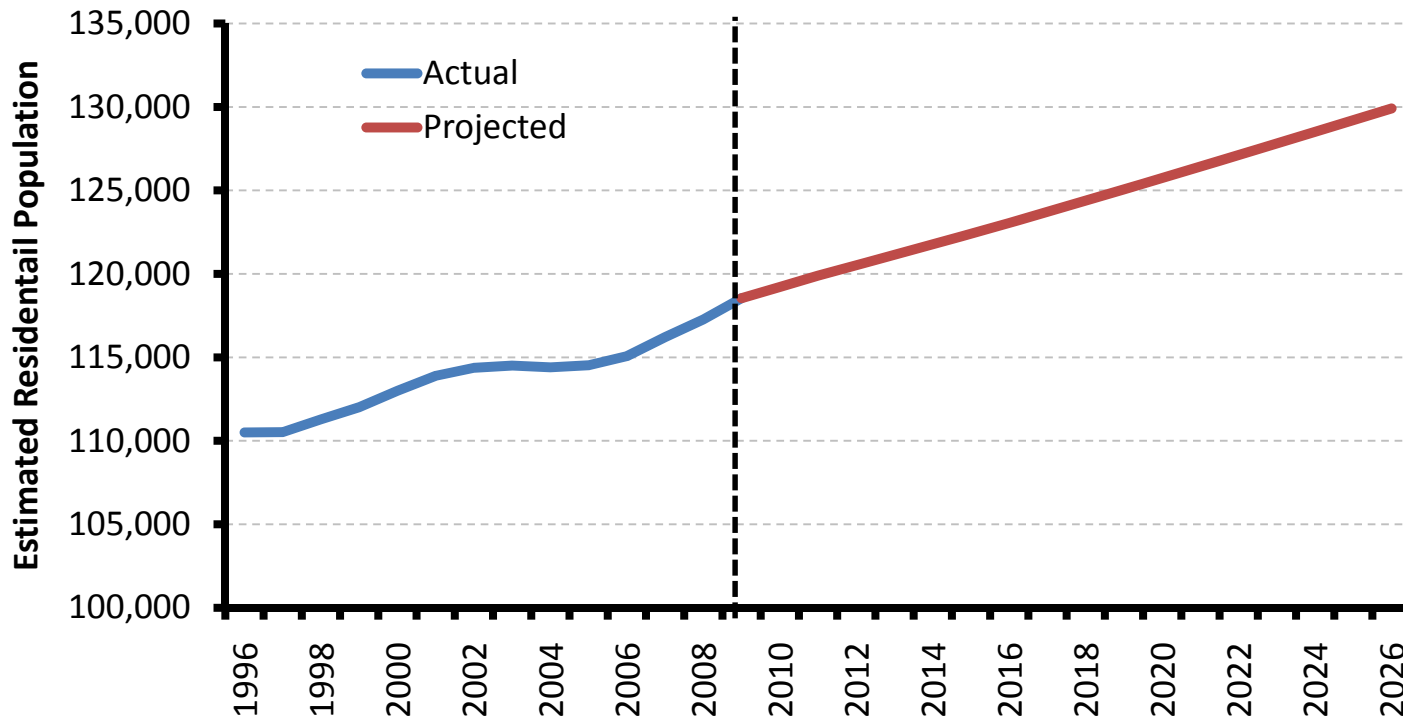
- Melbourne can increase its competitive advantage with inexpensive, quality suburban development
- Melbournians love our ‘super suburbs’

