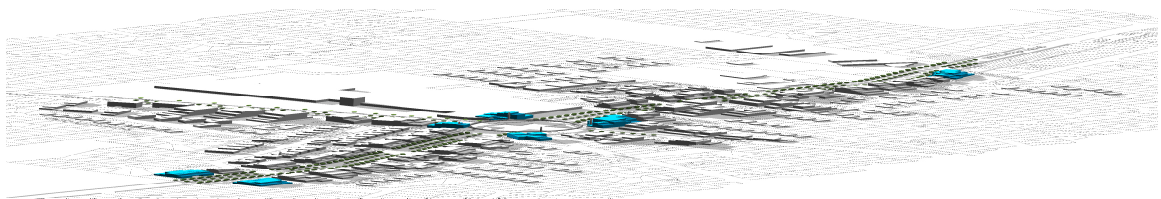




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## **DONCASTER HILL – APARTMENT PURCHASER PROFILE**

*Prepared for the City of Manningham*

**March 2002**

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## **PART A: - EXECUTIVE SUMMARY**

### **Introduction:**

1. MacroPlan Australia has been commissioned to undertake research and analysis in regard to the likely apartment purchaser profile within the Doncaster Hill precinct.

### **The Development Concept:**

2. Since the 1980's, the Manningham City Council (in Melbourne's eastern region) has been considering the future pattern of development in the area generally described as the Doncaster Hill.
3. In November 2000, the Manningham Council proposed a strategy plan entitled 'Doncaster Hill Strategy 2021'. This document considers the strategic planning options available to council in response to a developing pattern of land use and development in the Doncaster Hill.

### **Purchaser Profile:**

4. In summary:
  - ❑ Purchasers of apartments within the Doncaster Hill precinct will be predominantly sourced from the City of Manningham - and to a lesser extent surrounding municipalities.
  - ❑ Purchasers of apartment within the Doncaster Hill precinct would initially be sourced from the 'baby boomer' age bracket.

- ❑ Household type would predominantly be two people.
- ❑ The occupation of purchasers at Doncaster Hill is most likely to be white-collar professionals. Tenants may be sourced from both white and blue-collar professionals.
- ❑ The Doncaster Hill precinct is likely to comprise a strong representation from the owner-occupier segment initially. However, this may change as investors increasingly enter the market over time.

### **Residential Market:**

5. In summary:
  - ❑ Price growth is expected to continue into mid to late 2002, with a softer than previously expected landing.
  - ❑ Medium and high density development activity has been experienced in a number of outer metropolitan Melbourne municipalities over the last 12 – 18 months with a number of development applications lodged and in some instances approved in the City of Manningham, City of Whitehorse and the City of Monash.

- ❑ Consultation with industry professionals indicates a medium to strong market for medium and high-density product in the outer eastern municipalities, although depth of the market is considered to be largely unquantified.

## Survey Results:

6. In summary the findings- of ‘owner-occupiers’ survey indicate:

- ❑ The main factors in choosing to live in Doncaster were that they have ‘lived in the area all my life’, the ‘shopping facilities’ and ‘family reasons’.
- ❑ The respondents lived in a detached house before moving to Sovereign and an apartment was the first housing preference for 90% of respondents.
- ❑ All of respondents indicated the apartment configuration was appropriate to their needs.
- ❑ 94% of people do not intend to move within the next five years.
- ❑ 87% of respondents were aged over 51 years.
- ❑ The structure of households comprised of single person (55%), couple (39%), and couples with children (6%).

7. In summary the key findings of ‘investor’ surveys indicate:

- ❑ The main factors in purchasing an apartment in Doncaster was ‘shopping facilities’, ‘liking the

location’ and ‘family reasons’.

- ❑ Alternative suburbs considered for investment included: Templestowe, West Melbourne, East Doncaster and South Yarra.
- ❑ A total of 83% of all investor participants indicated that they would re-invest in Doncaster as it offered good value.
- ❑ For the majority (55%) of investors this investment into Sovereign Point Towers was not their first investment.
- ❑ A total of 45% of respondents stated that they intended to live at Sovereign Towers.
- ❑ A total of 82% of respondents were aged between 36 – 50 years.

8. The results from the survey of ‘owner-occupiers’ and the survey of investors at Sovereign Point Towers are generally consistent with MacroPlan Australia’s previous experience and thus purchaser profile.

# **PART B: - SCOPE OF REPORT**

## **1.0 INTRODUCTION**

MacroPlan Australia has been commissioned by the City of Manningham to undertake:

*‘research and analysis in regard to the likely apartment purchaser profile within the Doncaster Hill precinct’.*

The report will support previous studies undertaken by the City of Manningham in regard to Doncaster Hill 2021 Strategy (which has been adopted by Council).

The following report includes an executive summary and following chapters:

- ❑ **Chapter 1:** Sets out the terms of reference;
- ❑ **Chapter 2:** Establishes the methodology;
- ❑ **Chapter 3:** Sets out the report limitations and key assumptions;
- ❑ **Chapter 4:** Sets out the key data sources;
- ❑ **Chapter 5:** Outlines the Doncaster Hill Development Concept;
- ❑ **Chapter 6:** Residential market overview;
- ❑ **Chapter 7:** Purchaser profile and Development mix *and* composition;
- ❑ **Chapter 8:** Survey of existing Doncaster Hill residents (at Sovereign Point Towers).

## **PART C: - METHODOLOGY, LIMITATIONS, ASSUMPTIONS AND DATA SOURCES**

### **2.0 METHODOLOGY**

The scope of work has comprised:

- Consultation with City of Manningham’s project manager to establish availability of existing data from Council (including planning application and approval data *and* contact details), reporting requirements and project timeframe;
- Review of existing documentation outlining the proposed ‘Doncaster Hill’ development concept as input into the potential purchaser profile and development mix and composition;
- Aggregation and analysis of industry data on medium and high density buyer profiles and development composition (including data in regard to medium and high density development in a number of capital cities);
- Analysis of industry data in relation to the Melbourne residential market, with particular focus on the medium and high density apartment market in the key inner city municipalities and the ‘emerging’ eastern municipalities;
- As input into the potential buyer profile and development mix and composition:
  - o Consultation with industry professionals (including local real estate agents, developers and architects in the City of Manningham and surrounding municipalities),
  - o survey (consumer research) of existing Doncaster Hill residents located in the Sovereign Point Towers,
  - o Overview of the Green Square Town Centre (South Sydney Council) including:
    - site inspection,
    - consultation with South Sydney Council and the South Sydney Development Corporation,
    - review of data supplied by the afore-mentioned authorities;
- Documentation of the potential buyer profile and development mix and composition.

## 3.0 LIMITATIONS AND ASSUMPTIONS

### 3.1 Limitations

The key limitations are as follows:

- ❑ Disclosure of information from developers active in the City of Manningham, surrounding eastern municipalities and the Cities of Melbourne and Port Phillip was limited for reasons of *'commercial in confidence'*;
- ❑ In terms of the residential market analysis, the Land Victoria data for 2001 is preliminary only. The analysis focused on year 2000 data for analysis purposes.
- ❑ A relatively small sample size was obtained for the consumer research component, although still meaningful. Multiple efforts were made to contact residents and investors to maximise survey participation.

Importantly, the limitations should be read in conjunction with the report disclaimer.

### 3.2 Assumptions

In terms of key assumptions:

- ❑ Several key characteristics and assumptions that underpin the potential demand for medium and high-density accommodation in the City of Manningham (in particular the 're-positioning' of the Doncaster Hill as a viable 'urban village') were outlined in the *Doncaster Hill Demand and Supply Analysis*, 2000.

These included:

- o community facility needs,
- o critical mass,
- o built form and building design,
- o landscaping and including streetscape,
- o pedestrian access and movement,
- o vehicle parking,
- o building setbacks, and
- o recreational and open space linkages.

Consideration has been given to these characteristics and assumptions throughout this consultancy.

- ❑ Market acceptance is a key characteristic of future demand for 'medium and high-density' housing and notably the stimulation of latent demand. Other key absorption factors include household growth, cultural diversity, investor demand and tenant demand.

Once again, consideration has been given to these characteristics and assumptions throughout this consultancy.

## 4.0 DATA SOURCES

Data has been sourced from databases compiled by MacroPlan Australia over time and supplemented with information from a number of public sector and private sector agencies and publications including:

- ❑ City of Manningham;
- ❑ Department of Infrastructure;
- ❑ Australian Bureau of Statistics;
- ❑ Land Victoria;
- ❑ Real Estate Institute of Australia;
- ❑ Real Estate Institute of Victoria Ltd.;
- ❑ City of Melbourne;
- ❑ South Sydney Council;
- ❑ South Sydney Development Corporation.

Discussions were also undertaken with a number of industry professionals including:

- ❑ Real Estate Agents:
  - o Phillip Webb (*Project marketing for 'The Crest', Doncaster and consultant to a number of current applications including 632 and 642 Doncaster Road, Doncaster*),
  - o Ray White, Doncaster,
  - o Stockdale & Leggo, Doncaster,
  - o Barry Plant, Doncaster,
  - o The Professionals, Doncaster,
  - o Fletchers, Doncaster,
  - o PRD Nationwide (*Box Hill Central Redevelopment*);

- ❑ Developers and architects:

### *Developers:*

- o Englehart Homes (*642 Doncaster Road, Doncaster: City of Manningham*),
- o Darnley Group (*632 – 640 Doncaster Road, Doncaster: City of Manningham*),
- o Wilbow Corporation (*Montclair Apartments, Montclair Avenue, Glen Waverley: City of Monash*);<sup>1</sup>

### *Architects:*

- o Rothe Lowman (*584 Doncaster Road, Doncaster: City of Manningham*),
- o Black Kosloff Knott (*Site adjoining childcare centre, Doncaster Road, Doncaster: City of Manningham*),
- o Designinc (*Church of Christ site, Doncaster Road, Doncaster: City of Manningham*),

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<sup>1</sup> Wilbow Corporation have undertaken a number of feasibilities in regard to residential development opportunities at Doncaster Hill.

## **PART D: - KEY FINDINGS**

### **5.0 THE DONCASTER HILL CONCEPT**

#### **5.1 Background**

Since the 1980's, the Manningham City Council (in Melbourne's eastern region) has been considering the future pattern of development in the area generally described as the Doncaster Hill.

**Location Map - Doncaster Hill**



During this period several developments have been constructed or proposed in the height range of 7 to 9 levels, placing pressure on existing planning mechanisms in the absence of any strategic framework plan.

In November 2000, the Manningham Council a strategy plan entitled '*Doncaster Hill Strategy 2021*'. This document considers the strategic planning options available to council in response to a developing pattern of land use and development in the Doncaster Hill area with particular focus on ways in which the Manningham City Council could take a proactive approach to the planning issues confronting the precinct for the greatest community benefit.

Other considerations addressed in the strategy plan include the following:

- ❑ Market research studies conducted by Macroplan Australia have indicated a market demand, within a 20-year framework, for up to 6,000 residents and up to 10,000 jobs within the area defined as the Doncaster Hill strategy area;
- ❑ The significant reduction in traffic volumes in the precinct as a result of the expansion of the eastern freeway;
- ❑ The proposed expansion of Westfield Shopping Town.

The new guidelines for the Doncaster Hill precinct in the City of Manningham are being established as a framework for the development of a *21st Century Urban Village*. The consultant team has undertaken a clearly structured process of analysis, benchmarking and developed design recommendations now formalised in this design guidelines document.

