



OUTLOOK ELSTERNWICK

APRIL 2016

A CONTEXT ON BUSINESS, CULTURE, LIFESTYLE AND RESIDENTIAL

Apartments in Elsternwick have experienced steady median price growth over the long term and have a relatively low vacancy rate. In addition, they provide an affordable option for buyers seeking a bayside lifestyle with good amenity and accessibility to the Melbourne CBD, which is a 15 minute train ride away.

ACCESSIBILITY & AMENITY

Elsternwick is eight kilometres from the Melbourne CBD, which is accessible via the Nepean Highway, or the public transport network via Elsternwick Station, and tram route #67.

INCOME

As at 2011, the average household income in Elsternwick was \$101,434.

EMPLOYMENT

Elsternwick's proximity to central Melbourne is convenient for the 21% of employed residents that work within Melbourne's CBD, Docklands & Southbank.

EDUCATION

There are 39 schools across the surrounding suburbs of Elsternwick. Additionally, Monash University Caulfield Campus is four kilometres away.

INFRASTRUCTURE

There is over \$130 million worth of potential public and private infrastructure investment in the pipeline for Elsternwick to 2019.

RESIDENTIAL MARKET

The median apartment price in Elsternwick grew 7.9% over the year to December 2015.

RENTAL MARKET

Over the ten years to December 2015, median weekly rents grew at a rate of 6.0%, 5.2% and 5.3% per annum for one, two and three bedroom apartments respectively.

ELSTERNWICK IS TWO KILOMETRES FROM PORT PHILLIP BAY AND SOME OF MELBOURNE'S MOST POPULAR BEACHES.



OF THE EMPLOYED RESIDENTS IN ELSTERNWICK, 87% WORK IN WHITE COLLAR JOBS.



THE ELSTERNWICK ACTIVITY CENTRE PROVIDES STRONG LOCAL AMENITY WITH A COLES SUPERMARKET, RESTAURANTS, CAFES, A CINEMA AND OTHER GENERAL RETAIL STORES.



1 POP 2 INF 3 EMP

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

ACCESSIBILITY & AMENITY

Elsternwick



Elsternwick is located 8km from Melbourne's CBD and 2km from some of Melbourne's most popular beaches. The Elsternwick Activity Centre provides residents with access to substantial local amenity.

Elsternwick is located eight kilometres south of the Melbourne CBD and is two kilometres from Port Phillip Bay. Its proximity to the bay makes some of Melbourne's most popular beaches close by, including St Kilda Beach, Elwood Beach and Brighton Beach.

The Elsternwick Activity Centre along Glen Huntly Road consists of a Coles Supermarket, restaurants, cafes, a cinema, pharmacies, banks and other general retail stores, giving residents access to substantial local amenity.



Along the western border of Elsternwick lies Rippon Lea Estate, with 14 acres of garden including a mansion constructed in 1968, which is open to the public and plays host to events throughout the year. Additional public open space includes Elsternwick Plaza, Hopetoun Gardens and Harleston Park. Elsternwick Golf Course, Elsternwick Park Tennis Centre, Elsternwick Park Bowling Club, Elsternwick Main Oval and Elsternwick Park, which includes a lake, are all located to the south west of Elsternwick.

In terms of public transport, Elsternwick Railway Station is located on Glen Huntly Road along the Sandringham Line, which provides access to the Melbourne CBD in 15 minutes. Tram route #67, as well as 11 bus routes, including two night bus routes, connect Elsternwick to the remainder of Melbourne. The Nepean Highway borders Elsternwick to the west and provides the suburb with direct access to the city centre.

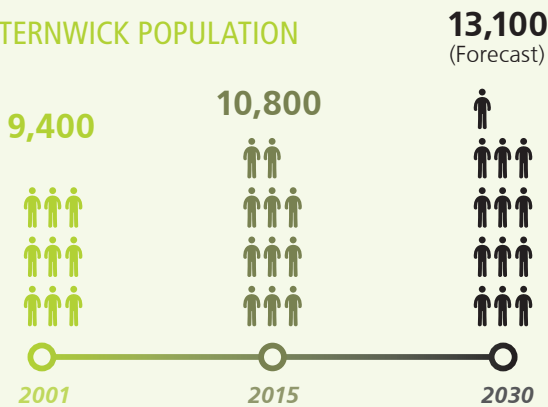
Residents of Elsternwick are well educated, with 41% having completed a bachelor degree, and are employed in high earning jobs, with the average household income being \$101,434.