9. Education, Culture, Tourism and a Globally Competitive Service Sector

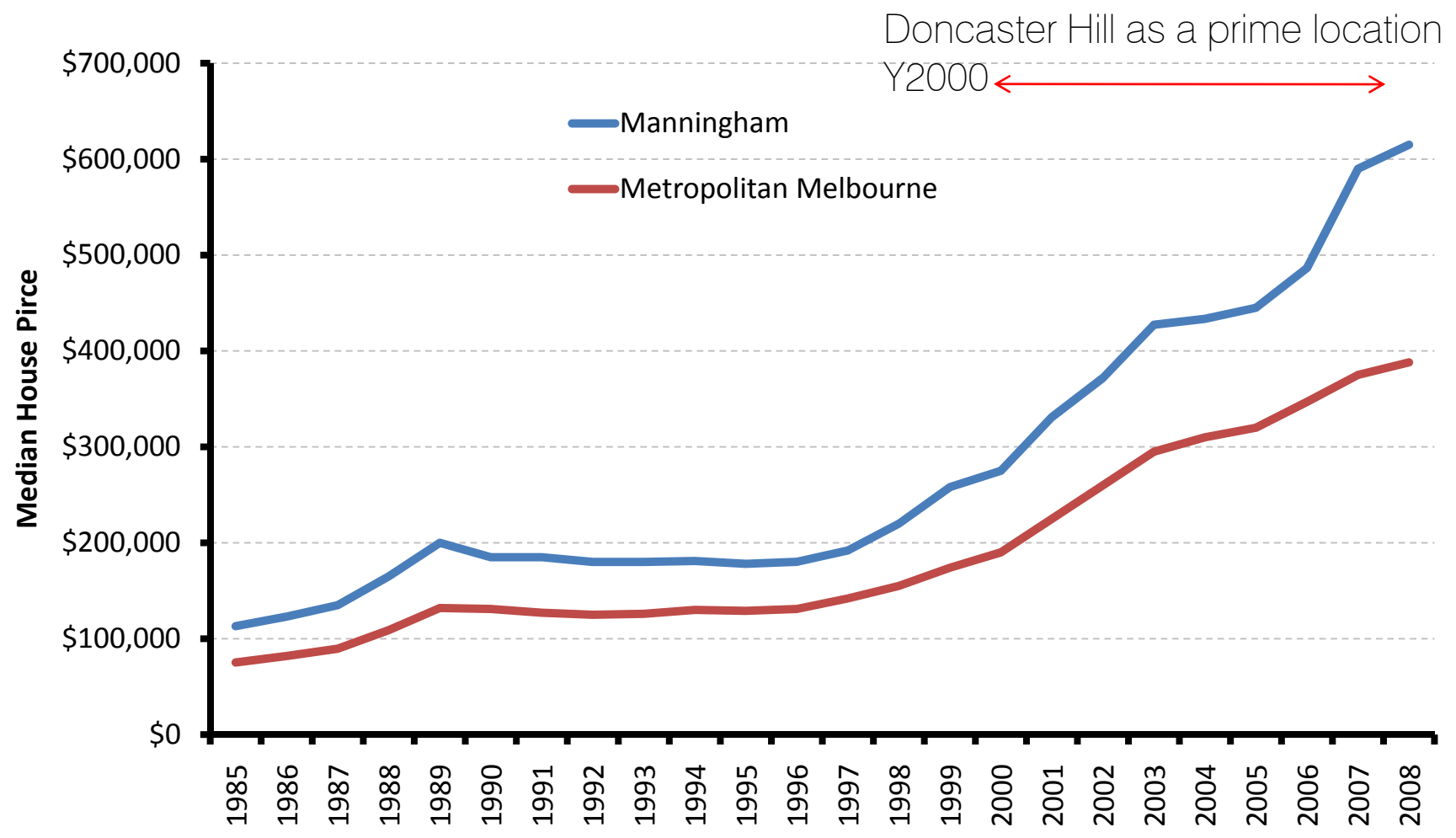
- The services sector contribution to the Australian economy is growing strongly (over 70%) and this trend is forecast to continue
- Melbourne can out-compete other capital cities with quality labour, comparative advantage and inexpensive land.
- Need diversity in lifestyle offer
- Doncaster Hill – Leafy / Green

What do we know
about Manningham....

+ Estimated Residential Population (Actual and Projected), Manningham LGA, 1996 to 2026



Median House Prices – Comparison



Source: Valuer Generals (2009) and MacroPlan Australia (2010)