The new Urban Village will incorporate the recognised agenda for quality urban living, including:

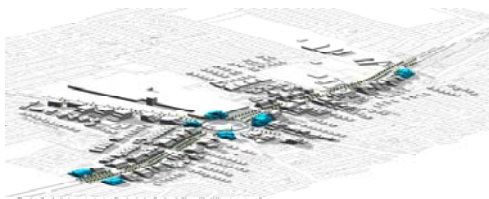
- ❑ High quality urban amenity;
- ❑ Integrated transport linkages;
- ❑ Pedestrian focus;
- ❑ Integrated educational development;
- ❑ Integrated live / work opportunities;
- ❑ Environmentally responsive design;
- ❑ Rich and varied cultural opportunities.

## 5.2 The Urban Village

The urban village is at the heart of the new vision for Doncaster Hill. The village will evolve from the significant infrastructure already in place, the outstanding topographical qualities of the site, the exceptional potential of the precinct for medium and higher density housing and an integrated approach to mixed-use activity and multi-valent activities and lifestyle opportunities.

As a framework for the appropriate mixes of functions, density and local character, a series of eight easily identifiable precincts has been created. Each of these precincts has a unique set of stated design objectives followed by a set of design principals supporting these objectives and finally a set of design guidelines defining the desired outcomes.

The development potential for over 3,500 apartments providing housing for over 5,000 persons and commercial and retail space in the order of 150,000 sqm in response to projected housing demands established through market research studies conducted by MacroPlan Australia.



Maximum allowable building heights vary from precinct to precinct and are subject to height overlay zones and overshadowing and other proximity guidelines within precincts. The overlaying of guidelines means that maximum heights nominated for any particular precinct are not necessarily achievable on every site or location within that precinct. Heights range

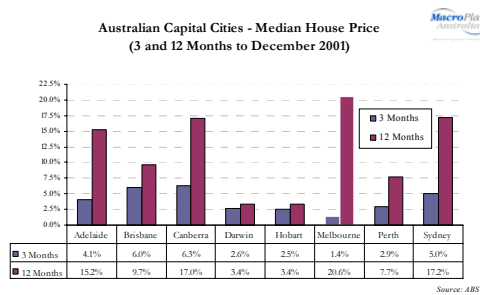
from a maximum of 11 storeys including roof structures to a minimum of two storeys.

## 6.0 RESIDENTIAL MARKET OVERVIEW

### 6.1 Metropolitan Melbourne

The residential cycle was forecast to peak in 2000, however the market has continued to experience healthy demand for vacant land, unit and houses as a result of a number of key fundamentals - most notably a low interest rate regime and accessibility to the 'First Home Owners Grant'.

As evidenced in the graphic below, the housing sector outperforming traditionally stronger markets throughout Australia in terms of percentage growth over the last 12 months.

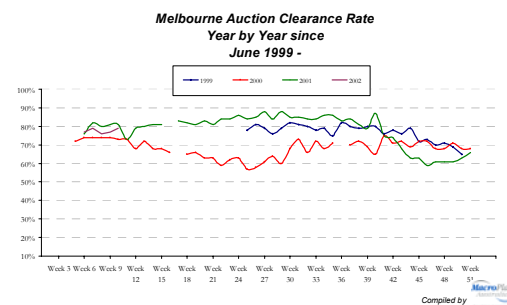


In terms of units, the auctions and private sales data shows the median price rose 20% to \$230,500 – up \$38,500 in the year to December 2002. The percentage of sales over \$200,000 rose to more than 63 percent in 2001, indicating that high-quality, well located lifestyle apartments are making up a larger share of the total market.

Price growth is expected to continue into mid to late 2002, with a softer than previously expected landing, as a result of:

- Historically low interest rates (a total of 2.00% reduction in 2001 alone, reducing the official cash rate to 4.25%);

- Following on, continued growth in the investor market as a result of low interest rates and taxation incentives (in particular, 'off the plan' sales);
- Continued access to the 'First Home Owners Grant', albeit at a reduced rate to June 2002;
- Moderate auction clearance rates, which by the late 2001 had returned to year 2000 levels;<sup>2</sup>



- Continued decline in household size and household preference and the emergence of the 'baby boomers' segment (as to be experienced in the City of Manningham);
- Victoria's continued growth in population (net overseas migration and interstate migration).

## 6.2 The Apartment Market

### 6.2.1 Inner Melbourne

Medium and high-density residential development in inner Melbourne is a relatively new phenomenon.<sup>3</sup> Since the early to mid 1990's, the City of Melbourne and the City of

<sup>2</sup> In mid 2001 the rate peaked at 88% (around 20% - 25% higher than the same time last year).

<sup>3</sup> 'Postcode 3000' - The strategic document released by the City of Melbourne established confidence for both developers and purchasers in regard to medium and high-density development in an 'emerging' market.

Port Phillip in particular have experienced growing levels of medium and high-density development activity.

Within the City of the Melbourne, the balance of development activity has been experienced in the Melbourne Central Business District, Southbank and St. Kilda Road *and* Queens Road precincts, and to a lesser extent the suburb of Carlton. The balance of development activity in the City of Port Phillip has been experienced in the Bayside suburb of Port Melbourne.

More recently, the mixed use, 200 hectare Melbourne Docklands has evolved as an ‘emerging market’ for residential development with over 1,000 apartments under construction and a further 7,500 apartments scheduled for completion within the next 10 to 15 years.

A detailed review of apartment development activity in inner Melbourne is located in the appendices of this report. However, in summary:

- ❑ The inner Melbourne apartment market is no longer considered to be an emerging market with the residential and serviced apartment supply approaching 14,500 in 2001;<sup>4</sup>
- ❑ An additional 5,500 residential and serviced apartments are under construction and largely scheduled for completion in 2002 and 2003 (ie. a 40% increase in supply);
- ❑ Serviced apartments comprise a very small percentage of the overall apartment market;

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<sup>4</sup> See Appendices for detailed analysis in regard to the increasing inner Melbourne medium and high-density apartment market supply.

- ❑ Including 2001, the Melbourne Central Business District has experienced over 45% (or 6,700) of all residential and serviced apartments;
- ❑ Over the last 2 years, apartment market sales have increased from the 10-year average of around 1,300 per annum to over 3,300 apartments per annum, signalling a significant increase to the supply and investor demand.

### 6.2.2 Eastern Region

Medium and high density development activity has been experienced in a number of outer metropolitan Melbourne municipalities over the last 12 – 18, months (in particular, high density development) with a number of development applications lodged and in some instances approved in the City of Manningham, City of Whitehorse and the City of Monash.

Continued discussions in regard to the potential over supply of apartments in inner Melbourne precincts (in conjunction with the growing rental vacancy rates and declining yields) are encouraging developers (and subsequently investors) to actively identify emerging medium and high-density markets.

Importantly, consultation with industry professionals indicate a medium to strong market for medium and high-density product in the outer eastern municipalities, although depth of the market is considered to be largely unquantified.

Key development applications in the City of Manningham and surrounding municipalities are:

- ❑ City of Manningham:
  - 642 Doncaster Road, Doncaster: *Englehart Homes* has an application

pending for the development of 138 apartments comprising a mix of 1, 2 and 3 bedroom apartments with associated carparking and retail and office (over 2 levels).<sup>5</sup>

*It is believed that the site has been recently 'on-sold' to an 'un-named' Asian investor. The intention remains to undertake a residential development on the site.*

- o 632 – 640 Doncaster Road, Doncaster: *Darnley Group* has obtained approval for the development of a high-rise office and apartment tower comprising a mix of 2 and 3 bedroom apartments.<sup>6</sup>
- o 8 Clay Drive, Doncaster: *Stankon Nominees Pty. Ltd.* has obtained approval for the development of 27 apartments comprising a mix of 2 and 3 bedroom apartments with associated carparking and office (on ground floor).<sup>7</sup>
- City of Whitehorse: (*Centro Properties*) within the last month it has been revealed that Whitehorse Plaza is to be redeveloped (with plans for a 17-storey building including a hotel, residential

<sup>5</sup> At this stage the mix is 54 x 3 bedroom (some over 2 levels), 28 x 2 bedroom and 56 x 1 bedroom.

<sup>6</sup> The approved development comprises a total of 77 dwellings (24 x 2 bedroom and 53 x 3 bedroom) with associated carparking. However, a planning scheme amendment has been lodged based on recent market research undertaken by the developer, increasing the number of units to 132 (subsequently decreasing the internal areas).

<sup>7</sup> The approved 27-apartment development comprises a mix of 19 x 2 bedroom and 8 x 3 bedroom.

apartments and 14 cinemas). Although the cinema component may be removed from plans, major changes will be made to the Box Hill shopping district;

- City of Maroondah: (*QIC*) – market research tenders are currently being shortlisted in regard to the residential / retail redevelopment of Eastland Shopping Centre;
- City of Monash: *Willow Corporation* has a permit to develop the 'Montclair Apartments' in Montclair Avenue, Glen Waverley (within the Glen Waverley Shopping Centre). The 6 storey, 52-apartment development comprises 560 square metres of ground floor office space and 125 associated carparks.<sup>8</sup>

In addition, a number of developers, landowners and architects are actively undertaking feasibilities for a number of key sites within the City of Manningham. Two key applications are as follows:

- 584 – 588 Doncaster Road, Doncaster: Audi owns the site and has commissioned Rothe Lowman. The pending 'mixed use' application comprises 82 x 1, 2 and 3 bedroom apartments above a vehicle showroom;
- 680 Doncaster Road, Doncaster (corner Short Street): The commissioned architects are Designinc. Discussions indicate the site may be developed as either aged-care or apartments, whilst the adjoining site will comprise 2 and 3 bedroom apartments with retail.

## 6.3 City of Manningham

The following section highlights the change in medium house, unit and land price in the City of Manningham and selected suburbs within the municipality. Surrounding municipalities and the Melbourne metropolitan area has been included for comparison.

### 6.3.1 Median House Price

Median house price data sourced from Land Victoria is shown in the following table.

#### Median House Sale Price

(1990 – 2001)

