



OUTLOOK CARNEGIE

A CONTEXT ON BUSINESS, CULTURE, LIFESTYLE AND RESIDENTIAL

Carnegie's apartment market comfortably outperformed the average for Greater Melbourne over the past decade, with strong growth in median apartment prices.

AUGUST 2015

- ▶ **WHY MELBOURNE?**
 Australia's most liveable city, Melbourne's population is growing at a faster rate than any other Australian city.
- ▶ **MELBOURNE: Apartment Market & Economic Growth**
 Compared to Brisbane and Sydney, apartment Prices across Greater Melbourne saw the strongest annual growth in the 10 years to April.
- ▶ **ACCESSIBILITY & AMENITY**
 Carnegie is well connected to transport, with direct access to road, rail and tram infrastructure.
- ▶ **INFRASTRUCTURE & INVESTMENT**
 The Cranbourne- Pakenham Railway corridor is being upgraded at a cost of \$2.5 billion.
- ▶ **EMPLOYMENT & EDUCATION**
 The Monash Employment Cluster is 8km from Carnegie and employs 58,500 people. Access to the CBD is 18 minutes via train.
- ▶ **DEMOGRAPHICS**
 A high proportion of tertiary students and people aged 20 to 39, as well as above average per capita incomes.
- ▶ **RESIDENTIAL MARKET**
 Median apartment prices in Carnegie increased by 17% in the past three years, compared to Greater Melbourne which has seen 4.5% growth.
- ▶ **RENTAL MARKET**
 Carnegie contains a high proportion of renters, which comprise 42% of residents.

RESIDENTS OF CARNEGIE HAVE DIRECT ACCESS TO MONASH UNIVERSITY'S CAULFIELD AND CLAYTON CAMPUSES



CARNEGIE'S RESIDENTS HAVE ACCESS TO MAJOR ARTERIAL ROADS, ALONG WITH DIRECT PUBLIC TRANSPORT LINKS TO THE MELBOURNE CBD



CHADSTONE SHOPPING CENTRE IS 3KM FROM CARNEGIE AND IS CURRENTLY BEING REDEVELOPED



1 POP 2 INF 3 EMP

Carnegie accommodates all three of the Urbis fundamentals that make a sustainable suburb - Population, Infrastructure and Employment.

MELBOURNE

WORLD'S MOST LIVEABLE CITY

In 2015 Melbourne was voted the world's most liveable city by the Economist Intelligence Unit, marking the fifth consecutive year Melbourne has been awarded the title. The ranking recognises Melbourne's health, education and infrastructure, along with the city's strong culture and environment, and political stability.

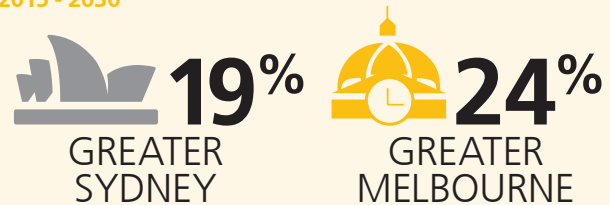


Source: Economics Intelligence Unit 2015

POPULATION GROWTH

Melbourne is Australia's fastest growing city, adding more residents each year than any other capital city. Melbourne is home to numerous global sporting and entertainment events including the Melbourne Cup, the Australian Open Tennis Grand Slam and Melbourne Fashion Week. Combined with the city's liveability these events help the city draw new residents and visitors. In the year to September 2014, Victoria attracted 2.1 million international visitors with a total tourism spend of \$4.9 billion. As population and tourism grow, Melbourne's position as a cultural hub of the Asia Pacific is consolidating.

