



BRUNSWICK WEST

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*INVESTMENT  
REPORT*

THE  
**GROVE**  
By BlueEarth

# REASONS TO BUY

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## GROWTH

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# 7.45% p.a.

Brunswick/Brunswick West represents excellent value in comparison to other suburbs of equal proximity to Melbourne CBD. This is already underpinning strong price growth of 7.45% per annum (approx.) which is expected to continue moving forward.

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## VALUE

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# 16.2%

Cheaper than a comparable and competing project

Price compared with competing product The Grove offers outstanding value. For example, **a nearby project The York has very similar apartments which are 16.2% more expensive than The Grove.**

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## POPULATION GROWTH

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# 25%

Growth by 2026

The population of The City of Moreland is expected to grow by over 25% (50,000 people) in the next ten years to 2026. With an average household size of 2.47 people per household an extra 20,000 dwellings will be required over this period. This population growth is expected to out way new dwelling supply, which is in-turn expected to result in price growth.

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## INVESTMENT RETURN

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# 11.7% p.a.

Rental yield for apartments in Brunswick West averages 4.25% pa. This combined with strong average capital growth of 7.45% results in a **strong return on investment averaging 11.7% per annum.**

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## DEMOGRAPHICS

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The population of Brunswick West perfectly lends itself to renting apartments based on the following:

# 50%+

Over 50% of the population working in management or professional roles

# 40%

Approximately 40% of the population being aged between 20-39 — the ideal age for renting apartments

# 30%+

Over 30% of the population being single — the perfect target market for renting apartments

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## VACANCY RATE

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# 1.8%

The vacancy rate in Brunswick West sits at a very modest 1.8% compared to 2.9% in Metropolitan Melbourne. This is almost the natural rate of people moving in and out of a property.

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## RENTAL YIELDS

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The Grove has the most extensive amenity of any project in Brunswick West and surrounds which will act to attract and retain good quality tenants at higher yields.

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## RESPECTED DEVELOPER

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*“Blue Earth Group are proud to be adding to this exciting & dynamic precinct”*

Omran Dib – Blue Earth Group

*MELBOURNE  
MARKET  
OVERVIEW*

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8,200,000  
people

With 100,000 people migrating to Melbourne each year, by 2056 Melbourne is expected to be Australia's largest city, when the current population of 4.4 million is anticipated to reach 8.2 million. With an average of 2.6 people per household, we need 38,000 properties per year to accommodate the growth.



Melbourne continues to rank highly as one of the world's most liveable cities across multiple publications.

Economist Intelligence Unit again ranked Melbourne as the world's most liveable city for the fifth consecutive year.

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POPULATION GROWTH

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New figures from the bureau show Victoria gained an extra 101,500 residents in the year to December surpassing the growth rate of all other states. Further narrowing the population gap with Sydney, projections have Melbourne overtaking Sydney to become Australia's biggest city in 2056.

*Net gain from interstate resettlement*





## *BRUNSWICK WEST MARKET OVERVIEW*

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Brunswick West has started undergoing rapid gentrification off the back of suburbs between Brunswick West and the CBD such as Carlton, Carlton North and Parkville being very tightly held and enjoying strong price growth in recent years. Masses of white collar residents are moving into Brunswick West which presents an affordable option only 4km's from Melbourne's CBD.

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VACANCY RATE

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1.8%

Brunswick West has an extremely low vacancy rate of only 1.8% which is lower than the of most other inner-city suburbs, and significantly lower than the vacancy rate for Melbourne CBD which is currently 4%.

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EDUCATION

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The Grove is only 12mins from University of Melbourne – One of the world’s top ranked Universities.

Established in 1853, the University of Melbourne is the country’s second oldest and ranked as its best. Nearby, the Royal Melbourne Institute of Technology (RMIT) dates back to 1887 and offers students a unique, unwallled campus experience in the heart of the CBD with a renowned blend of heritage buildings and striking contemporary architecture.