| Year  | Melbourne Metropolitan Area | City of Manningham | City of Whitehorse | City of Maroondah | Doncaster  | Doncaster East | Bulleen    | Lower Templestowe | Templestowe | Donvale    | Park Orchards | Warrandyte | Wonga Park |
|-------|-----------------------------|--------------------|--------------------|-------------------|------------|----------------|------------|-------------------|-------------|------------|---------------|------------|------------|
| 1990  | \$ 131,000                  | \$ 185,000         | \$ 142,300         | \$ 126,000        | \$ 182,000 | \$ 183,000     | \$ 160,000 | \$ 175,000        | \$ 260,000  | \$ 180,000 | \$ 270,000    | \$ 173,000 | \$ 227,000 |
| 1991  | \$ 127,000                  | \$ 184,000         | \$ 136,500         | \$ 120,000        | \$ 170,000 | \$ 169,000     | \$ 155,500 | \$ 175,000        | \$ 260,000  | \$ 210,000 | \$ 282,100    | \$ 168,500 | \$ 175,000 |
| 1992  | \$ 125,000                  | \$ 180,000         | \$ 136,000         | \$ 120,000        | \$ 170,000 | \$ 170,000     | \$ 153,000 | \$ 163,500        | \$ 240,000  | \$ 198,000 | \$ 230,000    | \$ 170,000 | \$ 169,000 |
| 1993  | \$ 126,000                  | \$ 180,000         | \$ 135,000         | \$ 12,000         | \$ 175,000 | \$ 160,000     | \$ 141,500 | \$ 170,000        | \$ 246,000  | \$ 230,000 | \$ 227,000    | \$ 180,000 | \$ 225,000 |
| 1994  | \$ 130,000                  | \$ 180,000         | \$ 140,000         | \$ 120,000        | \$ 175,000 | \$ 172,000     | \$ 155,000 | \$ 168,750        | \$ 236,500  | \$ 207,000 | \$ 251,000    | \$ 166,625 | \$ 225,000 |
| 1995  | \$ 129,000                  | \$ 177,000         | \$ 138,000         | \$ 118,000        | \$ 165,000 | \$ 165,000     | \$ 147,000 | \$ 165,500        | \$ 240,000  | \$ 210,000 | \$ 256,000    | \$ 170,000 | \$ 200,000 |
| 1996  | \$ 130,300                  | \$ 180,000         | \$ 139,000         | \$ 119,000        | \$ 165,000 | \$ 173,000     | \$ 160,000 | \$ 165,000        | \$ 242,000  | \$ 205,000 | \$ 254,000    | \$ 190,000 | \$ 213,000 |
| 1997  | \$ 141,500                  | \$ 191,000         | \$ 158,000         | \$ 127,000        | \$ 182,000 | \$ 188,000     | \$ 170,000 | \$ 185,200        | \$ 247,000  | \$ 205,000 | \$ 255,000    | \$ 184,000 | \$ 221,000 |
| 1998  | \$ 154,000                  | \$ 219,000         | \$ 175,000         | \$ 137,500        | \$ 203,000 | \$ 200,000     | \$ 200,500 | \$ 207,500        | \$ 275,000  | \$ 225,000 | \$ 327,500    | \$ 210,000 | \$ 290,000 |
| 1999  | \$ 173,000                  | \$ 256,500         | \$ 205,000         | \$ 153,000        | \$ 255,000 | \$ 240,500     | \$ 238,000 | \$ 241,000        | \$ 325,000  | \$ 285,500 | \$ 371,000    | \$ 261,000 | \$ 300,000 |
| 2000  | \$ 188,000                  | \$ 270,000         | \$ 225,000         | \$ 175,000        | \$ 264,000 | \$ 255,000     | \$ 250,000 | \$ 257,000        | \$ 340,000  | \$ 285,440 | \$ 375,000    | \$ 292,000 | \$ 307,500 |
| 2001* | \$ 185,000                  | \$ 286,000         | \$ 238,000         | \$ 182,500        | \$ 275,000 | \$ 280,000     | \$ 250,100 | \$ 273,000        | \$ 365,000  | \$ 330,000 | \$ 430,000    | \$ 370,000 | \$ 390,000 |

The table highlights:

- ❑ An overall uplift in house price, with the City of Whitehorse recording the greatest growth - around 60% in the last five years. However, the *City of Manningham* recorded the highest median house price (\$270,000 in 2000) in comparison to the surrounding municipalities;
- ❑ Over the last 10 years the City of Manningham has consistently recorded the highest median house price, compared to the Melbourne metropolitan area and surrounding municipalities;
- ❑ Within the City of Manningham, Park Orchards and Templestowe recorded the highest median house price of \$375,000 and \$340,000 respectively. The median price in Doncaster was \$264,000, largely below the average across the selected suburbs.

<sup>8</sup> At this stage the mix is 40 x 2 bedroom and 12 x 1 bedroom, but a redesign is proceeding to incorporate some 3-bedroom apartments.

### 6.3.2 Median Unit Price

Median unit data sourced from Land Victoria is shown in the following table.

#### Median Unit Sale Price

(1990 – 2001)

| Year  | Melbourne Metropolitan Area | City of Manningham | City of Whitehorse | City of Maroondah | Doncaster  | Doncaster East | Bulleen    | Lower Templestowe | Templestowe | Donvale    | Park Orchards | Warrandyte | Wonga Park |
|-------|-----------------------------|--------------------|--------------------|-------------------|------------|----------------|------------|-------------------|-------------|------------|---------------|------------|------------|
| 1990  | \$ 78,500                   | \$ 136,000         | \$ 126,000         | \$ 110,000        | \$ 140,000 | \$ 152,500     | \$ 130,000 | \$ 140,000        | \$ 125,000  | \$ 137,000 | N / A         | N / A      | N / A      |
| 1991  | \$ 80,000                   | \$ 130,000         | \$ 125,000         | \$ 101,500        | \$ 123,000 | \$ 141,500     | \$ 120,000 | \$ 170,000        | \$ 125,000  | \$ 127,000 | N / A         | N / A      | N / A      |
| 1992  | \$ 80,500                   | \$ 142,000         | \$ 120,000         | \$ 99,000         | \$ 146,000 | \$ 145,000     | \$ 150,000 | \$ 160,000        | \$ 135,000  | \$ 135,000 | N / A         | N / A      | N / A      |
| 1993  | \$ 80,000                   | \$ 143,000         | \$ 124,000         | \$ 98,500         | \$ 140,000 | \$ 150,000     | \$ 155,000 | \$ 149,000        | \$ 132,000  | \$ 143,500 | N / A         | N / A      | N / A      |
| 1994  | \$ 82,500                   | \$ 143,500         | \$ 125,000         | \$ 99,950         | \$ 153,000 | \$ 149,000     | \$ 140,000 | \$ 150,000        | \$ 135,000  | \$ 140,000 | N / A         | N / A      | N / A      |
| 1995  | \$ 83,000                   | \$ 147,000         | \$ 125,000         | \$ 95,000         | \$ 163,000 | \$ 150,000     | \$ 150,000 | \$ 142,300        | \$ 137,000  | \$ 140,800 | N / A         | N / A      | N / A      |
| 1996  | \$ 82,000                   | \$ 140,000         | \$ 125,000         | \$ 94,650         | \$ 145,000 | \$ 148,000     | \$ 155,000 | \$ 147,000        | \$ 118,000  | \$ 138,000 | N / A         | N / A      | N / A      |
| 1997  | \$ 80,000                   | \$ 153,000         | \$ 135,000         | \$ 100,000        | \$ 152,000 | \$ 165,000     | \$ 148,000 | \$ 165,000        | \$ 140,000  | \$ 135,000 | N / A         | N / A      | N / A      |
| 1998  | \$ 83,000                   | \$ 157,000         | \$ 146,000         | \$ 116,000        | \$ 174,000 | \$ 168,000     | \$ 141,000 | \$ 169,000        | \$ 140,000  | \$ 150,000 | N / A         | N / A      | N / A      |
| 1999  | \$ 86,500                   | \$ 192,500         | \$ 165,250         | \$ 124,000        | \$ 230,000 | \$ 205,000     | \$ 220,200 | \$ 230,000        | \$ 200,000  | \$ 142,500 | N / A         | N / A      | N / A      |
| 2000  | \$ 95,000                   | \$ 199,000         | \$ 180,000         | \$ 137,000        | \$ 220,000 | \$ 220,000     | \$ 180,000 | \$ 205,000        | \$ 192,000  | \$ 175,000 | N / A         | N / A      | N / A      |
| 2001* | \$ 99,000                   | \$ 228,500         | \$ 207,000         | \$ 146,500        | \$ 228,500 | \$ 239,000     | \$ 198,500 | \$ 253,000        | \$ 362,000  | \$ 198,000 | N / A         | N / A      | N / A      |

The table highlights:

- ❑ An overall uplift in median house unit. The City of Manningham (\$199,000) recorded significantly greater median prices for units than the Melbourne metropolitan area (\$95,000);
- ❑ The key municipalities Manningham (42%), Whitehorse (44%) and Maroondah (44%) all recorded greater unit price growth over the last five years - compared to the 15% growth observed in the Melbourne metropolitan area;
- ❑ The 2000 median unit sale price for Doncaster (\$220,000) was the equal highest with East Doncaster of all compared suburbs;
- ❑ Most notably, Templestowe recorded the greatest growth price for units in 2000, almost 63%. Doncaster recorded a price growth of 51% across the same timeframe.

### 6.3.3 Median Vacant Land Price

The median vacant land data sourced from Land Victoria is shown in the following table.

#### Median Vacant Land Sale Price

(1990 – 2001)

| Year  | Melbourne Metropolitan Area | City of Manningham | City of Whithorse | City of Maroondah | Doncaster  | Doncaster East | Bulleen | Lower Templestowe | Templestowe | Donvale    | Park Orchards | Warrandyte | Wonga Park |
|-------|-----------------------------|--------------------|-------------------|-------------------|------------|----------------|---------|-------------------|-------------|------------|---------------|------------|------------|
| 1990  | \$ 50,000                   | \$ 125,000         | \$ 82,850         | \$ 62,000         | \$ 148,000 | \$ 127,000     | N / A   | \$ 152,500        | \$ 135,000  | \$ 105,000 | \$ 152,000    | N / A      | \$ 55,800  |
| 1991  | \$ 45,500                   | \$ 113,500         | \$ 70,000         | \$ 57,000         | \$ 120,000 | \$ 110,000     | N / A   | \$ 45,000         | \$ 123,000  | \$ 108,000 | \$ 143,000    | N / A      | \$ -       |
| 1992  | \$ 45,500                   | \$ 110,000         | \$ 75,000         | \$ 60,000         | \$ 125,000 | \$ 113,000     | N / A   | \$ 84,500         | \$ 140,000  | \$ 105,000 | \$ 126,750    | N / A      | \$ 51,500  |
| 1993  | \$ 48,800                   | \$ 120,000         | \$ 85,000         | \$ 66,000         | \$ 123,500 | \$ 115,000     | N / A   | \$ 80,000         | \$ 139,500  | \$ 118,000 | \$ 108,000    | N / A      | \$ 80,000  |
| 1994  | \$ 52,000                   | \$ 128,000         | \$ 84,000         | \$ 62,000         | \$ 138,500 | \$ 137,500     | N / A   | \$ 110,000        | \$ 142,500  | \$ 122,500 | \$ 91,000     | N / A      | \$ 77,000  |
| 1995  | \$ 55,000                   | \$ 125,000         | \$ 90,000         | \$ 62,000         | \$ 130,000 | \$ 128,000     | N / A   | \$ 105,000        | \$ 125,000  | \$ 125,000 | \$ 120,000    | N / A      | \$ 72,000  |
| 1996  | \$ 55,000                   | \$ 118,000         | \$ 90,000         | \$ 62,500         | \$ 135,000 | \$ 125,000     | N / A   | \$ 105,000        | \$ 125,000  | \$ 118,000 | \$ 110,000    | N / A      | \$ 72,000  |
| 1997  | \$ 59,950                   | \$ 130,000         | \$ 96,000         | \$ 70,000         | \$ 142,500 | \$ 135,000     | N / A   | \$ 132,500        | \$ 127,500  | \$ 82,000  | \$ 150,000    | N / A      | \$ 78,500  |
| 1998  | \$ 61,000                   | \$ 150,000         | \$ 115,000        | \$ 72,950         | \$ 170,000 | \$ 150,000     | N / A   | \$ 145,000        | \$ 189,000  | \$ 135,000 | \$ 155,000    | N / A      | \$ 85,000  |
| 1999  | \$ 65,000                   | \$ 180,000         | \$ 135,000        | \$ 87,000         | \$ 185,000 | \$ 193,000     | N / A   | \$ 192,000        | \$ 190,000  | \$ 170,000 | \$ 184,500    | N / A      | \$ 77,000  |
| 2000  | \$ 67,000                   | \$ 135,000         | \$ 114,000        | \$ 94,000         | \$ 95,550  | \$ 133,000     | N / A   | \$ 102,000        | \$ 210,000  | \$ 160,000 | \$ 140,000    | N / A      | \$ 85,000  |
| 2001* | \$ 71,000                   | \$ 172,500         | \$ 127,500        | \$ 95,000         | \$ 172,500 | -              | N / A   | -                 | \$ 175,000  | -          | -             | N / A      | -          |

The table highlights:

- City of Manningham (\$135,000) recorded significantly greater prices for vacant land than those for the Melbourne metropolitan area (\$67,000) and the surrounding municipalities;
- The City of Maroondah recorded greatest vacant land price growth over the last five years around 50%. Other area recorded between 14% and 27%;
- Doncaster recorded an unusually low median vacant land price (\$95,000) in 2000, the lowest recorded in that suburb for more than ten years. However preliminary sales data for 2001 indicates a more accurate price of \$172,500;
- Templestowe recorded the greatest price and growth for vacant land in 2000, (\$210,000), growth of 68% over the last 5 years.