FORECAST POPULATION GROWTH 2015 - 2030



Source: forecast.id, Urbis

MELBOURNE'S EVENTS



THE MELBOURNE CUP



MELBOURNE SPRING FASHION WEEK



MELBOURNE INTERNATIONAL COMEDY FESTIVAL



AUSTRALIAN OPEN TENNIS GRAND SLAM



MELBOURNE FORMULA ONE GRAND PRIX



MELBOURNE FOOD AND WINE FESTIVAL



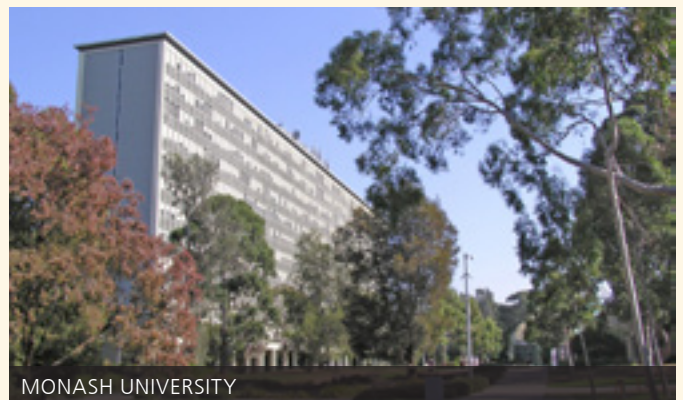
AFL GRAND FINAL



WHITE NIGHT MELBOURNE

EDUCATION

Monash University has campuses in both Caulfield and Clayton. Monash has the most enrolled students of any Victorian university with over 65,000 students in 2014. The University of Melbourne had 45,000 students enrolled over this period. Monash University's Caulfield campus is located adjacent to Caulfield Station, a three minute train journey from Carnegie Station. An inter-campus shuttle bus operates between campuses, providing Carnegie's residents access to all of Monash University's campuses.



MONASH UNIVERSITY

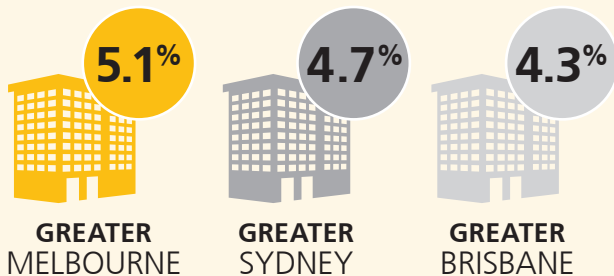
Melbourne's economy and residential market have outperformed Sydney and Brisbane in several key areas.

MELBOURNE MARKET DRIVERS

APARTMENT PRICE GROWTH

While Sydney's residential market has recently boomed, Melbourne has achieved the strongest annual growth in median apartment prices over the long term, outperforming both Sydney and Brisbane in the past decade. This indicates strong long term fundamentals in the Melbourne apartment market.

ANNUAL 10 YEAR CHANGE IN MEDIAN APARTMENT PRICE



Source: Core Logic April 2015

APARTMENT AFFORDABILITY

MEDIAN APARTMENT PRICE GROWTH 12 MONTHS TO APRIL 2015

GREATER MELBOURNE

\$460,000

2.2%

GREATER SYDNEY

30% MORE EXPENSIVE

9.1%

GREATER BRISBANE

14% CHEAPER

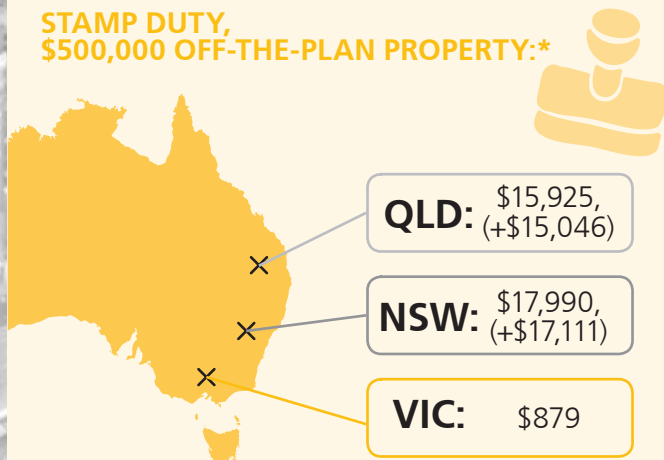
-0.3%

Source: CoreLogic April 2015

STAMP DUTY

There are significant stamp duty savings in Victoria when a property is purchased off-the-plan. Such concessions are not offered in New South Wales or Queensland, making costs associated with purchasing property considerably cheaper in Victoria.

STAMP DUTY, \$500,000 OFF-THE-PLAN PROPERTY:*

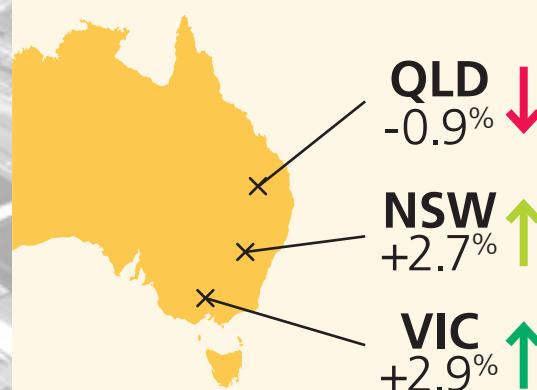


*Calculation is based on an apartment yet to commence construction that is purchased as an investment property.
Source: State Revenue Office Victoria, Office of State Revenue NSW, Office of State Revenue Qld, Urbis

ECONOMIC GROWTH

The recently released State of the States report, published by CommSec, showed that Victoria had the fastest annual economic growth in the year ending May 2015, up 2.9% on the previous year.