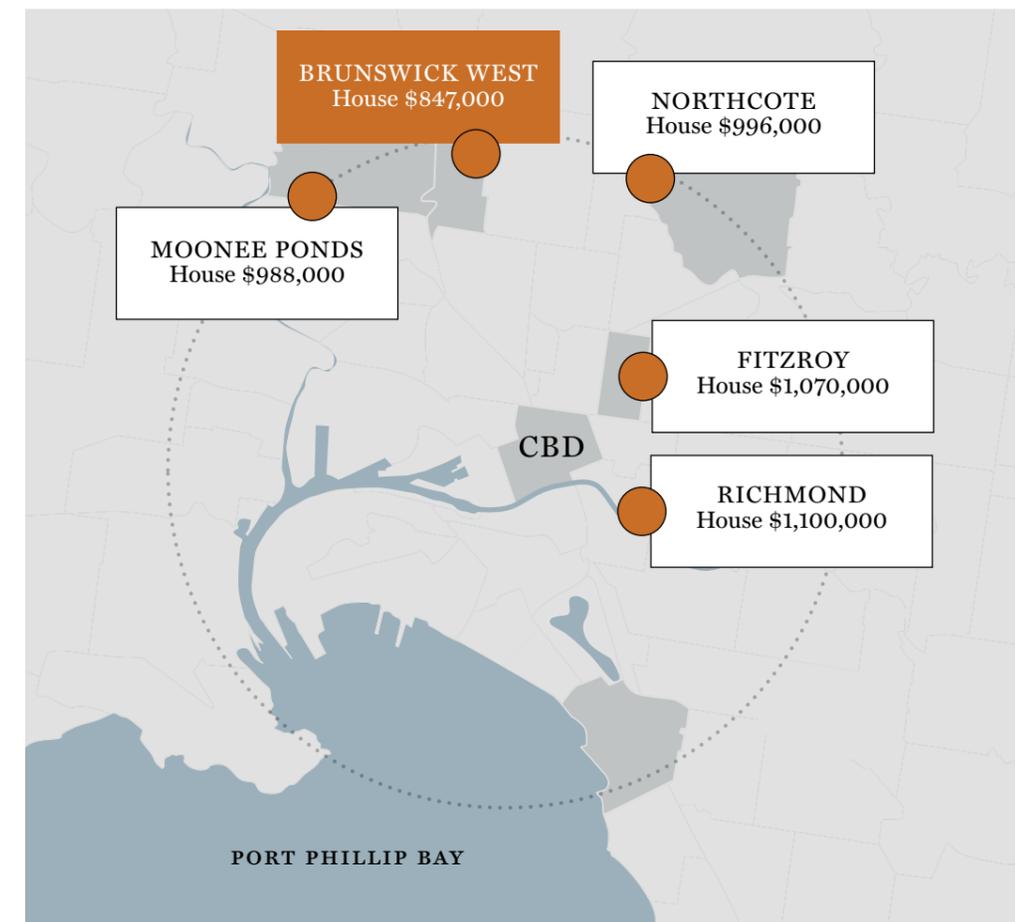
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VALUE – COMPARABLE SUBURBS

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Brunswick West represents excellent value in comparison to other similar Melbourne suburbs.

This is already underpinning strong price growth of 7.45% per annum (approx.) which is expected to continue moving forward. Below is the median price comparison of suburbs within similar distance from Melbourne’s CBD.



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## GENTRIFICATION

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Early signs of gentrification are evident in Brunswick West (a suburb of City of Moreland) with excellent bars, restaurants and cafes opening up in the area. This will pave the way for further gentrification in the short-term, by attracting young professionals based on the new and cool lifestyle offerings.

Brunswick West now has a very similar feel to Collingwood of three to four years ago, with a bars, cafés and restaurants popping up in volume. Collingwood has since enjoyed strong capital growth, with a capital growth rate of 16.52% in the past 12 months.

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## POPULATION GROWTH

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↑ 25%

The population in the City of Moreland is expected to grow by more than 25% or approx 50,000 people by the year 2026. This strong population growth will underpin capital growth over this period.

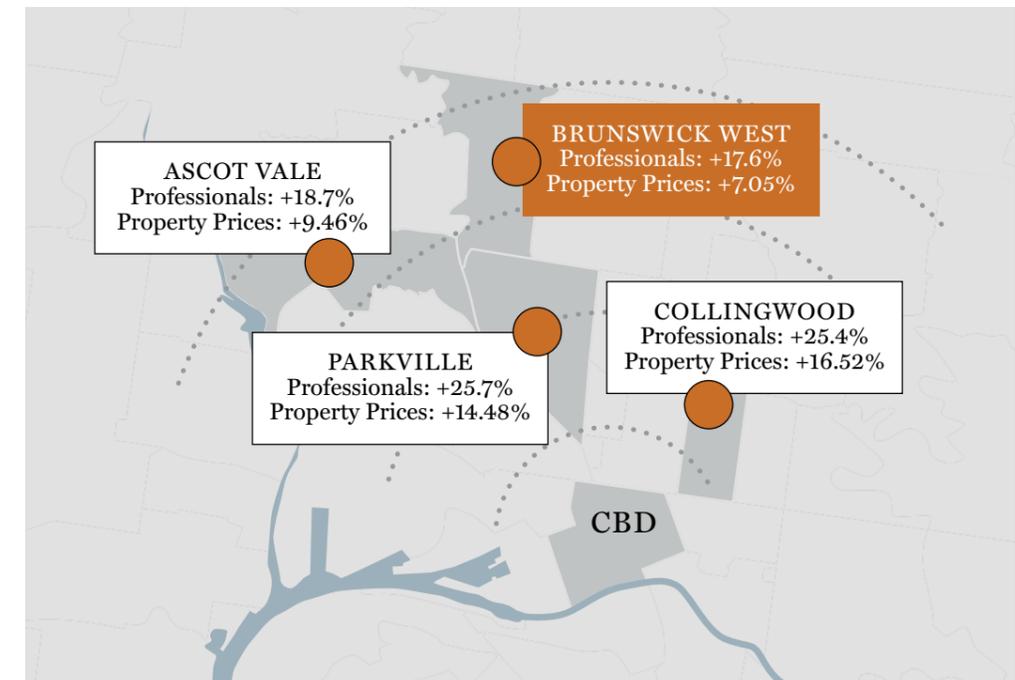
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## RIPPLE EFFECT

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Brunswick West is gentrifying quickly, although in the early stages of this process. As gentrification increases so does capital growth, as demonstrated in other similar suburbs closer to the CBD. As each suburb gentrifies and property prices increase, buyers look to neighbouring suburbs creating a ripple effect. Brunswick West's property prices are yet to reflect the sharp increase in the number of professionals residing in the suburb. This would suggest strong capital growth is imminent.