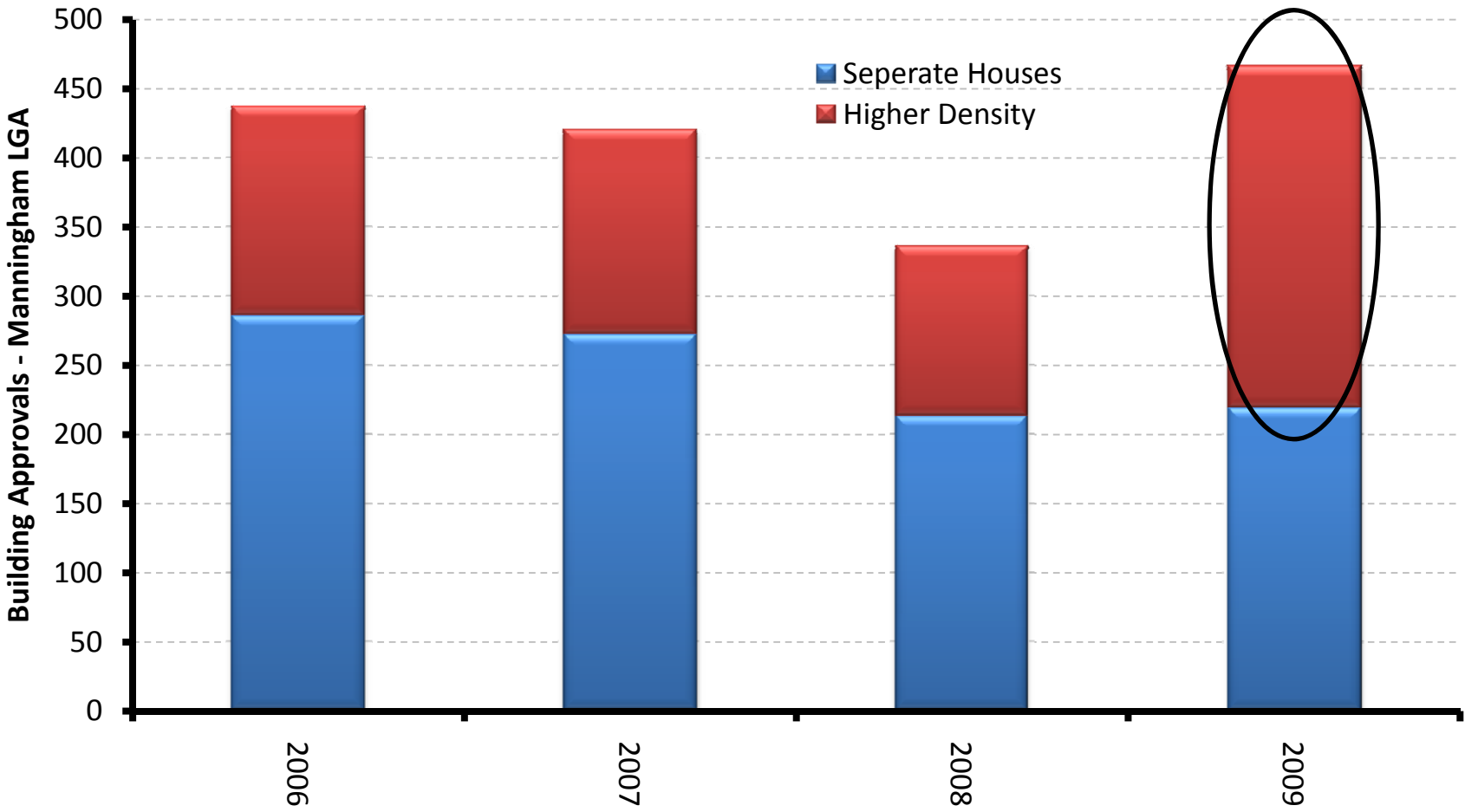
Key Indicators – Manningham LGA

	Doncaster (Suburb)	Manningham (LGA)	Metropolitan Melbourne
Headline Indicators (2006)			
Population and Households			
Persons	17,885	108,843	3,592,645
Households	6,573	37,034	1,283,218
<i>Average Household Size</i>	2.72	2.94	2.80
Occupation by Sector			
White Collar	60%	60%	52%
Blue Collar	21%	20%	29%
Service Sector	19%	19%	19%
Age Distribution			
0-4 years	5%	5%	6%
5-14 years	10%	12%	13%
15-24 years	13%	14%	14%
25-54 years	38%	39%	44%
55-64 years	14%	13%	10%
65-74 years	12%	10%	7%
75+ years	9%	7%	6%
Tenure Type			
Owner	54%	51%	36%
Purchaser	28%	34%	37%
Renter	17%	14%	26%
Other	1%	1%	1%
Dwelling Type			
Separate House	78%	85%	73%
Semi-detached	10%	10%	11%
Flat, Unit, Apartment	12%	5%	15%
Other	0%	0%	1%

- + Manningham's population can be most readily categorised as affluent, mature and traditional.
 - + Ageing = 30% aged 55 years or older
 - + High home ownership = 51%
- + Pre-retirement / cash-out