ECONOMIC GROWTH, YEAR ENDING MAY 2015



Source: CommSec 2015

ACCESSIBILITY & AMENITY

Carnegie



CONNECTIVITY

Carnegie is 12km south-east of the Melbourne CBD and is well serviced by road, rail and tram infrastructure. Residents have access to Carnegie station which lies on the Pakenham train line. Glen Huntly station, on the Frankston line, is also easily accessible being just north of Carnegie.

The route 67 tram terminates in Carnegie and provides a direct route to Melbourne University. The tram runs through the CBD passing the Royal Botanic Gardens, Melbourne's Art Precinct, Bourke Street Mall, Melbourne Central and Emporium Melbourne.

Carnegie is conveniently positioned near two of Melbourne's major arterials. The Princes Highway passes along Carnegie's northern border and provides access to the city via St Kilda Road. The road continues south-east through Gippsland and along the eastern seaboard of Australia. The Monash Freeway lies just north of Carnegie. The road connects residents to Melbourne CBD and south to the Mornington Peninsula via the Eastlink and Peninsula Link Freeways.



MELBOURNE CBD



MONASH UNIVERSITY CAULFIELD

PRINCES HIGHWAY



CARNEGIE RAILWAY STATION

PAKENHAM RAILWAY LINE



CHADSTONE SHOPPING CENTRE

TIME BY TRAIN

CARNEGIE STATION TO PARLIAMENT STATION



Source: PTV 2015

HEALTH & MEDICAL

Carnegie is close to a number of major hospitals including Moorabbin Hospital and Monash Medical Centre. Construction of the new, \$250 million Monash Children's hospital is underway and due for completion in early 2017.

Australia's first dedicated heart hospital is set to be located at Monash University in nearby Clayton. The hospital received \$15 million of funding in May with construction anticipated to commence in January 2018. A further \$150 million has been pledged by the Victorian State Government over the coming three years.

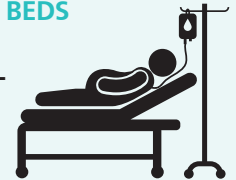
In addition to the public hospitals, there are seven private hospitals in surrounding suburbs, along with numerous medical and dental clinics. The private hospitals in Mulgrave and Mount Waverly are being refurbished and expanded at a cost of \$25 million.

PUBLIC HOSPITAL BEDS

MOORABBIN HOSPITAL 147 BEDS

MONASH MEDICAL CENTRE 640 BEDS

MONASH CHILDREN'S HOSPITAL 230 BEDS including
10 PAEDIATRIC intensive care units
3 PAEDIATRIC operating theatres



Source: Monash Health 2015

PARKS & LEISURE

Residents of Carnegie have access to a variety of leisure activities and amenity. Packer Park located on Leila Road features an adventure playground, velodrome, wetlands and walking tracks throughout. Lord Park, also in Carnegie, provides barbeques; a sports ground; and an off-leash area for dogs.

There are a number of shopping centres close to Carnegie. Chadstone Shopping Centre, Australia's largest, is located in the neighbouring suburb whilst Westfield Southland is 8km to the south. Southland features a cinema and entertainment precinct, as will Chadstone upon reopening following redevelopment. In addition a large factory outlet centre is located alongside Moorabbin Airport, 20 minutes from Carnegie.



10 GOLF COURSES WITHIN 10KM OF CARNEGIE



CHADSTONE SHOPPING CENTRE



510 SHOPS AT CHADSTONE

Source: Chadstone Shopping Centre

INFRASTRUCTURE & INVESTMENT

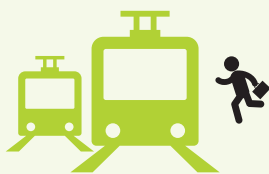
Carnegie

There is substantial investment in infrastructure projects underway in Melbourne's South East, with several large-scale projects planned.

RAIL

Carnegie is serviced by the Cranbourne-Pakenham railway line. The line is currently being upgraded at a cost of \$2.5 billion, with Carnegie railway station to be rebuilt. The project includes the removal of nine level crossings along the corridor. The upgrade will allow additional services, boosting daily capacity by 42% once complete in 2019. The project will also reduce congestion on surrounding roads.

CRANBOURNE-PAKENHAM RAIL LINE UPGRADE



INCREASE TO MORNING PEAK CAPACITY:

11,000 PASSENGERS

Source: Department of Economic Development, Jobs, Transport and Resources, State Government of Victoria

RETAIL

Chadstone Shopping Centre is 3km from Carnegie and is easily accessible to residents. The centre is currently being redeveloped with an additional 34,000 sq.m of floor space to be added to what is already Australia's largest shopping centre. The redevelopment includes a new digital cinema complex and entertainment precinct, additional luxury retailers, plus more car parking.

