



PHOTO: CROWN RESORTS AND SCHAEFFEL GROUP

CHOICE PICK

Artist impression of One Queensbridge, Crown Residences. At a towering 325 metres, the Residences will offer views across the CBD. It will be located above a new six-star hotel which adjoins the Crown Resorts complex on the banks of the Yarra River

Living it up

Melbourne is increasingly becoming a key investment destination for the world's ultra rich



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WHILE Melbourne has long been associated with prestigious sporting events and educational facilities, fresh air and exceptional food and drink, the city is increasingly becoming an important investment destination for the world's wealthy.

According to Knight Frank's 2017 *Wealth Report*, Melbourne welcomed 3,000 high net worth individuals (HNWIs) into the city last year; globally only Sydney topped this with 4,000. The world's wealthy are more mobile than ever and are increasingly looking to diversify into new and emerging markets. Some 32 per cent of ultra high net worth individuals (UHNWIs) will invest in offshore property in the next two years and Melbourne is certainly high on the list of prospective destinations for this investment.

Melbourne and Sydney are now in the top 20 most important cities to the ultra wealthy. In terms of their importance for property investment, both Melbourne and Sydney are ranked in the top 10. With the spotlight beaming bright on these cosmopolitan cities, Knight Frank's report projects the UHNW population in Australia to increase by 70 per cent over the coming decade.

This is the highest growth forecast of all developed cities and nations.

This increase in the wealthy population has produced a strong demand for prime and super-prime property. In 2016, prime residential property prices rose by 8.8 per cent in Melbourne, but cumulatively, recorded an astounding 77 per cent growth in prime residential property over the last decade. In parallel, Sydney saw a 59 per cent growth over the same period.

Sales volumes are increasing year-on-year but with a limited supply of stock combined with the growth in population, prime property growth rates have been pushed well above the global average of 1.4 per cent. Only the lack of available prime stock is limiting transaction numbers.

For those buying with Singaporean dollars, the price of Melbourne prime residential property has risen 11.4 per cent over the recent four-year period compared to a 35.1 per cent rise in Australian dollars. For those looking to purchase in this current phase, using the Singaporean dollar, the prime Melbourne outperformance has effectively been eroded by a weakening of the Australian dollar.

If the US dollar edges higher, and currencies closely linked to it follow, demand for prime residential property in Melbourne has the potential to increase



VIBRANT LIFESTYLE

Melbourne and its suburbs are conveniently connected via a tram system that gives ease of access to incredible restaurants and cafés

PHOTO: ISTOCK



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CULINARY ACCOLADE

Melbourne saw the World's 50 Best Restaurants awards held in the city in 2017 – the first time the awards were held outside of London or New York

further. The National Australia Bank forecasts the Australian dollar will be worth US\$0.70 by 2018.

Despite this recent stellar performance, Melbourne remains relatively affordable on a comparative basis. Knight Frank's research into the amount of prime residential area (in square metres) that US\$1 million will buy in cities around the world shows Monaco is the tightest covering only 17 square metres (sq m), New York sits at 26 sq m, London at 30 sq m, Singapore at 43 sq m, Sydney 59 sq m and Melbourne a generous 110 sq m.

Economic growth

The Victorian state economy has experienced strong growth over the past decade. The economy is larger than Singapore, New Zealand and Hong Kong, accounting for almost a quarter of Australia's national GDP (gross domestic product). Employment is driven by healthcare, construction, education and professional services sectors.

Many global companies are basing their headquarters in Melbourne; Amazon, Facebook and LinkedIn have recently leased space in Melbourne's CBD (central business district).

Melbourne's status as the World's Most Liveable City for six consecutive years has not gone unnoticed. Melbourne received perfect scores in 2016 for infra-

structure, healthcare and education. While it is an attractive investment proposition, it is Melbourne's lifestyle that is unrivalled.

Located on the doorstep of Victoria's natural beauty including the Great Ocean Road, the Grampians and Phillip Island, residents of Melbourne can experience magnificent scenery just a short drive away.

In addition to the great outdoors, Melbourne and its suburbs are conveniently connected via a tram system that gives ease of access to incredible restaurants and cafés.

Among other titles held by Australia's second-largest city, Melbourne is also considered Australia's food capital. It is such a culturally diverse city and an abundance of different culinary delights are on offer. Melbourne is clearly a serious contender in culinary circles. The World's 50 Best Restaurants awards were held in the city in 2017 – the first time the awards were held outside of London or New York.

Located in and around Melbourne are some of Australia's most respected universities, primary and secondary schools. Two of the country's most influential tertiary institutions are right in the heart of the city – University of Melbourne and Royal Melbourne Institute of Technology (RMIT). RMIT notably sits among the world's top 100 universities when it comes

to electrical and mechanical engineering, accounting, finance, computer science and information systems.

Vibrant culture

If you enjoy art and culture, Melbourne will certainly not disappoint. It has an abundance of theatres and galleries dotted around the city. It also hosts a number of international festivals throughout the year.

Melbourne is also a city for sporting enthusiasts. It hosts some of the world's greatest sporting events including the Formula 1 Grand Prix, the Australian Open and the Melbourne Cup.

At just a seven-hour flight away from Singapore, and running ahead on a short three-hour time difference, Melbourne is fast becoming a popular investment destination. Australia is increasing in importance as a safe haven with transparency in business, government and taxation, world-class university facilities and an incredible lifestyle. Melbourne is being established as a true prime global city. Amid much uncertainty globally, cross-border investors will continue to turn their attention to this vibrant city and the demand for prime residential property will follow. **W**

For more information on One Queensbridge, visit www.knightfrank/internationalview