## 7.0 PURCHASER PROFILE AND PRODUCT MIX AND COMPOSITION

### 7.1 Introduction

Initial research undertaken by the consultants confirmed the limited availability of medium and high-density purchaser profile (and to a lesser extent) product mix and composition data within the outer eastern municipalities *and* the key inner Melbourne municipalities such as Port Phillip and Melbourne.

In regard to inner Melbourne municipalities, this is largely due to the ‘*commercial in confidence*’ nature of data collected and aggregated by active developers and marketing agents.<sup>9</sup>

Whilst, the shortage of data in regard to the outer eastern suburbs which encompasses the City of Manningham is largely as a result of the embryonic nature of the medium and high density apartment markets.

In some instances, little buyer profile *and* product mix and competition analysis has been undertaken, although discussions with developers indicate that a greater focus is being placed on market research (ie. Darnley Group).

Nevertheless, as the inner Melbourne apartment market matures, buyer profile information (ie. owner occupiers, investors, etc.), in particular is gradually being disclosed by developers and marketing agents. This information is more-

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<sup>9</sup> Given the ‘emerging’ nature of medium and high-density development in the outer eastern suburbs (Cities of Maroondah, Whitehorse and Monash), the inner Melbourne market encompassing Melbourne and Port Phillip provides significant insight into the likely purchaser profile within the Doncaster Hill precinct.

often reported in the media. In turn, this information provides significant insight into medium and high-density purchaser profile, and more importantly that likely within the City of Manningham.<sup>10</sup>

For the purchaser profile and product mix, Macroplan Australia have taken into consideration:

- ❑ A number of publications prepared by public and private sector agencies, including the City of Melbourne;
- ❑ Discussions with industry professionals including:
  - o developers active the City of Manningham, surrounding municipalities and the Cities of Melbourne and Port Phillip (including Englehart Homes, Darnley Group, Wilbow Corporation),
  - o real estate agents in the City of Manningham;
- ❑ MacroPlan Australia:
  - o a number of previous reports undertaken by MacroPlan Australia in regard to the purchaser profile of inner Melbourne residents,
  - o Data aggregated by MacroPlan Australia in regard to buyer profile and apartment mix and composition,

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<sup>10</sup> In addition, the City Melbourne commissioned a study title New Inner City Residents Survey 2000 (*Commercial in Confidence*). This consultancy was the first major research in regard to the maturing City of Melbourne apartment market.

- o professional judgment and our understanding of the changing demographic trends within the primary catchments for the Doncaster Hill precinct;
- Previous studies undertaken by the City of Manningham;
- Consumer research undertaken as part of this consultancy;
- Consumer research in regard to the profile of high-density residents in the City of South Sydney (Green Square).
- Following on from the afore-mentioned, a review of a number of capital city residential markets, which comprise medium and high-density development.

## 7.2 Purchaser Profile

### 7.2.1 Location / Catchment

#### a. Industry Professionals – Developers, Architects and Real Estate Agents

##### *Owner Occupiers and Investors:*

Consultation with local marketing agents indicate that the majority of apartment purchasers have originated from the immediate region - within 6 to 8 kilometres, with the balance from the surrounding outer municipalities such as Maroondah and Banyule.

Discussions with developers also indicate that the catchment for potential medium and high density apartment purchasers at Doncaster Hill will be largely the City of Manningham, and to a lesser extent the surrounding municipalities such as Whitehorse and Maroondah.<sup>11</sup>

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<sup>11</sup> The discussions tend to confirm previous research undertaken by MacroPlan Australia in contained in the

Purchasers are also likely to have a high degree of familiarity with the City of Manningham and importantly the amenity and services offered (and to be offered) at Doncaster Hill.

#### b. Case Study - Inner Melbourne Data

Research undertaken in regard to the previous location of inner city residents provides limited insight into the existing location of potential purchasers and residents at Doncaster Hill.<sup>12</sup> This is largely due to the maturity of the market and subsequent diversity of product being offered in the inner city market including:

- Waterfront;
- Parkland access;
- Centrality to facilities and services; and
- The high proportion of international students occupying dwellings in the area.<sup>13</sup>

Following on from the last dot point, when discounting the student component, the research collectively highlights ‘Suburbs of Melbourne’ rather than particular municipalities or suburbs where residents have relocated. Nevertheless, the research indicates that over 50% of non-student residents are from Melbourne suburbs (see over the page table).

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*‘Doncaster Hill Strategy – Demand and Supply Analysis’* undertaken in 2000.

<sup>12</sup> Property council data indicates around 10% of inner city residents are sourced from the City of Manningham. (Source: Property Council Seminar, February 2002).

<sup>13</sup> The City of Manningham offers no such institutions.

### Inner City Residents

#### - Previous Location

| Previous Location    | Total | Students | Non-Students |
|----------------------|-------|----------|--------------|
| Overseas             | 25%   | 40%      | 15%          |
| Interstate           | 8%    | 2%       | 11%          |
| Country Victoria     | 8%    | 6%       | 9%           |
| Always lived in Area | 13%   | 16%      | 11%          |
| Suburb of Melb.      | 47%   | 36%      | 53%          |

Anecdotal evidence does indicate that a moderate number of inner city residents have been sourced from the outer eastern municipalities, however the proportion is not considered to be more or less significant than other metropolitan Melbourne regions.

The establishment of critical mass and market acceptance at Doncaster Hill may stimulate latent demand and in turn draw former residents back to the municipality.

#### c. Conclusions

**Purchaser of apartments within the Doncaster Hill precinct will be predominately sourced from the City of Manningham and to a lesser extent surrounding municipalities. They will have a high degree of familiarity with the precinct and its overall amenity.**

## 7.2.2 Age Profile

### a. Industry Professionals – Developers, Architects and Real Estate Agents

#### *Owner-occupiers and Investors:*

Traditionally, unit purchasers within the City of Manningham and more specifically Doncaster have not been sourced from a range of age brackets (ie. first homebuyer, retirees, etc.). However, more recently the predominant age bracket of purchasers has been '40 - 50' (the emerging 'baby boomers' market). This is largely due to:

- Ageing population:
  - o 'baby boomers' downsizing existing dwellings and seeking accommodation with little or no maintenance,<sup>14</sup>
  - o as mentioned, the majority of buyers for apartments in Manningham are locals living within a 6 - 8 kilometre radius. The population within this catchment is ageing;
- Younger people, particularly first home are tending to be priced out of the new unit market in the City of Manningham.

It is important to note that 2 developers plan to construct residential towers with a large number of one bedroom apartments, with the expectation of capturing the 'first homebuyer

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<sup>14</sup> As mentioned in previous reports, the key driver of demand is changing demographic profile, in particular the growth in the '35 and over' age bracket. According to Department of Infrastructure forecasts, in the City of Manningham this age bracket will grow by around 8,606 people between 2001 and 2021. Notably, the '50 and over' age bracket will grow by around 8,200 over this period.

market (‘20 – 34’ years of age) – a market which has more recently tended to be ‘priced out of areas within the City of Manningham.

**b. Case Study - Inner Melbourne Data**

Research undertaken by the City of Melbourne indicates that a large number of residents are from the ‘20 – 34’ years of age bracket cohort (this is largely supported through discussions with industry professionals), accounting for around 60% of the total population, whilst the ‘50 plus’ age bracket accounted for around 8.5% of total residents. It is important to note that the survey is influenced by a large number of students related housing developments between 1995 and 2000.

**Inner City Residents**

**- Age Bracket**

| Age Bracket | Est. Share of Population |
|-------------|--------------------------|
| 0 – 14      | 4.4%                     |
| 15 – 19     | 9.8%                     |
| 20 – 24     | 28.8%                    |
| 25 – 29     | 17.1%                    |
| 30 – 34     | 11.5%                    |
| 35 – 39     | 6.8%                     |
| 40 - 44     | 4.8%                     |
| 45 – 49     | 3.9%                     |
| 50 – 54     | 4.5%                     |
| 55 – 59     | 3.1%                     |
| 60 +        | 5.3%                     |

It is considered that the age profile in inner Melbourne does not largely reflect Doncaster Hill precinct, given the high number in the ‘20 – 34’ year age bracket.

**c. Conclusions**

**Purchaser of apartments within the Doncaster Hill precinct would initially be sourced from the ‘baby boomer’ age bracket and to a lesser extent the ‘20 – 34’ age bracket (depending on the ‘price point’).**

**7.2.3 Household Type**

**a. Industry Professionals – Developers, Architects and Real Estate Agents**

*Owner Occupiers:*

Discussions with industry professional indicate that the majority of units purchased in the City of Manningham are by couples, with only a small number of singles entering the market. This tends to support discussions with active developers who considered the ‘baby boomer’ segment to be the target market for medium and high-density apartments in the Doncaster Hill precinct.

Notably, at present apartments ‘offered’ in the immediate area do not encompass shared recreational facilities. Such composition may entice younger purchasers. It has been observed that children are not prevalent in apartments in Doncaster.

**b. Case Study - Inner Melbourne Data**

Research undertaken in regard to household type is shown in the following table, highlighting that ‘single living alone’ is the most prevalent household type followed by ‘single living in a group household’ and ‘couple – no children’.

Notably, the household size is 2.21 person.

### Inner City Residents

#### - Household Type

|   | Owner | Renter |
|---|-------|--------|
| Single or couple with some or all children under 18 | 10%   | 4%     |
| Single of couple – all children left home           | 15%   | 1%     |
| Single or couple – children over 18 still at home   | 9%    | 3%     |
| Couple – no children                                | 20%   | 24%    |
| Single living alone                                 | 26%   | 22%    |
| Single living in a group or shared household        | 20%   | 46%    |

#### c. Conclusions

In terms of owner-occupiers, it is considered that the household type would predominantly be two person (ie. couples without children or first homebuyers).

#### 7.2.4 Occupation

##### a. Industry Professionals – Developers, Architects and Real Estate Agents

Historically, the majority of apartment purchasers are white-collar professionals or retiring professionals. Marketing agents agree that international students may purchase or rent apartments in this area, however this is currently a very small market segment in Manningham and unlikely to increase significantly due to the lack of tertiary institutions.

As the population within the City of Manningham and surrounding municipalities ages, it is expected that the number of retirees purchasing apartments may rise.<sup>15</sup>

#### b. Case Study - Inner Melbourne Data

The analysis indicates that the predominance of residents are upper white collar / professionals, accounting for 80% of all residents. Notably, the analysis shows a very small percentage of blue-collar workers.

### Inner City Residents

#### - Occupation

| Occupation         | Percentage of Total |
|--------------------|---------------------|
| Professional       | 33%                 |
| Upper white collar | 47%                 |
| Lower white collar | 15%                 |
| Upper blue collar  | 2%                  |
| Lower blue collar  | 1%                  |
| Other              | 2                   |

#### c. Conclusions

The occupation of purchasers at Doncaster Hill is most likely to be white-collar professionals. Tenants may be sourced from both white and blue-collar professionals.

#### 7.2.5 Investor / Owner Occupiers

##### a. Industry Professionals – Developers, architects and Real Estate Agents

Although there is some evidence of investors active in the area, industry professionals suggest that the majority of purchasers are owner-occupiers.<sup>16</sup>

Consultations indicated that young singles are entering the investment market in Manningham, purchasing properties 'off the plan' - before

<sup>15</sup> Notably, a number of retirees purchased units in 'The Crest' when released in 1999.