Building Approvals – Manningham LGA

We are moving in the right direction

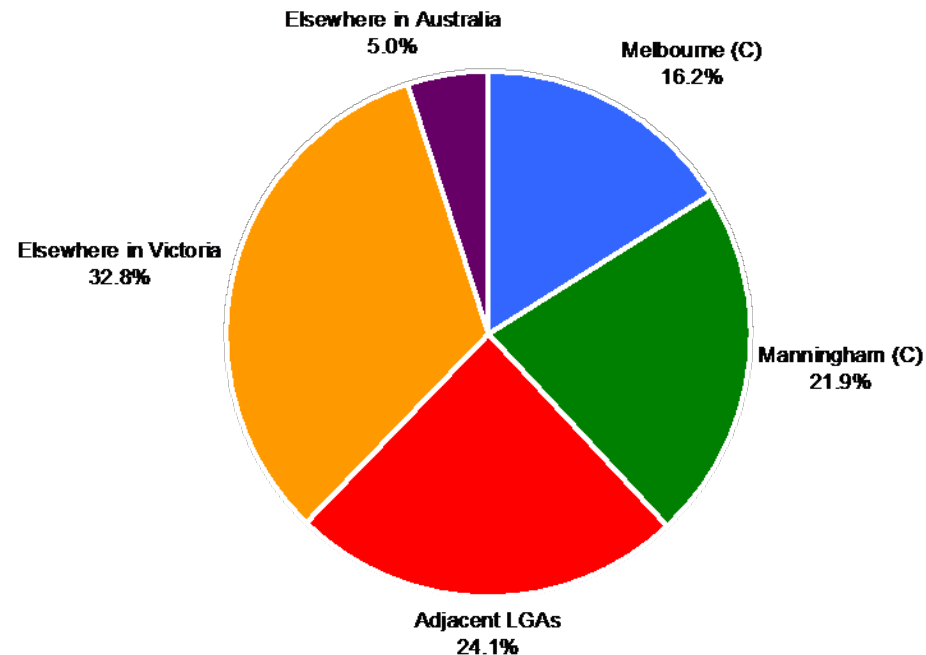


Source: ABS Building Approvals(2010) and MacroPlan Australia (2010)

Manningham

- + Manningham LGA has an employment self-containment of 21.7%
- + Approximately 24% travel to the CBD to work, while a further 27% work in surrounding areas adjacent to Manningham

+ “Origin”



Key Market Segments

55 – 74 year olds

Who are they?

- Couples or Singles
- Retirees
- Relatively active

Future Intentions

- Decreasing household size
- Increasing dwelling demand

	2009	2026	Increase
55 - 74 year olds	986,731	1,401,524	414,793

Where do they live?

- Age in place – close to family networks
- Walkability – retail / medical etc
- Niche - vertical

Know Your Market

Of the 55 to 74 year older market

Lifestylers	2009	2026	Increase
20%	197,346	280,305	82,959
30%	296,019	420,457	124,438

Lifestylers: 20% – 30%

Wealthy Lifestylers

- Fully superannuated
- Fully owned house
- Spend \$\$\$ = high household expenditure
- Choice (holidays, invest)
- Purchase holiday homes, investment units (keyhole)

Source: Projected Resident Population ABS

‘Cash Out’: 30% – 40%

Cash Out

- Not fully superannuated
- Fully owned house (median to cheap) or rent
- Need to dispose of assets to finance lifestyle

Cash Out	2009	2026	Increase
30%	296,019	420,457	124,438
40%	394,692	560,610	165,917

Source: Projected Resident Population ABS

Key Market Segments

Affordable: 30% - 50%

Affordable	2009	2026	Increase
30%	296,019	420,457	124,438
50%	493,366	700,762	207,397