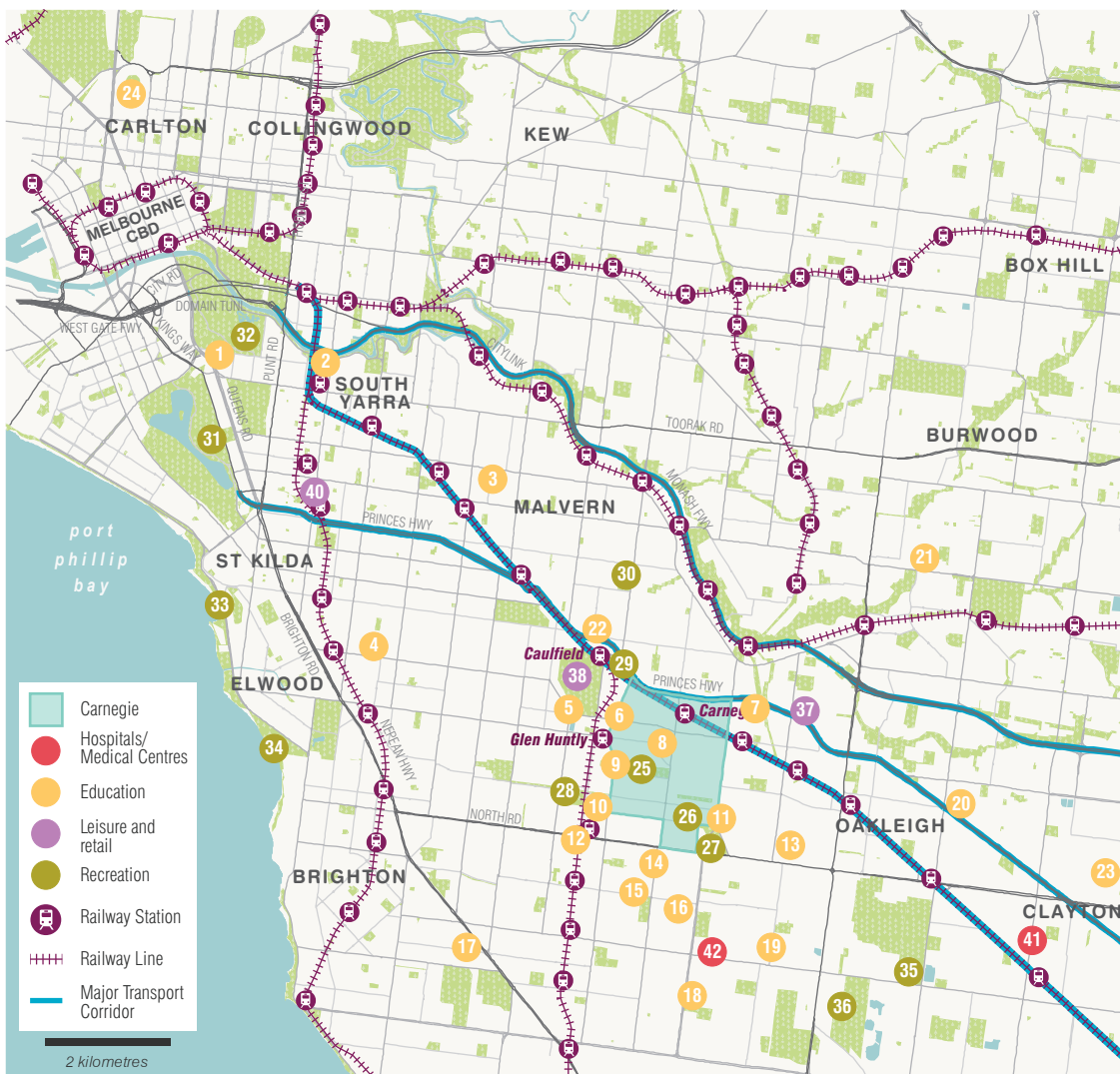
CHADSTONE SHOPPING CENTRE REDEVELOPMENT



TOTAL COST

\$580 MILLION

Source: Chadstone Shopping Centre



Education

- 1 Melbourne Grammar School
- 2 Melbourne High School
- 3 Lauristan Girl's School
- 4 Caulfield Grammar School
- 5 Glen Eira College
- 6 St Anthony's School
- 7 Murrumbeena Primary School
- 8 Carnegie Primary School
- 9 Glen Huntly Primary School
- 10 Kilvington Grammar School
- 11 St Patrick's School
- 12 St Kevin's School
- 13 Hughesdale Primary School
- 14 Mckinnon Primary School
- 15 Mckinnon Secondary College
- 16 Valkstone Primary School
- 17 Brighton Secondary College
- 18 Bentleigh Secondary College
- 19 Coatesville Primary School
- 20 Amsleigh Park Primary School
- 21 Ashwood Secondary College
- 22 Monash University Caulfield
- 23 Monash University Clayton
- 24 University of Melbourne