<sup>16</sup> Agents also revealed that purchasers were investigating apartments in the inner city region but considered that Manningham offered greater value for money.

selling them either prior or soon after settlement.

Discussions with developers in the City of Doncaster and surrounding municipalities indicate that the owner-occupier / investor mix is likely to be evenly distributed.

#### b. Case Study - Inner Melbourne Data

A summary of investors / owner-occupiers in inner Melbourne highlights a predominantly investor driven market, with over 60% of people either boarding or renting. This analysis tends to reflect more recent '*commercial in confidence*' discussions undertaken with a number of major inner city apartment developers.

##### i. Investors - Key Characteristics

Discussions recent undertaken with financial planners directly associated with apartment investor product indicated that follow profiles for investors:

- ❑ The desire to expand their asset portfolio;
- ❑ The ability to purchase a tangible asset;
- ❑ The perception that property always appreciates. (The 'perception' is enhanced, as the value cannot be assessed on a daily basis like other asset classes).
- ❑ Australian's have traditionally 'perceived' property as the preferred form of investment (given it's tangible nature);

Based on discussions with industry professionals and a review of recently released public and private sector data, the key characteristics of investors are highlighted as follows:

- ❑ Both single and double income households;
- ❑ Most likely from a white collar background with a high level of

disposable income or existing equity in their existing place of residence and seeking a tax efficient investment opportunity;

- ❑ Blue collar background who are associated to the property industry (ie. with a background in the building industry);
- ❑ Potential couples in their mid 30's considering other forms of funds for their retirement rather than superannuation;
- ❑ Many investors may consider the option of moving to their investment property in the immediate to short term. Hence, the 'investment' is of a short-term nature;
- ❑ Persons who may invest in other asset classes such as stocks and shares;
- ❑ A high percentage of professional and associated professional occupations;
- ❑ Overseas residents;
- ❑ Relatively well educated with tertiary qualifications.

#### c. Conclusions

**The Doncaster Hill precinct is likely to comprise a strong representation from the owner-occupier segment. However, this may change as market acceptance is generated and an increasing number of investors (and subsequently tenants) enter the market over time.**

## 7.3 Development Mix and Composition

### 7.3.1 Internal Apartment Areas

#### a. Industry Professionals – Developers, Architects and Real Estate Agents

Consultation indicates that internal apartments areas in the City of Manningham (albeit limited supply) are considered ‘large’ in comparison to those offered in the key precincts in the city.<sup>17</sup> Industry professionals state that the reason for this is that the majority of local purchasers are relocating from large residences.

Discussions with industry professionals who are current lodging applications or have development approval indicate that apartments are likely to be as follows:

- ❑ 1 bedroom – average of 65 sqm;
- ❑ 2 bedroom – average of 100 sqm.

As highlighted, this is considered to be generous in the light of recent apartments in inner Melbourne.

A schedule of apartment areas for ‘The Crest’, Williamsons Road, Doncaster (marketed in 1999) is contained in the appendices. The schedule confirms the large internal apartment areas for both 1 and 2 bedroom apartments.

#### b. Case Study - Inner Melbourne Data

A review of recent developments in inner Melbourne indicates that the internal apartments are significantly smaller than those proposed at Doncaster Hill. Areas are as follows:

- ❑ 1 bedroom: commencing from around 50 sqm. In general, apartments range from 50 – 60 sqm;
- ❑ 2 bedroom: commencing from around 75 sqm. In general, apartments range 75 to 100 sqm;
- ❑ 3 bedroom: commencing from around 100 sqm. In general, apartments range from 100 – 130 sqm.

Further analysis in regard to development activity at Melbourne Docklands indicates that:

- ❑ 1 Bedroom:
    - o Yarra’s Edge:
      - Tower 1: from 66 sqm
      - Tower 2: from 64 sqm
    - o New Quay:
      - The Arkley: from 51 sqm
      - The Palladio: from 51 sqm;
  - ❑ 2 bedroom apartments are primarily between 75 – 90 sqm (with the exception of Mirvac at Yarra’s Edge which tends to produce larger apartments).
- Two bedroom apartments at Yarra’s Edge are generally larger than the balance of the market, whilst NewQuay are as follows:
- o Arkley: from 75 sqm,
  - o The Palladio: from 77 sqm
  - o Boyd: from 80 sqm

<sup>17</sup> Notably, Mirvac tend to produce apartments of a comparable internal area.

### c. Conclusions

**Apartment areas in the precinct are likely to be larger than those in the inner Melbourne precinct with one bedroom apartments averaging 65 square metres and 2 bedrooms around 100 square metres.**

#### 7.3.2 Number of Bedrooms and Preference

##### a. Industry Professionals – Developers, Architects and Real Estate Agents

Industry professionals indicate that 2 and 3 bedroom apartments currently represent the majority of sales. However, several agents propose that 1-bedroom apartments may be received well in the market (as yet largely untested) as:

- ❑ An entry point to younger people wishing to buy in the area (with the assistance of the first home buyers grant);
- ❑ The number of investors increases.

Analysis in regard to ‘The Crest’, Williamsons Road the shows largely a mix of 1 and 2 bedroom apartments only.

Apartment towers at Doncaster Hill comprise a mix of 1, 2 and 3 bedroom apartments, with the notable aspect being the high number of 3 bedroom apartments.

##### b. Case Study - Inner Melbourne Data

The majority of apartment developments, which have recently been marketed in inner Melbourne comprise a mix of the following apartments:

- ❑ 1 bedroom;
- ❑ 1 *plus* study;
- ❑ 2 bedroom; and
- ❑ 3 bedroom.

Analysis indicates that traditionally the primary focus is on 1 and 2 bedroom apartments.

However, more recently 1 *plus* study and 2 *plus* study have emerged in a significant number of recently marketed apartment developments.

At Melbourne Docklands, Sant Elia (MAB Docklands) and Yarra’s Edge – Tower 4 (Mirvac) comprised a mix of 2, 3 and 4 bedroom apartments only (44 and 109 apartments respectively).<sup>18</sup>

### c. Conclusions

**Apartment towers are likely to comprise a typical mix of 1, 2 and 3 bedroom apartments (with a predominance of 2 and 3-bedroom apartments).**

#### 7.3.3 External Apartments Areas

##### a. Industry Professionals – Developers, Architects and Real Estate Agents

Industry professionals stated that balconies are essentials in the City of Manningham. It is considered that as Doncaster Hill is situated on one of the highest points in Melbourne, the views afforded are excellent (and in turn provide a point of difference). Notably, planning applications and approvals comprise apartments with balconies ranging between 15 and 50 sqm.

##### b. Case Study - Inner Melbourne Data

The majority of ‘new’ apartment developments, which have recently been marketed in inner Melbourne comprise balconies ranging between 5 and 10 sqm. Refurbished apartment developments often do not contain balconies.

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<sup>18</sup> MAB Dockland’s most recent tower (The Nolan) comprised a more traditional mix of 1, 2 and 3 bedroom apartments.

### c. Conclusions

Initially, Doncaster Hill will comprise balconies ranging between 15 sqm and 50 sqm. Apartment developments with limited views likely to be more in line with inner Melbourne ranging between 5 and 15 sqm.

#### 7.3.4 Carparking

##### a. Industry Professionals – Developers, Architects and Real Estate Agents

Historically apartments in Manningham have offered 1 carpark for 2-bedroom apartments and 2 carparks for 3-bedroom apartments. Some penthouse apartments offer 3 car parking spaces. It is considered that this allocation could continue given Doncaster Hills excellent access to the Eastern Freeway and strong reliance on vehicle as a mode of transport.<sup>19</sup>

##### b. Case Study - Inner Melbourne Data

Carparking allocations for recently released residential apartment developments are generally as follows:

- ❑ 1 and 2 bedroom apartment afforded one carpark (with the possibility of two for 2 bedroom apartment based on the price of the apartment);
- ❑ 3 bedroom apartments are allocated 2 carparks.

Notably, only Eureka Tower at Southbank offers all 1-bedroom apartments a carpark.

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<sup>19</sup> As mentioned, in the High Density Residents Survey (South Sydney Council), parking problems for residents and guests is the main issue residents are dissatisfied.

### c. Conclusions

Apartments are likely to comprise a minimum of 1 apartment with 2 and 3 bedroom apartments comprising 2 carparks each.

#### 7.3.5 Recreational and Communal Facilities

##### a. Industry Professionals – Developers, Architects and Real Estate Agents

The majority apartments in Manningham do not have shared recreational facilities such as a pool, gymnasium or bbq areas. Industry professionals indicate that this is attractive to ‘mature purchasers’ who tend not to utilise these facilities (in turn, wish to minimise body corporate fees).

Nevertheless, industry professionals believe that apartments with such facilities may attract younger residents stimulating latent demand as the market emerges.

##### b. Case Study - Inner Melbourne Data

A significant number of large-scale inner Melbourne residential developments offer communal and recreational facilities including pool, sauna and gymnasium for use by the residents. Some developments are offering a further ‘point of difference’ by providing more unique facilities including library and reading room or a theatre / cinema complex which can be hired by residents.<sup>20</sup>

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<sup>20</sup> As mentioned, in the High Density Residents Survey (South Sydney Council), of the shared facilities available to residents, only swimming pools, shops and gymnasiums are generally used. Use of gymnasiums appears to be a fleeting fancy with regular gym-users opting for a professional outlet after only a couple of months use of in-house facilities.

**c. Conclusions**

**Initially, Doncaster Hill will comprise towers with limited communal and recreational facilities. However, as the market ‘emerges’ and product diversification becomes a selling point, it is expected that several developments will include such facilities mentioned.**

## 8.0 CONSUMER RESEARCH - DONCASTER HILL RESIDENTS (SOVEREIGN POINT TOWERS)

### 8.1 Introduction

As part of the strategic planning work undertaken by MacroPlan Australia a number of telephone surveys were undertaken of residents and purchasers of apartments in Sovereign Point Towers, Doncaster. These surveys were carried out to identify the ‘owner-occupiers’ (residents) and investors’ profile of the current development and possible further development in the Doncaster Hill precinct.

A summary of the ‘owner-occupier’ and ‘investor’ survey results is located in the Appendices of the report.

### 8.2 Methodology

A telephone survey was undertaken of ‘owner-occupiers’ and investors who either reside, and / or own an apartment in the Sovereign Point Towers apartments. A database of 100 potential participants was generated with the assistance of the City of Manningham.

A telephone survey was considered to produce the best results in terms of community consultation and in terms of the confidentiality that allowed feedback from a statistically sound sample of the community (client base). The sample ensured that all segments were covered and the profiles of both residents and purchasers were identified.

More detail in regard to the survey methodology is located in the appendices of the report.

### 8.3 Key Findings

Several significant findings were revealed following the survey of ‘owner-occupiers’ and ‘investors’. The complete summary of findings from the surveys is located in the appendices of the report.

#### 8.3.1 ‘Owner-Occupier’ Survey Findings

The key findings from the ‘owner-occupier’ survey are as follows:

1. **Respondents have lived at their present address for:**
  - o **Less than one year** 55%,
  - o 1 – 2 year 16%,
  - o 2 –3 years 29%.
2. The main factors in choosing to live in Doncaster were: that **they have ‘lived in the area all my life’**, the ‘shopping facilities’ and ‘family reasons’.
3. A total of **97% of all respondents lived in a detached house before** moving to Sovereign and an apartment was the first housing preference for 90% of respondents.
4. The **main reasons chosen to purchase at Sovereign Point Towers include the ‘security’, ‘amenity of the area’, the ‘great apartment / liked the apartment’ and the ‘affordability’.**
5. The majority, 87% of respondents said that the **parking spaces in the apartment were adequate** for their needs.

