DANDENONG OPPORTUNITY

Brian Haratsis
Chairman, MacroPlan
• 30 years experience;
• HQ in Sydney;
• Average 1000+ projects per year;
• National Footprint;
• Offices in Melbourne, Sydney, Perth, Brisbane and the Gold Coast;
• 80+ economists, planners and advisors; and
• Strategic approach.
THE OPPORTUNITY
THE OPPORTUNITY: SOME OBSERVATIONS FROM THE OUTSET

- Infrastructure rich – transport.
- Position and surrounding activity.
- Price differential to leverage.
- Unmet submarkets emerging.
- Amenity (retail).
- Scale has critical mass.

Did you know...
- There are over 100 solicitors in the area;
- Most in low quality buildings (e.g. 41 Robinson Street, etc.).
DNA FOR URBAN RENEWAL & PLACE MAKING: THE TESTS

DNA of Place Making

- Critical Mass to realise full potential
- Financial Viability
- Retail/commercial/high density residential/POS
- Seamless Connectivity / Access
- Night time Economy /Passive Surveillance
- Public / Private Transport Integration
- Living Streets/ Multi-Cultural Focal Point
- Community, Governance
- Good pedestrian linkages
- Security and surveillance
ECONOMIC FRAMEWORK
1. High Population Growth- (1.6% or 400,000 + p.a.)
2. Increasing Household Formation – (↑15 – 64 years)
3. Retirement Explosion- (↑ X 250% 2007/2011)
4. Employment Churn (20%), then Growth (1-2% p.a.)
5. GDP at Trend Rate- (3% - 3.5% p.a.)
6. Gearshift from Resources → Construction → Services
7. Fast Growth in Tourism, Health, Education
8. Post GFC Economy- ↑ Wealth ↓ Savings ↑ Retail ↑ Asset Investment
POPPULATION: EASTERN SEABORARD MEGALOPOLIS

- **Sydney**
  - Pop 2014: 4,823,700
  - Pop 2061: 8,493,700

- **Melbourne**
  - Pop 2014: 4,422,700
  - Pop 2061: 8,580,600

- **Canberra**
  - Pop 2014: 390,080
  - Pop 2061: 740,900

- **Brisbane**
  - Pop 2014: 2,293,400
  - Pop 2061: 4,788,000

Eastern Seaboard Major Cities Total
- Pop 2014: 11.9 million
- Pop 2031: 17.2 million
- Pop 2061: **22.6 million**

**MacroPlanDimasi**
Understanding today. Anticipating tomorrow.

**DEVELOPMENT VICTORIA**
By Greater Metropolitan Region (2001-2011)

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Population Growth (%)</th>
<th>Jobs</th>
<th>Jobs Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melbourne</td>
<td>601,512</td>
<td>17.6%</td>
<td>173,081</td>
<td>20.3%</td>
</tr>
<tr>
<td>Sydney</td>
<td>431,713</td>
<td>10.8%</td>
<td>106,209</td>
<td>10.7%</td>
</tr>
<tr>
<td>Brisbane</td>
<td>391,911</td>
<td>23.2%</td>
<td>116,747</td>
<td>22.1%</td>
</tr>
<tr>
<td>Perth</td>
<td>329,161</td>
<td>24.0%</td>
<td>112,445</td>
<td>33.2%</td>
</tr>
</tbody>
</table>
INFRASTRUCTURE: PROPERTY ‘GAME CHANGERS’

- Intensification of the Eastern seaboard.
  - Sydney’s 2nd airport.
  - Melbourne’s 3rd Airport.
  - Inland Rail.
- And...
  - Brisbane Airport second runway.
  - Melbourne Airport third runway.
  - Major freight and logistics projects in Melbourne, Sydney & Brisbane.
DANDENONG CONTEXT
ABOUT DANDENONG

• 30kms from the CBD.
• Largest corridor – SE historically fast growth (Casey, Cardinia) – primarily residential.
• Dandenong transition period:
  • 3rd economic phase.
  • agriculture hub -> suburban car-based - > regional city.
• Surrounded by dominant retail centres.
  • Chadstone;
  • Fountain Gate;
  • Frankston; and
  • Knox City.
• Lonsdale Street upgrades & new Council Office.
• Initial private sector high density residential project.
GEOGRAPHIC CONTEXT

32 kms
Population 1.03 million at 2016
Add 310,000 dwellings over 2016-51
• Long established Employment Cluster.
  • Manufacturing;
  • Health – Hospital;
  • Education – Chisholm;
  • Transport/Logistics; and
  • Warehousing.
• Net importer of workers.
• Monash Freeway, Princes Freeway, Eastlink.
• Affordable.
• Rail connection & continued upgrades.
• Renter market, apartments popular.
MELBOURNE ECONOMIC TRIANGLE

Strength maintained but may change and evolve...