Recreation

- 25 RM Lord Park
- 26 JT Packer Park
- 27 Duncan Mackinnon Reserve
- 28 EE Gunn Reserve
- 29 E Caulfield Recreation Reserve
- 30 Central Park
- 31 Albert Park
- 32 Royal Botanic Gardens
- 33 St Kilda Beach
- 34 Elwood Beach
- 35 Huntingdale Golf Club
- 36 Commonwealth Golf Club

Leisure and Retail

- 37 Chadstone Shopping Centre
- 38 Caulfield Racecourse
- 40 Chapel Street Activity Centre

Medical

- 41 Monash Medical Centre
- 42 Moorabbin Hospital

Carnegie's residents have convenient access to three of Victoria's largest employment hubs.

EMPLOYMENT & EDUCATION

Carnegie

EDUCATION

Proximity to primary, secondary and tertiary education is an attractive feature of Carnegie. Within the area are many established private schools including Caulfield Grammar, Korowa Anglican Girls' School, Sacre Couer, De La Salle, Shelford Girls' Grammar, Kilvington Grammar School and Brighton Grammar School.

The suburb also supports a large tertiary student community and is conveniently located near Monash University's Caulfield campus. The university's Caulfield campus is adjacent to Caulfield Station, which is a three minute trip from Carnegie Station. Monash University runs a complimentary Inter-Campus shuttle bus allowing students to easily transit between campuses. Monash University's Clayton campus is 8km south east, while the University of Melbourne and RMIT University are also accessible via tram or train. The suburb's proximity to tertiary institutions supports the high number of tertiary students in Carnegie.

In May 2015 the Victorian State Government allocated over \$49 million of funding to redevelop and refurbish existing public schools in the area. These redevelopments include additional buildings to ensure the schools can accommodate future population growth in Melbourne's south east. In addition, early planning is underway for a new secondary school in Beaumaris, with \$6.5 million in funding allocated.

SCHOOL UPGRADES

7 SCHOOLS WITHIN 15 MINUTES OF CARNEGIE WITH FUNDING ALLOCATED

- 1 -McKinnon Secondary College
- 2 -Valkstone Primary School
- 3 -Ashwood Secondary College
- 4 -Amsleigh Park Primary School
- 5 -Bentleigh Secondary College
- 6 -Coatesville Primary School
- 7 -Brighton Secondary College



1 NEW SECONDARY SCHOOL PLANNED

Source: Cordell, State Government of Victoria

MONASH UNIVERSITY STUDENT NUMBERS



INTERNATIONAL STUDENTS
37%



2014 - FULL YEAR ATTENDANCE
CAULFIELD 16,000
CLAYTON 31,500

Source: Monash University 2015

EMPLOYMENT

Carnegie hosts a large workforce, with 8,500 workers in the suburb as at 2011. In addition, there are numerous employment opportunities in surrounding suburbs. The Monash Employment Cluster is the largest concentration of employment beyond the Melbourne CBD. The cluster centres on Monash University and the Monash Medical Centre and lies 10km south-east of Carnegie. The primary industries active in the cluster are education, research, health and commercialised science.

Access to the Melbourne CBD and Parkville Employment Cluster additionally attracts professionals to the area. The 67 route tram, which terminates in Carnegie, runs direct to the University of Melbourne. The university is located in the Parkville Employment Cluster alongside the Royal Melbourne Hospital and other organisations. Residents can catch this tram to the CBD or alternatively use the rail and road network.



MONASH EMPLOYMENT CLUSTER

58,500 JOBS SUPPORTED



MELBOURNE CBD

220,000 JOBS SUPPORTED



PARKVILLE EMPLOYMENT CLUSTER

32,700 JOBS SUPPORTED

Source: Metropolitan Planning Authority, City of Melbourne

DEMOGRAPHICS

Carnegie

Carnegie is a multicultural suburb with a high proportion of students.

POPULATION

Carnegie is an established suburb with 18,400 residents. The population has grown steadily over the past 15 years, increasing 23%. A similar growth trajectory is expected through to 2031, with a population increase of 19% projected. As an established suburb population growth will further support the residential market.