KEY DEMOGRAPHICS

Elsternwick is an established suburb with an average of 83 new dwelling approvals per annum since 2004, which is lower than many of the surrounding suburbs. The proportionately low new dwelling approvals are in part due to limited land infill sites, restricting development opportunities. This relatively small number of new dwellings available has meant that Elsternwick's population growth has been somewhat restricted. Looking forward over the next 15 years, it is evident that Elsternwick is expected to see a higher number of new dwellings, hence greater population growth.

The age distribution of residents within Elsternwick is similar to that of Greater Melbourne for all age brackets, indicating that it is a suburb that appeals to all ages. The average age of residents in Elsternwick has shifted from 40.1 in 1996 to 38.2 in 2011, suggesting it is a suburb which has become more popular with a younger demographic.

ELSTERNWICK POPULATION



Source: ABS, ForecastID, Urbis

WHO LIVES IN ELSTERNWICK

KEY DEMOGRAPHIC	ELSTERNWICK	GREATER MELBOURNE
AVERAGE HOUSEHOLD INCOME	\$101,434	\$86,412
WHITE COLLAR WORKERS*	87%	72%
COMPLETED BACHELOR DEGREE OR HIGHER	41%	24%
UNDERTAKING TERTIARY EDUCATION	7%	7%

Source: ABS, Urbis
* Percentage of employed residents

EDUCATION

There are 39 schools available to residents of Elsternwick within the surrounding suburbs, including 21 government, catholic and independent primary schools and six government and catholic secondary schools. Additionally, 12 combined primary and secondary independent schools are located within Elsternwick and the surrounding suburbs, including prestigious independent schools such as Caulfield Grammar School, Brighton Grammar School, Firkbank Grammar School, Haileybury Girls College and Shelford Girls' Grammar. Monash University's Caulfield Campus is located 4 kilometres from Elsternwick, providing a high quality tertiary option for residents of Elsternwick.

Residents of Elsternwick are relatively well educated compared to Greater Melbourne, with 41% of residents in Elsternwick having completed a bachelor degree or higher, compared to 24% in Greater Melbourne.

SCHOOLS*



Source: data.gov.au
* Schools in Elsternwick, East St Kilda, Caulfield, Caulfield North, Caulfield South & Glen Huntly

MONASH UNIVERSITY



Source: Times Higher Education

EMPLOYMENT

Accessibility and proximity to Melbourne's white collar employment hubs, including the Melbourne CBD, Docklands and Southbank, make Elsternwick a popular location for white collar workers to live. The Elsternwick Activity Centre is another popular employment location for residents.

With proportionately more employed residents of Elsternwick working in white collar jobs than Greater Melbourne, the average household income in Elsternwick is \$15,022 higher than that of Greater Melbourne. Large household income translates to a valuable residential market, as residents generally have greater capacity to spend on residential properties.

LOCATION OF EMPLOYMENT*



Source: ABS, Urbis
* Percentage of employed Elsternwick residents

The amenity within the Elsternwick Activity Centre will be the major beneficiary of approximately \$130 million worth of potential public and private infrastructure investment within Elsternwick to 2019.

INFRASTRUCTURE

Elsternwick

INFRASTRUCTURE

There is over \$130 million worth of potential public and private infrastructure investment in the Elsternwick pipeline through to 2019. This includes a variety of mixed use developments which will enhance the amenity of the Elsternwick Activity Centre, including supermarkets, shops, restaurants and offices, as well as four additional screens to the Classic Cinemas theatre.

ELSTERNWICK INFRASTRUCTURE INVESTMENT



\$130 million
IN THE PIPELINE TO 2019

Source: Cordell, Urbis



RESIDENTIAL MARKET

Elsternwick

The median apartment sale price in Elsternwick is 55% more affordable than the median house sale price, as at the December quarter 2015.