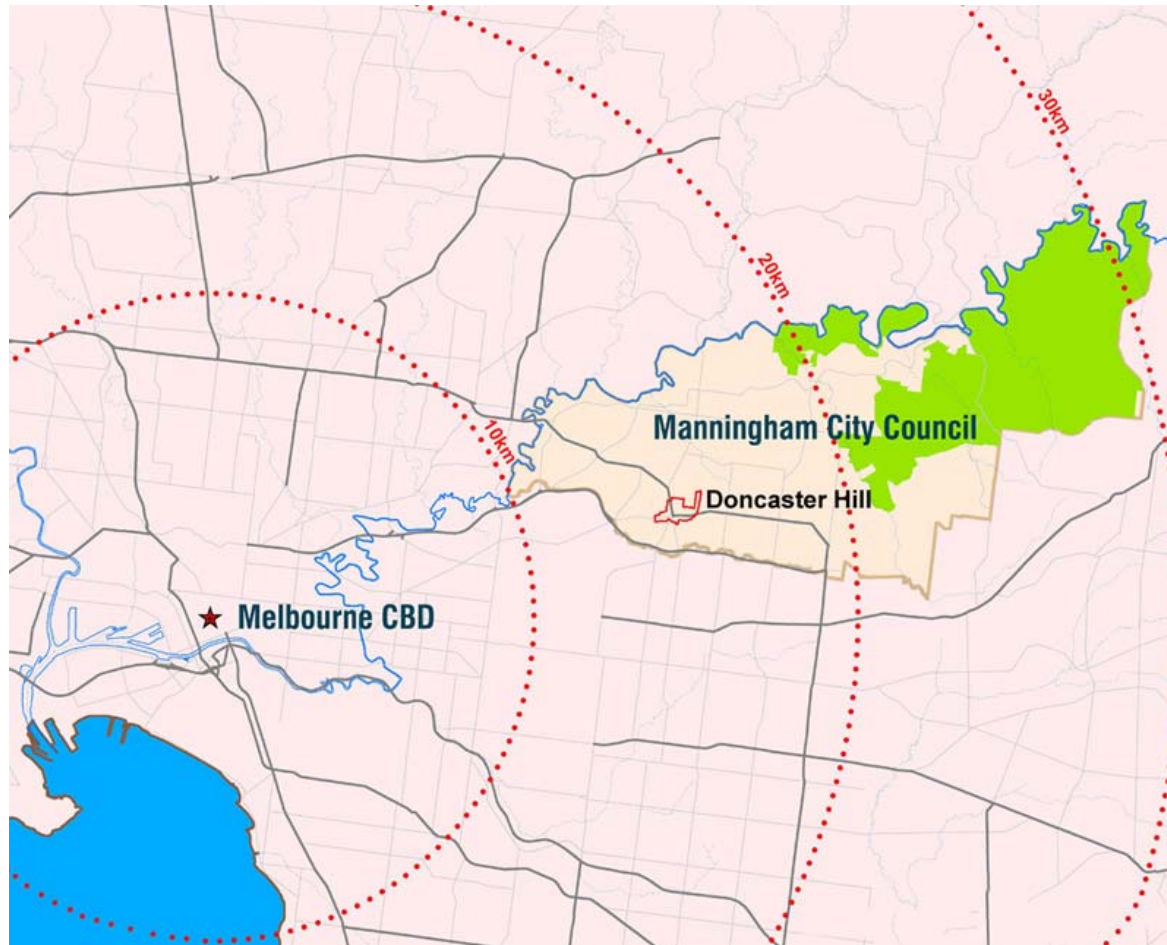
Welfare

- Dependant on pension / welfare
- Rental assistance
- Public Housing

- + Don't forget your neighbours...
 - + Box Hill TAFE – 40,000 students and 1,800 teachers.
 - + Box hill Hospital – 4,400 staff and over 48,000 patients per annum.
 - + \$407.5 million upgrade for Box Hill Hospital
 - + Eltham is ageing
 - + Greensborough is next

Doncaster Hill....

Doncaster Hill



Doncaster Hill

- + We have a “Vision”
- + Doncaster Hill is a long term project
- + MacroPlan has confidence in the long term market
- + What does the future hold ?



+ Residential Location

- + Quality location – long term investment potential

+ Understanding your community

- + Westfield is a 'favourite' location (7m visitors in 2009)
- + Social networks important

+ Green Building

- + Environmental standards for green important
- + Development cost is 1% to 2 %

+ Moving with the markets

- + Office market was dispersed in late 1990's
- + Changing market dynamics – Doncaster not a 'preferred' office location

Doncaster Hill

+ Transport

- + Bus system

+ Centrality

- + Connection of Doncaster to Eastern Freeway and Eastlink –
- + Strong connection to the Peninsula

+ Meeting Place

- + New council offices – Alternative meeting place with a new council hub

+ New Westfield

- + Doncaster is unique
 - + What is the benchmark?
 - + Green square ?
 - + Burwood ?
 - + Docklands ?
 - + Important experiment and unique
 - + Green areas are not typically associated with density
 - + Family structure changing
 - + Size of the market increasing!



Investment Potential...

+ New Markets

- + 2020 Doncaster Hill market – shifting from local to regional demand
- + Regional Infrastructure connections – Alexandra Parade to Tullamarine Freeway – by 2020
- + Doncaster – high diversity, higher socio-economics, housing stock improving in value = trade out / up market

Investment Potential

+ Critical Mass

- + 4,000 people & 2,000 apartments

 - + Building cost – \$1,000 sqm for single dwelling vs \$3,000 for apartment

- + Housing Transition - cash out

- + Asian market highly preferred location – attune to apartment living

- + In 10 years – main street concept – Chapel street ?

- + Support services

- + Increased investment on Doncaster Road

- + Centres policy ?

- + Design and urban design important – we have to believe in the vision

- + Shift to Public Transport

Investment Potential

+ New Product's

- + Apartment living

 - + Business people – SME / proximity to airport

 - + Couple families no kids

- + TOD

- + Mixed use with ground floor activation

- + Vertical retirement opportunities

- + Health

- + Club of the future

- + Nighttime economy – 2015 to 2020 emerging



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