FORECAST POPULATION GROWTH - 2016 - 2031



CARNEGIE:
19%



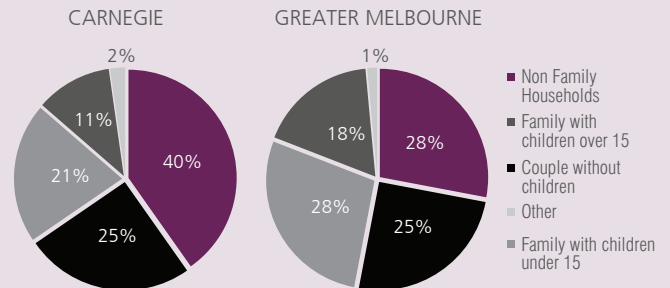
GREATER MELBOURNE:
26%

Source: forecast.id 2015

HOUSEHOLD COMPOSITION

A high proportion of Carnegie's residents live in lone person, couple or group households. At 40% of households, the proportion of non-family households greatly exceeds the average across Greater Melbourne, indicative of the younger age profile and high proportion of university students. This demographic is highly conducive to the rental market.

HOUSEHOLD COMPOSITION 2011



Source: ABS

AGE & ETHNICITY

Carnegie is a multicultural community with residents hailing from diverse backgrounds. At the last census 45% of residents listed their birthplace outside of Australia. Nearly half of those born internationally were born in Asia.

A large portion of Carnegie's residents are from Generations X and Y, with 30% aged between 25 and 39. The younger age demographic and above average incomes, along with the high proportion of residents living in a non-family household is characteristic of a stable renting population.

OVERSEAS BORN



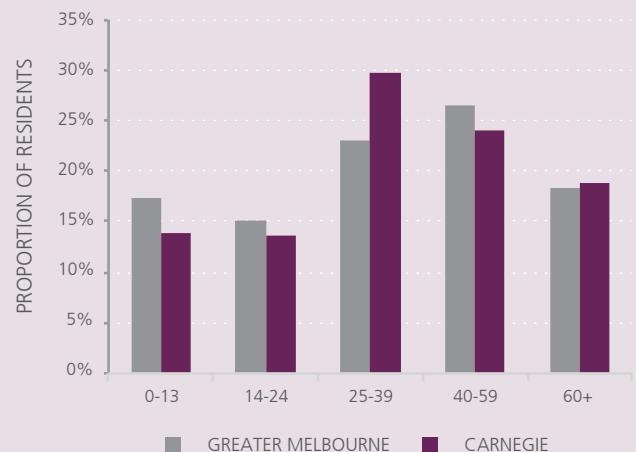
CARNEGIE:
45%



GREATER MELBOURNE:
33%

Source: ABS

AGE DISTRIBUTION 2011

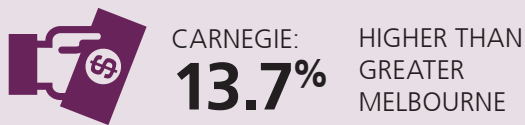


Source: ABS, Urbis

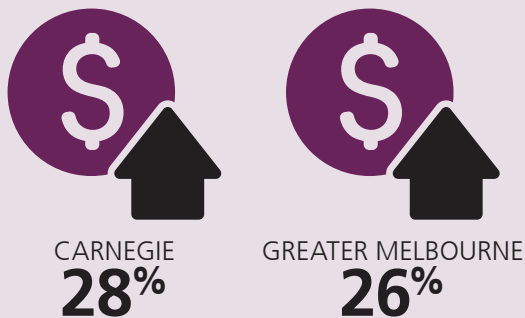
INCOME

Carnegie's residents earn more than the Greater Melbourne average and are predominately in professional roles. At the last census the average income per capita for Carnegie's residents was \$38,995 with 81% of employed residents considered white collar. This compares to \$34,303 for Greater Melbourne, whilst 72% of workers were in white collar roles.

PER CAPITA INCOME, 2011



INCOME GROWTH - 2006 - 2011

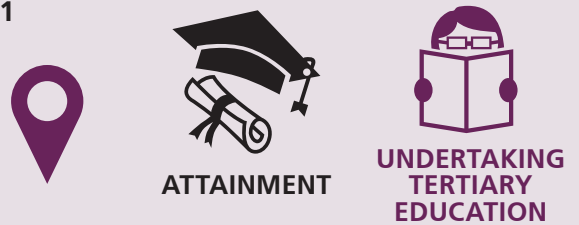


Source: ABS

EDUCATION

Carnegie's residents are highly educated. At the last census 49% of the population held a tertiary qualification and a further 9.4% were undertaking higher education. Both of these measures exceed the Greater Melbourne average. The younger age demographic and above average incomes, combined with the high level of tertiary education is reflective of young professionals and students. These groups are a key source of demand for the rental market.