MARKET OVERVIEW

There is a large proportion of lone person households in Elsternwick compared to Greater Melbourne: 31% versus 23%. Reflective of this trend, apartments comprise 37% of all dwelling stock in Elsternwick, which is more than double the proportion for Greater Melbourne, 15%.

DWELLINGS & HOUSEHOLDS

DWELLING STRUCTURE



APARTMENTS AND UNITS

37%



15%

HOUSEHOLD STRUCTURE



LONE PERSON

31%



23%

ELSTERNWICK

GREATER MELBOURNE

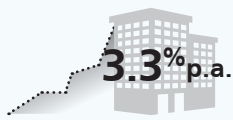
Source: ABS, Urbis

MEDIAN SALE PRICE GROWTH

The median sale price for all apartments (both old and new) in Elsternwick registered \$577,000 for the six months to December 2015 and has grown at a rate of 6.4% per annum over the three years to December 2015. Additionally, over the past year the median price has grown by 7.9%. These rates of growth are both higher than that of Greater Melbourne, which experienced a growth rate of 3.9% for the year and 3.3% per annum for the three years to December 2015. This suggests healthy demand for apartments in Elsternwick.

MEDIAN APARTMENT PRICE GROWTH

3 YRS TO DECEMBER 2015



1 YR TO DECEMBER 2015



ELSTERNWICK

GREATER MELBOURNE

Source: APM PriceFinder, Urbis

APARTMENT AFFORDABILITY

As of the half year to December 2015, the median sale price for apartments in Elsternwick was \$718,000, or 55% more affordable than the median house price of \$1,295,000. This highlights the opportunity apartments present for buyers who wish to enter the Elsternwick residential market at an affordable price point.

MEDIAN PRICE DIFFERENCE* ELSTERNWICK



APARTMENT
\$577,000



HOUSE
\$1,295,000

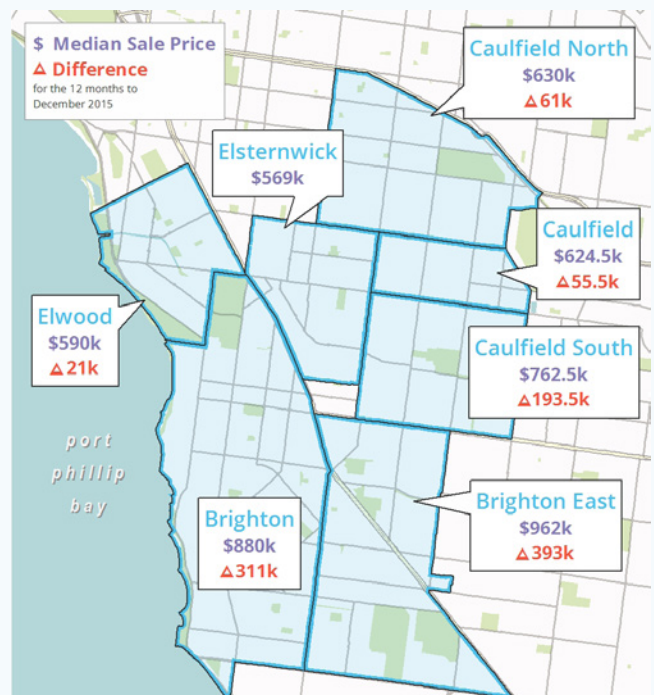
DIFFERENCE
\$718,000

Source: APM PriceFinder, Urbis
* For the six months to December 2015

BAYSIDE AFFORDABILITY

Relative to neighbouring suburbs that are located at a similar distance to Melbourne's CBD, Elsternwick's median apartment price is more affordable. This makes Elsternwick attractive to buyers who are enticed by the bayside lifestyle at an affordable price point.

MEDIAN APARTMENT PRICE COMPARISON SUBURBS OF SIMILAR DISTANCE TO CBD



Source: APM PriceFinder, Urbis

Indicative of a healthy rental market, Elsternwick has a low vacancy rate of 1.5% and consistent long term rental growth in median weekly rents of 5.6% per annum over the decade to December 2015.