6. Suggested improvements included the need to **improve visitor parking**, improving security, ‘to clean the foyer’ and to ‘finish them (apartments).
7. **Of the people that work, over 60% drive to work.**
8. **Percentage of respondents indicating the distance of work from their residence:**
- o **3 – 5 kms. 38%,**
  - o **6 – 10 kms. 13%,**
  - o **11 – 20 kms. 50%.**
9. The bulk of respondents, 81%, indicated that their household members **drive to recreational / social facilities.**
10. The majority (77%) of respondents indicated that they do most of their major **grocery shopping at the Westfield Shopping Centre.**
11. Most participants (52%) drive and **39% walk to their major grocery shopping centre.**
12. The percentage of respondents who stated that the following types of services and facilities as important or extremely important:
- o Community area 38%,
  - o swimming pool 20%,
  - o tennis courts 16%,
  - o business centre 13%,
  - o gymnasium 13%,
  - o **security 100%,**
  - o **balconies 97%,**
  - o **natural ventilation 97%,**
  - o luxury Furn. and Fit. 77%,
  - o study 64%,
  - o technology 49%,
  - o private garden 35%.
13. Of these services and facilities respondents indicated that the following were major purchasing factors in any future development:
- o security,
  - o room size,
  - o luxury fixtures and fittings,
  - o balconies,
  - o study,
  - o natural ventilation, and
  - o swimming pool.
14. Most people (94%) **do not intend to move** within the next five years
15. The majority, 87%, of respondents **were aged over 51 years.**
16. The structure of households **comprised of single person (55%),** couple (39%), and couples with children (6%). 87% of respondents own their apartment and 13% rent.
17. Respondents employment status included home duties (52%), **retired (23%)** and employed full time (16%).

### 8.3.2 Investor Survey Findings

The key findings from the **investor** survey are as follows:

1. The main factors in purchasing an apartment in Doncaster were; that they have ‘**shopping facilities**’, ‘liking the location’ and ‘family reasons’.

2. The main reasons chosen to purchase at Sovereign Point Towers include the ‘amenity of the area’ and ‘investment purposes’.
3. **Investor respondents resided in various suburbs including; Canterbury, Doncaster, Lower Templestowe, Bentleigh and Coburg.**
4. **Competition:** - alternative suburbs considered for investment included: Templestowe, West Melbourne, East Doncaster and South Yarra.
5. Respondents indicated that the apartment was their:
  - o **1<sup>st</sup> investment**                    **45%,**
  - o 2<sup>nd</sup> investment                    18%,
  - o 3<sup>rd</sup> investment                    18%,
  - o More than 3<sup>rd</sup> investment                    18%.
6. Most people surveyed, 73%, said that they **did not live in the apartment before** renting it out.
7. Interestingly, 45% of respondents stated that they **intended to live at Sovereign Towers.**
8. Notably, 64% of people **intended to make another investment** within the next 5 years.
9. Interestingly, 83% of respondents indicated that they **would re-invest in Doncaster** as it offered good value and was a good suburb.
10. The majority of respondents, 82%, were **aged between 36 – 50** years.

## 8.4 Comparison with Purchaser Profile

Comparisons between the consumer research and the and the previously detailed purchaser profile are highlighted as follows:

### 8.4.1 Location / Catchment

The results from the survey of ‘owner-occupiers’ at Sovereign Point Towers are generally consistent with MacroPlan Australia’s previous experience:

- ❑ The majority of ‘owner-occupiers’ lived in either Doncaster or Lower Templestowe prior to purchase;
- ❑ The main factors in choosing to live in Doncaster were: ‘lived in the area all my life’, ‘shopping facilities’ and ‘family reasons’.

The results from the survey of investors at Sovereign Point Towers confirm MacroPlan Australia’s assumptions:

### 8.4.2 Age Profile

Once again, the results from the survey of ‘owner-occupiers’ at Sovereign Point Towers are generally consistent with the consultant’s findings:

- ❑ 87% of respondents were aged over 51 years.
- ❑ The results from the survey of investors at Sovereign Point indicated that 82% of respondents were aged between 36 and 50 years.

### 8.4.3 Household Type

The results from the survey of ‘owner-occupiers’ at Sovereign Point Towers reveal:

- ❑ 55% of respondents lived alone in the apartment;
- ❑ 39% of households surveyed contained couples without children;
- ❑ 6% of households surveyed at Sovereign Towers comprised of couples with children residing in the apartment

The findings from the survey of investors at Sovereign Point Towers indicate:

- ❑ 55% of investors surveyed were couples with children;
- ❑ 36% of investors comprised of couples;
- ❑ 9% of investors surveyed at Sovereign Towers were singles.

The survey highlights a greater number of one person households than previously highlights through the purchaser profile analysis.

### 8.4.4 Occupation

The key results from the survey of ‘owner-occupiers’ at Sovereign Point Towers are as follows:

- ❑ 16% of respondents to the survey were currently employed full time;
- ❑ 23% of the ‘owner-occupiers’ were retired;
- ❑ 52% of the ‘owner-occupiers’ classified their employment as ‘home duties’;
- ❑ only 3% of respondents were currently students;
- ❑ Residents’ occupations included: managers, business owners, sales

representatives and personnel in the aviation industry;

- ❑ Of the respondents that work, over 60% drive to work;
- ❑ Around 40% of ‘owner-occupiers’ work within 3-5 kilometres of their apartment;
- ❑ Approximate income of the households interviewed revealed:
  - 32% of the total households earned less than \$50,000,
  - 35% of the total households earned between \$50,001 and \$100,000.

The results from the survey of investors at Sovereign Point Towers confirm MacroPlan Australia’s earlier research:

- ❑ Investors’ occupations included: managers, business owners, orthodontists and pilots;
- ❑ Approximate household incomes of the investors surveyed showed:
  - Only 9% of the total households earned less than \$50,000,
  - 36% of the total households earned between \$50,001 and \$100,000,
- ❑ 54% of the total households earned over \$150,000.

### 8.4.5 Investor / Owner Occupiers

The results from the survey of investors are consistent with MacroPlan Australia’s discussions with industry professionals:

- ❑ 82% of respondents indicated that an apartment was their first housing preference;

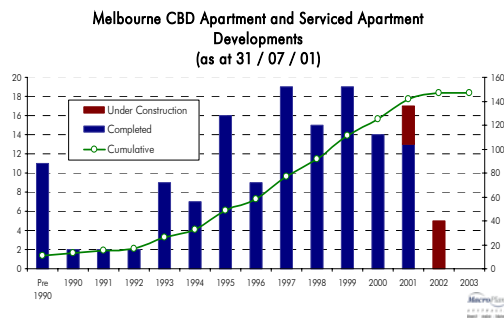
- ❑ Main reasons to purchase at Sovereign Point Towers were ‘amenity of area’ and investment purposes’.
- ❑ For the majority (55%) of investors this investment into Sovereign Point Towers was not their first investment;
- ❑ The bulk of respondents stated that they would invest in Doncaster again for reasons including; ‘good value’ and more choice of tenants’.

#### 8.4.6 Conclusions

**The results from the survey of ‘owner-occupiers’ and the survey of investors at Sovereign Point Towers are generally consistent with MacroPlan Australia’s previous experience and thus purchaser profile.**

# **APPENDIX 1 – SUPPLY - INNER CITY APARTMENT MARKET**

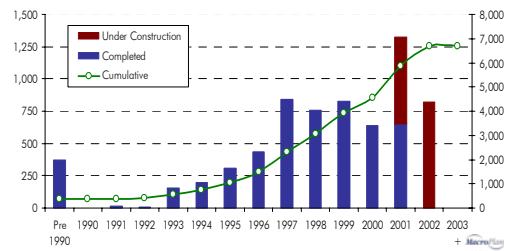
## A. City of Melbourne



The graph indicates as at July 31, 2001:

- ❑ A total of 138 residential apartment and serviced apartment developments had been completed (including 13 in 2001);
- ❑ A total of 9 residential apartment and serviced apartment developments were under construction (of which 4 are scheduled for completion in 2001 and 5 in 2002). Notably, the 5 apartments scheduled for completion in 2002 will be the lowest number since 1992;
- ❑ Residential apartment and serviced apartment developments peaked at 19 in 1997 and 1999;
- ❑ An average of 11 residential and apartment developments per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is 16.

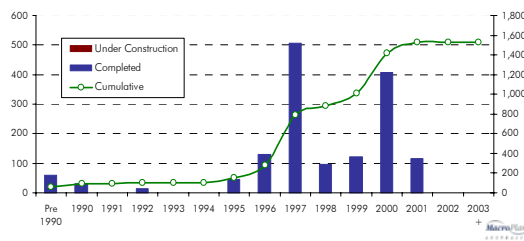
## Melbourne CBD Apartment Supply (as at 31 / 07 / 01)



The graph indicates as at July 31, 2001:

- ❑ Around 5,200 residential apartment had been completed (including 653 in 2000);
- ❑ A total of 1,492 residential apartment were under construction (of which 672 are scheduled for completion in 2001);
- ❑ Residential apartments peaked at 844 in 1997, however this will be surpassed in 2001 with over 1,300 apartments scheduled for completion;
- ❑ An average of 458 residential apartments constructed per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is around 980.

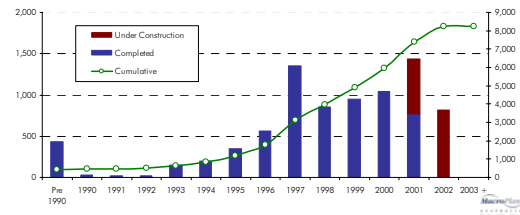
Melbourne CBD Serviced Apartment Supply  
(as at 31 / 07 / 01)



The graph indicates as at July 31, 2001:

- ❑ A total of 1,530 serviced apartments had been completed (including 115 in 2001);
- ❑ No serviced apartments were under construction;
- ❑ Serviced apartments peaked at 507;
- ❑ An average of 123 serviced apartments constructed per annum since 1990 (including 2001 scheduled for completion).

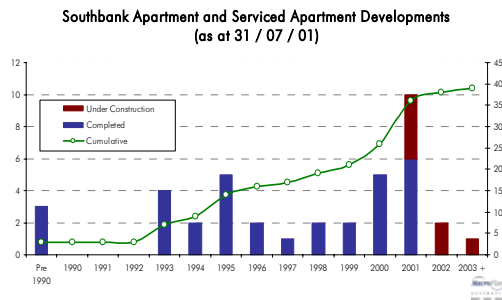
Melbourne CBD Apartment and Serviced Apartment Supply  
(as at 31 / 07 / 01)



The graph indicates as at July 31, 2001:

- ❑ Around 6,700 residential and serviced apartments had been completed (including 768 in 2001);
- ❑ A total of 1,492 residential and serviced apartments were under construction;
- ❑ Residential and serviced apartments peaked at 1,351 in 1997, however this will be surpassed in 2001 with over 1,440 residential and serviced apartments scheduled for completion. Notably the number of apartments scheduled for completion in 2002 will be the lowest number since 1998;
- ❑ An average of 581 residential and serviced apartments constructed per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is around 1,250.