TERTIARY EDUCATION 2011



CARNEGIE	49%	9.4%
GREATER MELBOURNE	32%	6.5%

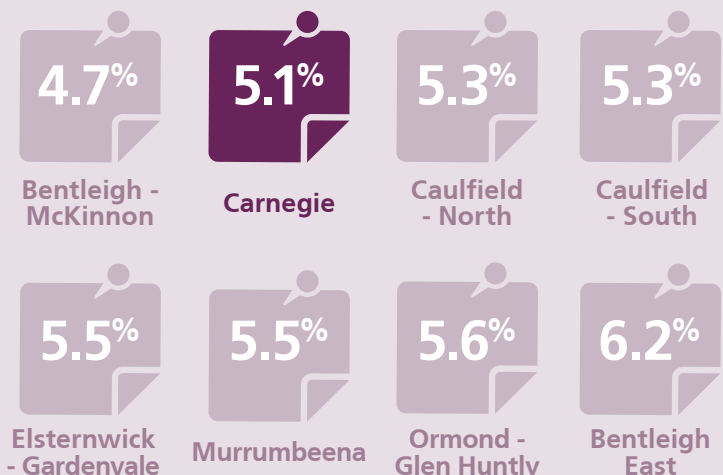
Source: ABS

EMPLOYMENT

Residents of Carnegie have high levels of employment. Recent data from the Department of Employment indicates an unemployment rate of 5.1% for the first quarter of 2015. This is one of the lowest unemployment rates for suburbs within the City of Glen Eira. Local residents have strong accessibility to employment hubs including the Monash Employment Cluster in nearby Clayton. This ease of access is an attractive feature of Carnegie's residential market.

Moreover, the unemployment rate for Carnegie is well below the Victorian average of 6.1% over the March quarter of 2015. High levels of employment support income levels which in turn support the local residential market.

UNEMPLOYMENT RATES CITY OF GLEN EIRA - MARCH 2015



Source: Department of Employment

RESIDENTIAL APARTMENT MARKET

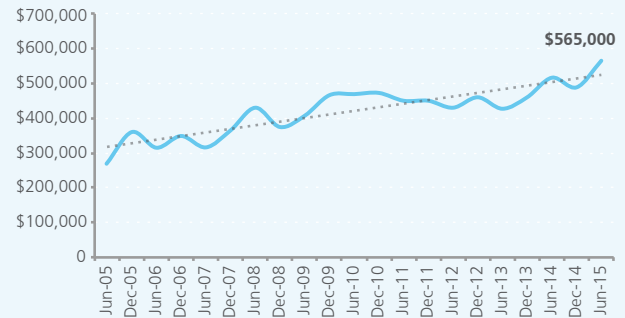
Carnegie

Apartments and units are the most popular form of dwelling in Carnegie.

10 YEAR SALES PRICE GROWTH

In the 10 years through to June 2015, the median sale price of apartments in Carnegie has exhibited a trend of steady growth. Apartment sale prices have grown at a rate of 7.7% per annum over this period, which is comfortably above the Melbourne average rate of growth.

MEDIAN APARTMENT SALE PRICE CARNEGIE



Source: CoreLogic, April 2015

SHORT TERM SALES PRICE GROWTH

Median prices for apartments in Carnegie have grown strongly in recent years. The growth in prices has consistently exceeded the Greater Melbourne Average over the past decade. Over the 12 months to April, median prices increased 12% whilst Greater Melbourne saw growth of just 2.2%. The trend of strong performance for Carnegie extends to the three year and five year measures indicating the long term strength of the apartment market in Carnegie.

Apartments in Carnegie also achieve a premium over the Greater Melbourne average, indicative of the suburb's strong connectivity to jobs, education and retail. Carnegie's median apartment price currently sits approximately 22% above the median price of apartments across Greater Melbourne.

MEDIAN APARTMENT PRICE GROWTH



1YR

3YRS

5YRS

CARNEGIE

12%↑

17%↑

14%↑

GREATER MELBOURNE

2.2%↑

4.5%↑

12%↑

Source: CoreLogic, April 2015

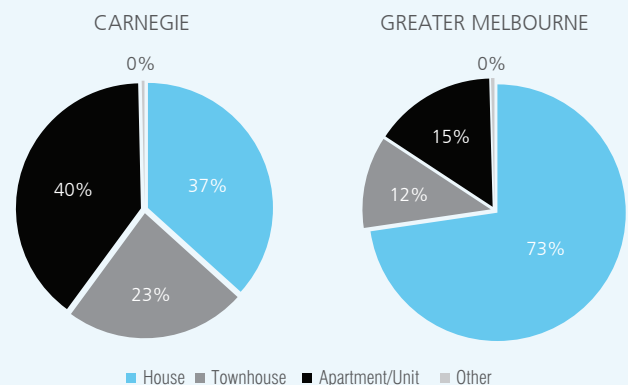
DWELLING STRUCTURE

Apartments and units are the most common form of dwelling in Carnegie. At the last census 40% of Carnegie's residents lived in an apartment or unit. The typical dwelling across Greater Melbourne is vastly different, with only 15% of residents living in an apartment or unit, whilst almost three quarters live in detached housing.