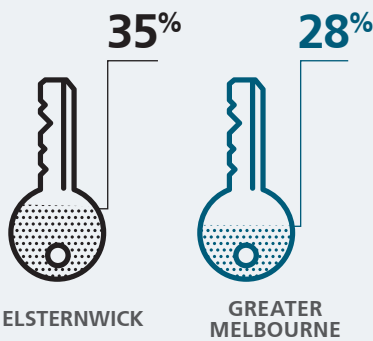
RENTAL MARKET

Elsternwick

RENTAL POPULARITY

Elsternwick is a popular suburb for renters, with 35% of all residential properties being rented as at 2011. This is higher than the proportion of rental properties in Greater Melbourne, with 28%.

PROPORTION OF RENTERS 2011

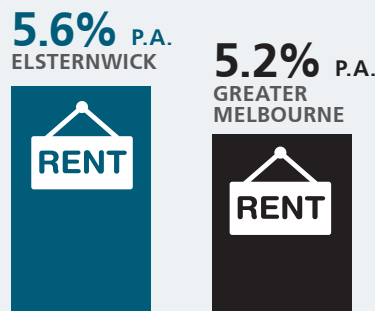


Source: ABS, Urbis

RENTAL GROWTH COMPARISON

Rental growth is indicative of a strong rental market where demand is sufficient to command growing rental rates. Median weekly rents for all apartments in Elsternwick have grown at a rate of 5.6% per annum over the ten years to December 2015, which is above the growth rate for Greater Melbourne over the same time period, 5.2% per annum.

MEDIAN WEEKLY RENTAL GROWTH TEN YEARS TO DECEMBER 2015

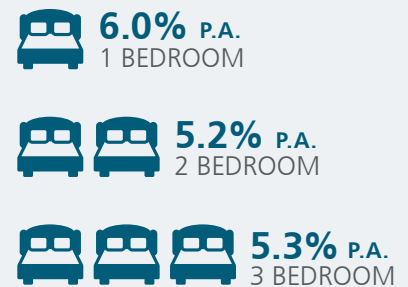


Source: Department of Human Services, Urbis

GROWTH BY PRODUCT TYPE

Over the decade to December 2015, median weekly rents for one, two and three bedroom units grew by 6.0%, 5.2% and 5.3% respectively, suggesting strong long term rental demand for all types of apartments in Elsternwick.

RENTAL GROWTH BY PRODUCT TYPE TEN YEARS TO DECEMBER 2015



Source: Department of Human Services, Urbis

INDICATIVE ACHIEVABLE RENTS

Information provided to Urbis by real estate agent, Melbourne Real Estate indicates that based on comparable rental properties in the Elsternwick area, the following estimated rents for apartments at a new development on the Nepean Highway, Elsternwick, could range from \$350 to \$620 per week.

INDICATIVE WEEKLY RENTS

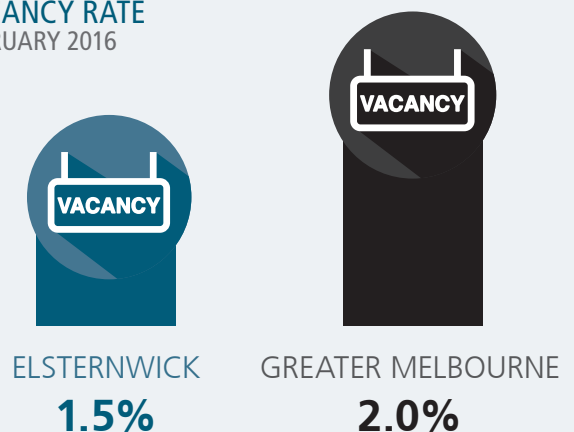


Source: Melbourne Real Estate

VACANCY RATE

Elsternwick recorded a vacancy rate of 1.5% for February 2016, which is lower than the Greater Melbourne rate of 2.0%. SQM Research counts a property as vacant if it is advertised for rent for two weeks or more. The low vacancy rate of 1.5% indicates that 98.5% of investment properties in Elsternwick are earning the investor rental income and is indicative of a healthy rental market.

VACANCY RATE FEBRUARY 2016



Source: SQM Research



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