Today: Building Blocks

2050: Fully integrated
Top 15 employment growth regions, 2013-2018

- **Melbourne - West**: 42.5
- **Melbourne**: 34.8
- **Perth - North**: 34.1
- **Gold Coast**: 32.9
- **Melbourne - Inner**: 32.9
- **Perth - South East**: 31.4
- **Sydney - City**: 29.4
- **Sunshine Coast**: 18.9
- **Sydney - Inner**: 18.9
- **Brisbane Inner**: 18.6
- **Brisbane - South**: 18.1
- **Ipswich**: 16.5
- **Fitzroy**: 16.2
- **Sydney -...**: 16.1
- **Sydney -...**: 15.4

**Projected employment growth ('000) - five years to November 2018**

- **Health Care and Social Assistance**: 351.1
- **Retail Trade**: 309.6
- **Manufacturing**: 281.7
- **Professional, Scientific and Administrative Services**: 253.2
- **Construction**: 247.1
- **Education and Training**: 229.0
- **Accommodation and Food Services**: 183.0
- **Public Administration and Safety**: 142.1
- **Transport, Postal and Utilities**: 141.0
- **Wholesale Trade**: 118.6
- **Financial and Insurance Activities**: 117.4
- **Other Services**: 110.1
- **Administrative and Support and Waste Management Services**: 98.8
- **Agriculture, Forestry and Fishing**: 80.7
- **Arts and Recreation Services**: 58.7
- **Information Media and Broadcasting**: 58.0
- **Rental, Hiring and Real Estate活动**: 43.2
- **Electricity, Gas, Water and Other Goods and Services**: 37.1
- **Mining**: 13.5

Employed Persons ('000s)
2nd wave of change... majority of in-migrants from last 5 years from overseas
  • employment and affordability drivers
  • changing housing requirement
DRIVERS & EMPLOYMENT TRENDS
Decline labour force participation since 2011

Employment is growing more slowly after 30 years

Population Growth, Employment Growth (Million), Victoria, Historic, ABS, VIF2016

Labour Force Participation (%), Victoria
65+ cohort will increase participation rates

Labour Force Participation (%), 65+, Victoria
Unemployment rising but still lower than for most of the last 30 years.

Youth unemployment increasing significantly.

Australian, Victorian Unemployment Rate (%)

Victorian Unemployment Rate (%), by Age Cohort

Source: ABS Catalogue No 6202.0 - Labour Force, Australia, Feb 2015

Note: 1 Average of year up to February.
Falling hours worked per worker

High unemployment rate across Greater Melbourne

Average hours worked per month (No.), Victoria

Underemployed persons (No.), Victoria
Manufacturing is the largest contributor of economic output (24.5%).

Construction is the second largest contributor of economic input (11.4%).

Manufacturing is the largest employing sector (15%).

**Rapid growth**

Most service industries are experiencing rapid growth.

**Fastest growth**

Health care, retail trade, education and training, and professional services are experiencing the fastest growth.

**Implications for Metropolitan Melbourne**

Lower or negative employment growth in manufacturing, agriculture, wholesale trade, and construction is likely to affect those workers with limited qualifications, particularly older males, particularly in Greater Dandenong and City of Kingston.
Manufacturing Share of Total Employed Persons, VIC

- 15.5% in 2001
- 12.8% in 2011
- 10.8% in 2011

Source: ABS Census, Economic ID; REMPLAN

Net Employment Change by Sector, Historic, Forecast, VIC

Source: NBR data, Federal Department of Employment projections to Nov 2018
**INDUSTRY STRUCTURE IMPLICATIONS**

**Slower growth sectors and jobs**

**Heavy industries**
Manufacturing, traditional blue collar industries, lower skilled jobs and manual jobs.

**Heavy industries**
Will be automated or sent offshore

**Faster growth sectors and jobs**

**Service jobs include**
Health, education and public service, retail, food services and aged care services

**Implications for Metropolitan Melbourne**

Investments in the public sector, particularly health and education is typically publicly funded and growth in these sectors may not continue at the same rate into the future, putting pressure on some cohorts particularly educated workers and female workers.
CHALLENGES
CHALLENGES OF TRANSITION

LOW TO HIGH DENSITY

CARS TO TRAINS
CHALLENGES OF TRANSITION

INDUSTRIAL TO COMMERCIAL

SHOPPING CENTRES TO MAIN STREET
A: How Dandenong accommodates the needs of a growing residential population?