Carnegie's demographic profile of students and young professionals supports the apartment market. A third of Carnegie's households are lone person households. These residents tend to rent their home and often opt for an apartment, not requiring the additional rooms a house offers.

DWELLING STRUCTURE

2011



Source: ABS, Urbis

Carnegie has a strong rental market, underpinned by a high proportion of renters and the demographic structure of residents.

RENTAL MARKET

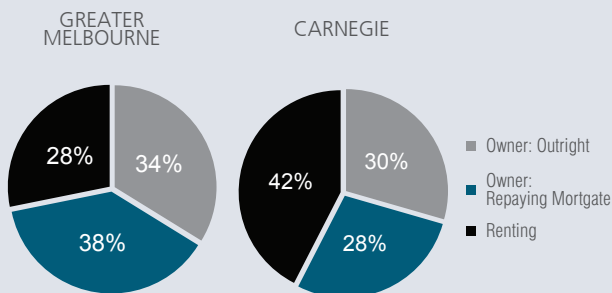
Carnegie

RENTAL MARKET OVERVIEW

Carnegie has a high proportion of residents renting their home. At the last census 42% of households rented. This is up from 40% a decade earlier. The proportion of households renting in Carnegie far exceeds that of Greater Melbourne, which indicates the suburb's attractiveness to rental markets.

In addition, Carnegie's rental properties display lower vacancy rates than the Greater Melbourne average. Data collected by SQM Research indicates that in June the vacancy rate for Carnegie was 2.0% whilst Greater Melbourne had an average vacancy rate of 2.3%. The lower vacancy rate provides further indication of the suburb's popularity with renters.

HOUSEHOLD OWNERSHIP 2011



Source: ABS

RENTAL YIELDS

Gross rental yields in Carnegie in the 12 months to April 2015 exceeded the average for surrounding suburbs.

GROSS RENTAL YIELDS

CARNEGIE AND SURROUNDING SUBURBS 12 MONTHS TO APRIL 2015

Carnegie	3.6%
Caulfield	3.4%
Malvern East	3.3%
Bentleigh East	3.2%
Caulfield South	3.2%
Malvern	3.1%
McKinnon	3.1%
Murrumbeena	3.1%
Bentleigh	2.9%

Source: CoreLogic, April 2015

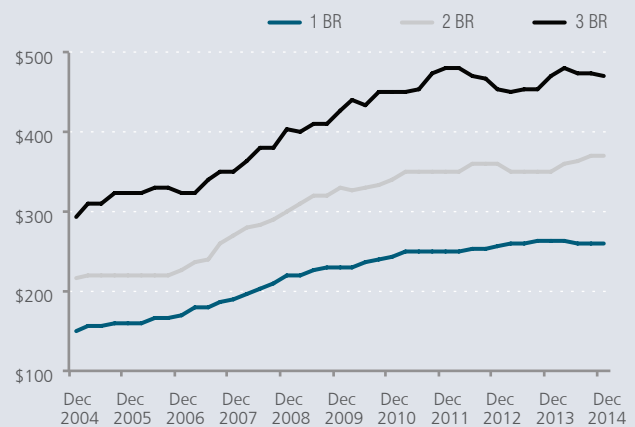
MEDIAN RENT GROWTH

Data collected by the Department of Human Services shows a steady increase in median weekly rents across all apartment types in Carnegie during the 10 years to December 2014. The growth in median weekly rents is supported by Carnegie's demographic profile. The younger residents with above average incomes, along with the higher proportion of tertiary students are key drivers of the rental market.

Rent for two bedroom apartments has grown at an average annual rate of 5.6%, whilst three bedroom apartments have seen growth of 5.6% over the past decade. The strongest growth has been in rent for one bedroom apartments with an average annual rate of 5.7% over the decade to December. Carnegie has a high proportion of lone person households, at a third of total households, supporting the growth in rent for single bedroom dwellings.

MEDIAN WEEKLY RENTS

CARNEGIE, 1, 2 & 3 BEDROOM APARTMENTS



Source: Department of Human Services, Urbis



urbis.com.au
AUSTRALIA • ASIA • MIDDLE EAST

Melbourne
Level 12, 120 Collins St
Melbourne VIC 3000
03 8663 4888

Sydney
Tower 2, Level 23, Darling Park
Sydney NSW 2000
02 8233 9900

Perth
Level 1, 55 St Georges Terrace
Perth WA 6000
08 9346 0500

Brisbane
Level 7, 123 Albert St
Brisbane QLD 4000
07 3007 3800

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