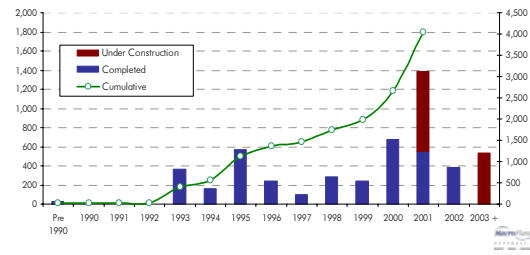
## B. Southbank



The graph indicates as at July 31, 2001:

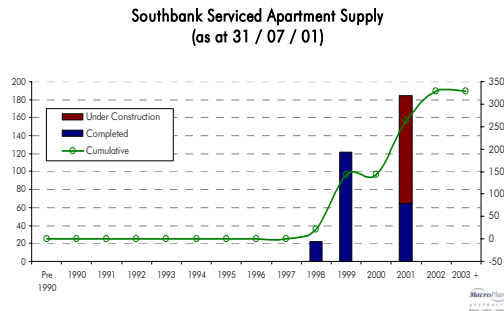
- ❑ A total of 32 residential and serviced apartment developments had been completed (including 6 in 2001);
- ❑ A total of 7 residential and serviced apartment developments were under construction (of which 4 are scheduled for completion in 2001);
- ❑ Residential and serviced will peak in 2001 with 10 developments scheduled for completion (6 of which are completed);
- ❑ An average of 3 residential and apartment developments per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is 7.5.

**Southbank Apartment Supply (as at 31 / 07 / 01)**



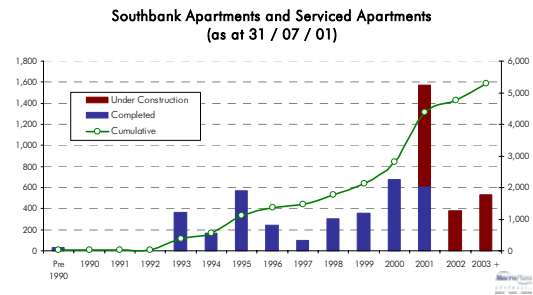
The graph indicates as at July 31, 2001:

- ❑ Almost 3,600 residential apartments had been completed (including 548 in 2001);
- ❑ A total of 1,369 residential apartments were under construction (of which 837 are scheduled for completion in 2001);
- ❑ Residential apartments peaked at 676 in 1997, however this will be surpassed in 2001 with over 1,380 apartments scheduled for completion;
- ❑ An average of 367 residential apartments constructed per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is around 1,031.



The graph indicates as at July 31, 2001:

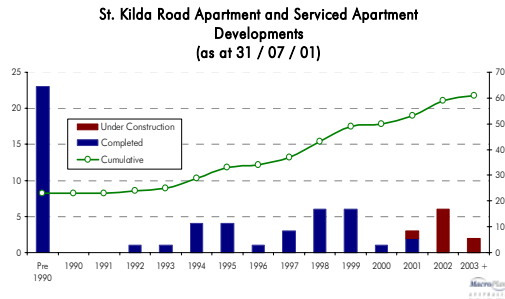
- ❑ A total of 209 serviced apartments had been completed (including 65 in 2001);
- ❑ A total of 120 serviced apartments were under construction (all scheduled for completion in 2001);
- ❑ Apartment and serviced apartments peaked at 122 in 1999, however this will be surpassed in 2001 with 185 apartments scheduled for completion;
- ❑ An average of 27 serviced apartments constructed per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is around 93.



The graph indicates as at July 31, 2001:

- ❑ Over 3,400 residential and serviced apartments had been completed (including 613 in 2001);
- ❑ A total of 1,872 residential and serviced apartments were under construction (of which 957 are scheduled for completion in 2001);
- ❑ Apartment and serviced apartments peaked at 676 in 2000, however this will be surpassed in 2001 with 1,570 scheduled for completion;
- ❑ An average of 362 residential and serviced apartments constructed per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is 1,123.

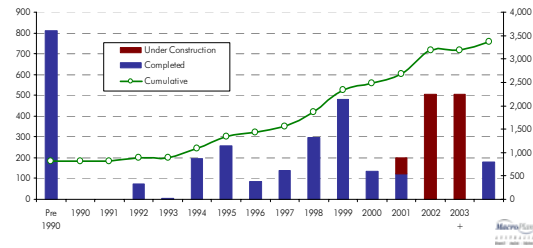
## C. St. Kilda Road and Queens Road



The graph indicates as at July 31, 2001:

- ❑ A total of 52 residential and serviced apartment developments had been completed (including 2 in 2001);
- ❑ A total of 9 residential and serviced apartment developments were under construction (of which 1 is scheduled for completion in 2001);
- ❑ Since 1990, apartment and serviced apartment developments peaked at 6 in 1998 and 1999;
- ❑ An average of 3 residential and apartment developments per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is 2.

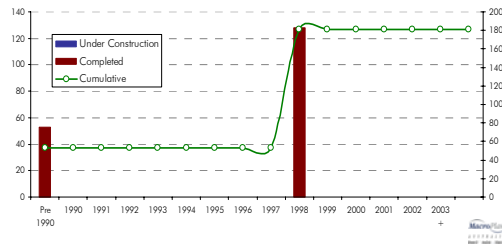
**St. Kilda Road and Queens Road Apartment Supply (as at 31 / 07 / 01)**



The graph indicates as at July 31, 2001:

- ❑ A total of 2,776 residential apartments had been completed (including 121 in 2001);
- ❑ A total of 585 residential apartments were under construction (of which 78 are scheduled for completion in 2001);
- ❑ Apartment and serviced apartments peaked at 480 in 1999, however this will be surpassed in 2002 with over 500 apartments scheduled for completion.
- ❑ An average of 155 residential apartments constructed per annum since 1990 (including 2001 scheduled for completion). The average per annum since 2000 is consistent with the 12-year average.

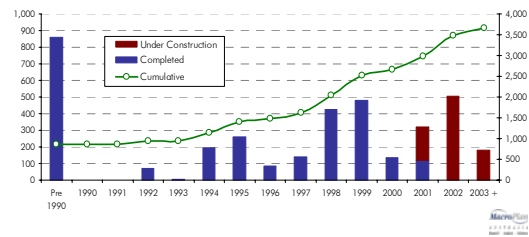
St. Kilda Road and Queens Road Serviced Apartment Supply  
(as at 31 / 07 / 01)



The graph indicates as at July 31, 2001:

- ❑ Only 181 serviced apartments had been completed;
- ❑ No serviced apartments were under construction;
- ❑ Serviced apartments peaked at 128 in 1998.
- ❑ An average of 11 serviced apartments constructed per annum since 1990 (including 2001 scheduled for completion).

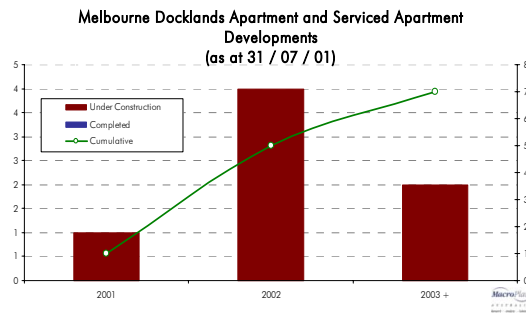
St. Kilda Road and Queens Road Apartment and Serviced  
Apartment Supply (as at 31 / 07 / 01)



The graph indicates as at July 31, 2001:

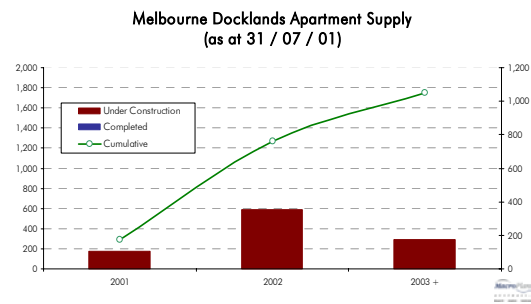
- ❑ A total of 2,777 residential and serviced apartments had been completed (including 121 in 2001);
- ❑ A total of 886 residential and serviced apartments were under construction (including 199 scheduled for completion in 2001);
- ❑ Apartment and serviced apartments peaked at 480 in 1999;
- ❑ An average of 176 residential and serviced apartments constructed per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is 228.

## D. Melbourne Docklands



The graph indicates as at July 31, 2001:

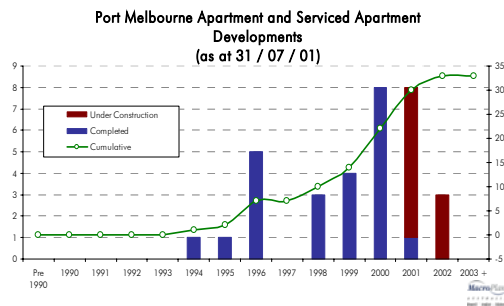
- ❑ No residential and serviced apartments developments had been completed, however 1 is scheduled for completion in 2001;
- ❑ Residential and serviced apartment developments will peak in 2002 with a total of 5 developments scheduled for completion.



The graph indicates as at July 31, 2001:

- ❑ No residential apartments had been completed, however 1 is scheduled for completion in 2001;
- ❑ A total of 1,051 residential apartments were under construction (including 176 scheduled for completion in 2001);
- ❑ There are no serviced apartments under construction at Melbourne Docklands.

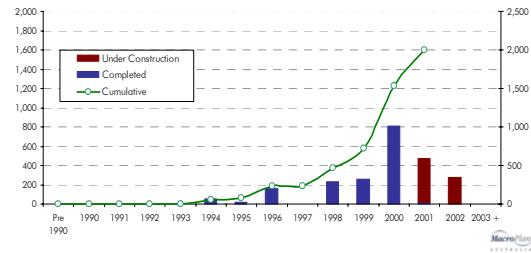
## E. Port Melbourne



The graph indicates as at July 31, 2001:

- ❑ A total of 23 apartment and serviced apartment developments had been completed (including 1 in 2001);
- ❑ A total of 10 apartment and serviced apartment developments were under construction (of which 7 are scheduled for completion in 2001);
- ❑ Since 1990, apartment and serviced apartment developments peaked at 6 in 1999 (which will be equalled in 2000).
- ❑ An average of 3 residential and apartment developments per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is 8.

**Port Melbourne Apartment Supply (as at 31 / 07 / 01)**



The graph indicates as at July 31, 2001:

- ❑ Around 1,550 residential apartments had been completed;
- ❑ A total of 725 residential apartments were under construction (of which 451 are scheduled for completion in 2001);
- ❑ Residential apartments peaked at 805 in 2000;
- ❑ An average of 167 residential apartments constructed per annum since 1990 (including 2001 scheduled for completion). However, since 2000 the per annum average is around 637;
- ❑ There are no completed or under construction serviced apartments at Port Melbourne.

## F. Summary

A total of 245 residential and serviced apartments have been completed in the five key precincts, with the majority of developments located in the Melbourne Central Business District (over 56% or 138 developments), followed by Southbank comprising 32 developments or around 13% of the total number of developments.

In regard to residential and serviced apartment developments under construction, 25% are located in Port Melbourne, compared to 22.5% of developments located in the Melbourne Central Business District. The Melbourne Docklands comprises only 12.5% of developments under construction.

Around 14,500 residential and serviced apartments are currently located within the five key precincts. The Melbourne Central Business District in terms of residential and serviced apartments developments with over 46% of all apartments developed in this precinct since 1990. Southbank and St. Kilda and Queens Road recorded 3,400 and 2,780 residential and serviced apartments developments respectively.