B: Unlike Paramatta, where Westmead and Moorebank 15km away, Dandenong is consolidated.

C: How to change the wider population's impression of the name “Dandenong”?
• The Parramatta CBD is one of the largest suburban office markets in Australia.

• More than 760,000 sq.m of office floorspace.

• More than 200,000 sq.m of retail floorspace, plus showroom, medical uses, civic and hotel facilities and high density residential development.

• Contains more than 40,000 workers.

• One of the largest projects in the CBD is Parramatta Square development.
PARRAMATTA REGIONAL CONTEXT

[Map of the region showing various locations and landmarks]
PARRAMATTA RESIDENTIAL, TRADE AREA & MAJOR PROJECTS

370,000 population
We also note that some of the key major projects that will also drive population and employment growth in the vicinity of Parramatta City include:

- Western Sydney Airport;
- Western Sydney Employment Area (WSEA);
- Western Sydney Light Rail;
- WestConnex;
- New Parramatta Road; and
- Western Sydney Stadium.
• $40 million five-star Mercure Hotel.

• New hotel and entertainment complex - WestWaters.

• The suburb is a planned community.

• Wetlands and walking paths, schools, a library, cafes, shopping and hotel complexes – it is very well contained.

• Contemporary family homes and modern townhouses.
Mix of uses.

Commercial focus.

Successful auto precinct.

Lamanna Retail concept.

Stages of development:

Leverage freeway proximity;

Establish retail;

Establish office; and

Establish wider uses e.g. leisure.

Quality landscaping.
- North East Link (12)
- M1 Widening Stage 1
  EastLink- Clyde Rd (2)

Table 1: Total Victorian freight task
(million tonnes per annum)

<table>
<thead>
<tr>
<th>Where freight generated</th>
<th>2014</th>
<th>2021</th>
<th>2031</th>
<th>2046</th>
<th>2051</th>
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<tbody>
<tr>
<td>Regional Victoria</td>
<td>40</td>
<td>43</td>
<td>51</td>
<td>64</td>
<td>70</td>
</tr>
<tr>
<td>Metropolitan Melbourne</td>
<td>227</td>
<td>274</td>
<td>357</td>
<td>525</td>
<td>597</td>
</tr>
<tr>
<td>Unallocated*</td>
<td>94</td>
<td>111</td>
<td>142</td>
<td>205</td>
<td>231</td>
</tr>
<tr>
<td>Total tonnage</td>
<td>361</td>
<td>429</td>
<td>551</td>
<td>794</td>
<td>896</td>
</tr>
</tbody>
</table>

* Waste, quarry products and some port-related freight which is unable to be allocated to a specific region. Source: Deloitte, 2018.
DNA FOR URBAN RENEWAL & PLACE MAKING

- Logical node/ activity centre.
- Population growth.
- Supported by employment.
- Infrastructure capacity – specifically TOD potential.
- Amenity – existing or created.
- Pricing – meets target market, relevant to area.

- Meets geo-economic requirements.
- Value growth potential as amenity improves – Retail.
- Existing infrastructure – Public transport.
- Urban design
- Critical mass.
DNA FOR URBAN RENEWAL & PLACE MAKING

**Doncaster Hill Strategy**
- “Good access to transport;
- Community services;
- Shopping; and
- Open space”.

**QueenVic Village (Melbourne) - ($800m)**
- Cafes, retail, office and residential.
- 47,000 sqm of total retail floorspace.
- 124 speciality shops on 5 levels.
- 60,000 sqm of office.
- 8,702 sqm of other tenancies.
- 1,500 underground car spaces.
Parramatta Square

- Parramatta Square is a contemporary expression of a modern city centre.
- 290,000 sqm of Premium Grade office & retail space
- This city style precinct will transform the heart of Parramatta CBD
- Vibrant, cosmopolitan and commercial space