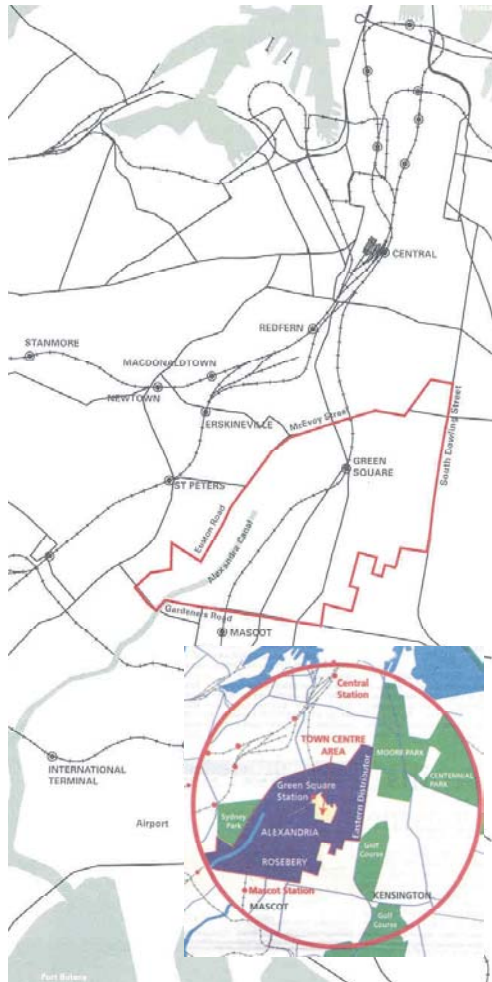
The average per annum absorption is approaching 1,300 residential and serviced apartments, with the Melbourne Central Business District (581 or 45% of the annual supply) the greatest contributor followed by Southbank (around 360 or 28%). However, over the last 2 years, market absorption has increased significantly from around 1,300 (12 year average) to over 3,300. All precincts experienced significant increase with:

- ❑ The Melbourne Central Business District's per annum absorption increasing from 518 to around 1,250;
- ❑ Southbank's per annum absorption increasing from 362 to around 1,123;
- ❑ Port Melbourne's market absorption over the last 2 years equating to around 20% of the total annual supply.

## **APPENDIX 2 – GREEN SQUARE TOWN CENTRE REDEVELOPMENT**

## Background

In 1996 the New South Wales Government embarked on the largest urban renewal project in the Southern Hemisphere. The 487-hectare site titled the 'South Sydney Growth Centre' around Green Square will incorporate when complete 6,500 new residences and 480,000 sqm of commercial, retail and office space.



The site encompassing parts of Alexandria, Beaconsfield, Zetland and Rosebery, is located between Sydney Central Business District and Sydney Airport (around 10 minutes estimated travel to both), and will be supported by infrastructure with train, bus and car links to both the Sydney Central Business District and the airport. It has been forecast that the

residential and working population will increase by 40,000.

A corporation to ensure that the development optimises the opportunities of the strategic location was created by the Governor of New South Wales also in 1996. The role of the 'South Sydney Development Corporation' works closely with *South Sydney City Council*, the community and developers to guide the regeneration.

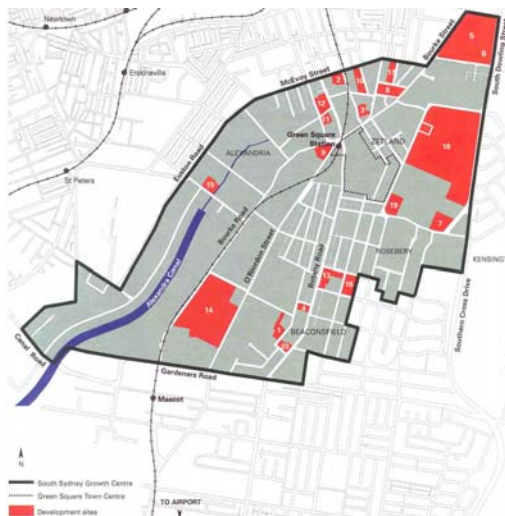
The Corporation is charged with the responsibility of promoting, coordinating, managing and securing the orderly and economic development of the South Sydney Growth Centre. The objectives of the Corporation according to *the South Sydney Development Corporation Annual Report 2000 / 01* are to:

- ❑ Produce and promote a vision for the regeneration of the South Sydney Growth Centre which is in keeping with the Corporation's Mission;
- ❑ Optimise the competitive advantages of the area, including its strategic metropolitan location, accessibility and inner-city character;
- ❑ Achieve the support of community organisations and ensure that the cultural, social and recreational needs of the community are identified and met;
- ❑ Develop, publish and promote guidelines that encourage good quality urban design outcomes;
- ❑ Promote a range of employment opportunities for the local and wider communities;

- ❑ Encourage the supply of affordable housing for those on low or modest incomes;
- ❑ Identify and advise government of ways of managing existing or surplus infrastructure that can contribute to the vision for the South Sydney Growth Centre;
- ❑ Advise government of the capital requirements for the provision of infrastructure such as transport infrastructure, necessary to meet the developing needs of the area, including the economic, social, employment and recreational aspects;
- ❑ Achieve the support of the Commonwealth, State and Local Government Departments and agencies for the regeneration of the South Sydney Growth Centre.

## Current Development Activity

The following map highlights the developments to be undertaken in the South Sydney Growth Centre. Preceding the map, each development site is summarised.



1. 32 - 40 Ralph Street:  
Ocilla Investments Pty. Ltd. - 19 Industrial Units - DA approved.
2. 52 - 54 McEvoy Street:  
Phoenix Developments Pty. Ltd. - 82 residential apartments - DA approved.
3. 370 - 376 George Street:  
APS Pty Ltd - 50 residential apartments, and 1,355 sqm commercial - DA approved.
4. 580 Botany Road:  
83 residential apartments and 663 sqm commercial - DA approved.
5. 'ACI Site', 762-822 Bourke Street:  
Meriton Apartments – 2,328 apartments, Residential, Commercial and Retail;  
- Masterplan approved - Stage 1 and Stage 2 residential under construction.
6. 'AGM Building', Cnr South Dowling and Lachlan Streets:  
HML Developments Pty. Ltd. - Commercial – Completed.
7. 'Audi Showroom', Cnr Link and Epsom Roads:  
Suttons Motor Group - Commercial – Completed.
8. 'Chubb Site', 2 - 4 Powell Street:  
St Hillier's – 14,500 sqm Commercial - 141 Apartments, Cafe, Commercial, Retail and Residential;  
3 Stages: St Hillier's Head Office and Taylors College (completed), Mondriane (141 Residential Apartments under construction);

9. 'CRP', Cnr O'Riordan Street and Bourke Street:  
48,000 sqm Commercial and Retail - Masterplan approved - DA submitted.
10. 'Green Square Oasis', Cnr Pitt And Allen Streets:  
Castlegreen Property Pty. Ltd. - 140 Apartments - Residential - Masterplan approved.
11. 'Harris Coffee', 2 - 6 Mandible Street:  
Australand - 179 Apartments, Residential / Commercial - DA submitted.
12. 'Hudsons', 252 Botany Road:  
Pongrass Developments – 11,338 sqm- 272 apartments, Residential, Commercial and Retail - Final stage near completion.
13. 'Metro', 741 Botany Road  
277 residential apartments - Masterplan approved.
14. 'South Sydney Corporate Park', 160 - 184 Bourke Road:  
121,000 sqm Industrial, Commercial, Office - Stages 1, 2 and 3 completed.
15. 'South Sydney Technology Park', 45 - 51 Huntley Street:  
Kanlin Corporation Pty. Ltd. - 74 Industrial Units - Construction underway.
16. 'Tech Pacific', 61 - 71 Dunning Street:  
12,000 sqm - Commercial - Completed
17. 'The Sonoma', 22 - 26 McEvoy Street and 7 Powell Street:  
IPM - 171 apartments, Cafe - Construction commenced.
18. 'Victoria Park', 51 - 112 Joynton Avenue:  
Landcom – 1,700 Apartments, 150,000 sqm Commercial -Residential, Commercial and Retail - Masterplan approved - Public domain and infrastructure works under construction, Residential Stage I and 2 DAs approved.
19. 'Volvo Showroom', Cnr Joynton Avenue And Epsom Roadlarke Hoskins:  
- Commercial – Completed.
20. 'Whitehaus', 644 - 646 Botany Road:  
Lateral Developments - 104 apartments - Residential - Under construction.

### South Sydney Residents Survey

South Sydney City Council recently commissioned *ACA Research Pty. Ltd.* to conduct a survey of residents in high-density developments. The developments, in suburbs surrounding Green Square, were generally of the type anticipated in the new suburb. **The aim of the research was to gain an increased understanding of residents' experience of services, facilities and open space in their immediate area.**

Survey findings include:

- ❑ **Convenient geographic location** (close to work, education, friends and preferred social activities) was the main motivator for choosing to live in the development;
- ❑ Almost half the residents chose these developments because they were **close to work and lifestyle activities** (47%) and provided value for money (42%);

- ❑ Residents are generally happy in their homes, with over half of the respondents (51%) reporting that the experience of living in the development has exceeded their expectations. Given the current broader focus on design issues, it is worth noting that **residents generally appreciate good design features and readily identify poor design issues;**
  - ❑ **Of the shared facilities available to residents, only swimming pools, shops and gymnasiums are generally used.** Use of gymnasiums appears to be a fleeting fancy with regular gym-users opting for a professional outlet after only a couple of months use of in-house facilities;
  - ❑ **High-density development dwellers were relatively young** – 69% fell into the '20 – 39' year age group; were primarily in full-time employment (80%); and many earned more than \$60,000 annually (57%);
  - ❑ **Parking problems for residents and guests is the main issue residents are dissatisfied** (in at least one development, extra residents' cars displaced visitor parking which was provided on-site, meaning that visitors were reluctant to visit if forced to park in side streets);
  - ❑ **Residents within developments were highly mobile,** with a quarter of the sample population having moved in the previous six months, and a quarter of those surveyed proposing to move in the next twelve months;
  - ❑ Two thirds of survey respondents had **moved to their present dwelling from within a ten kilometre radius** and, of these, 14% had moved from the immediate area and 21% had moved from an area adjacent to the South Sydney Local Government Area;
  - ❑ Of facilities and open space away from the development itself, residents tended to use major parks – Centennial Park being the most used. Local public open space is not widely used by residents, Primary activities undertaken centre around physical exercise - walking, jogging, bike riding or roller-blading;
  - ❑ Residents generally feel safe and secure in the suburb where they live.
- The **profile of residents living in recently built-up density developments in South Sydney varies considerable from that of residents in the South Sydney Statistical Division, as documented in the 1996 census.**
- For example, they:
- ❑ are **more likely to have higher education qualifications** (60% have a degree or higher education qualification, against 22% in the census);
  - ❑ are **less likely to live alone** (20% versus 46% in the census);
  - ❑ Are **less likely to have dependent children** (16% versus 32% in the census), and are more likely to be an owner-occupier (60% versus 35% in the census).

## APPENDIX 3 – CONSUMER RESEARCH (METHODOLOGY)

The methodology comprised:

1. A telephone survey was undertaken of ‘owner-occupiers’ and investors who either reside, and/or own an apartment in the Sovereign Point Towers apartments. A database of 100 potential participants was generated with the assistance of the City of Manningham.
2. A telephone survey was considered to produce the best results in terms of community consultation and in terms of the confidentiality that allowed feedback from a statistically sound sample of the community (client base). The sample ensured that all segments were covered and the profiles of both residents and purchasers were identified.
3. A letter was sent to all those on the database to inform them of the intent of the survey and to encourage them to provide feedback to the City of Manningham concerning the current development of Doncaster Hill.
4. A follow-up letter was sent to some residents when telephone information was not available. Multiple telephone calls were made to maximise survey participation.
5. The telephone survey provided both quantitative and qualitative data on the purchaser profile of Doncaster Hill apartments.
6. Overall, the respondents, both ‘owner-occupiers’ and ‘investors’ were very happy to participate in the survey.
7. The surveys took place over a two week period during both the weekend and week and at various times during the day.

**APPENDIX 4 – CONSUMER  
RESEARCH (‘OWNER-  
OCCUPIERS’ AT  
SOVEREIGN POINT  
TOWERS)**

**APPENDIX 5 – CONSUMER  
RESEARCH (‘INVESTORS’  
AT SOVEREIGN POINT  
TOWERS)**

**APPENDIX 6 – APARTMENT  
MIX – (‘THE CREST’,  
DONCASTER)**