*Increase in Property Prices (past 12 months) & Professionals*



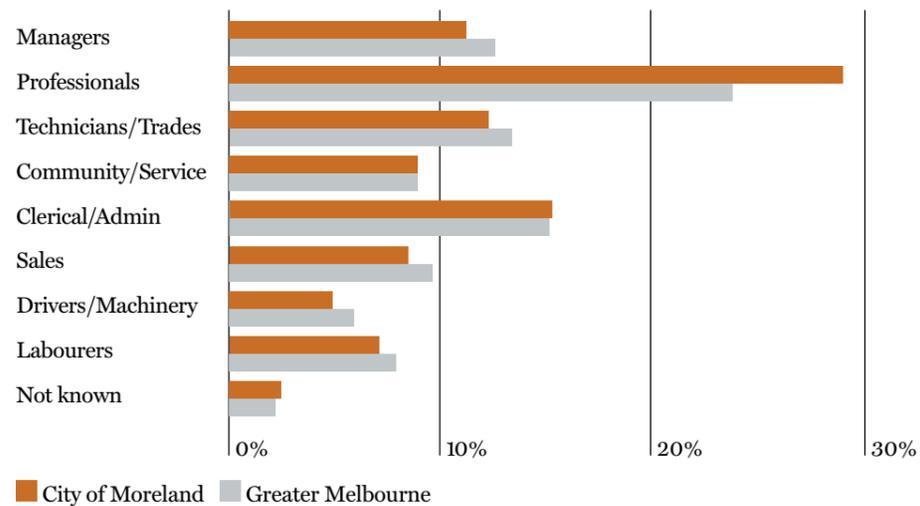
The following information further demonstrates gentrification as well as being supporting evidence that Brunswick West will be an excellent place to own an investment property.

EMPLOYMENT

## Professionals make excellent tenants

There is a higher proportion of the population that work in professional roles. This would suggest that investment properties within Brunswick will attract quality tenants.

Occupation of employment



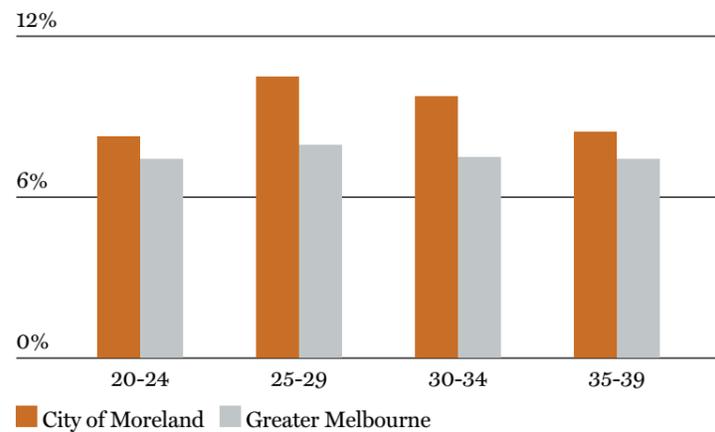
Source: Australian Bureau of Statistics 2011

AGE

## High concentration of potential renters

Almost 40% of the population of Moreland is aged between 20 and 39 years of age which is the target market for renting apartments.

Age - 5 year age groups



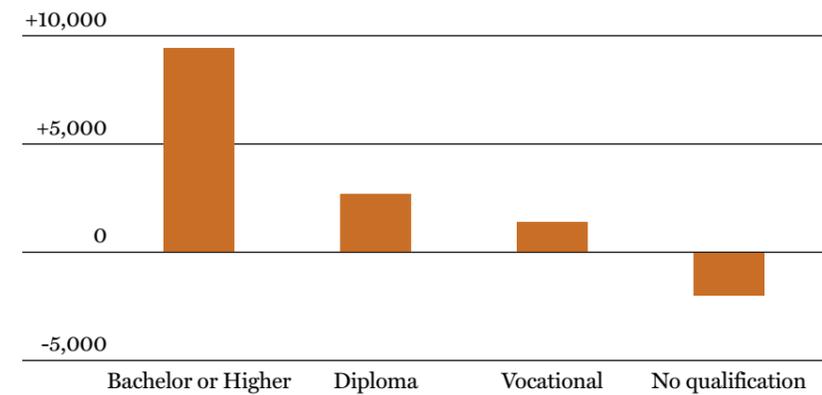
Source: Australian Bureau of Statistics 2011

EDUCATION

## Increased education attainment relates to higher income renters

The change in the number of people with a bachelor or higher degree in the City of Moreland has increased by almost 10,000 people between 2006 and 2011.

Change in highest qualification achieved



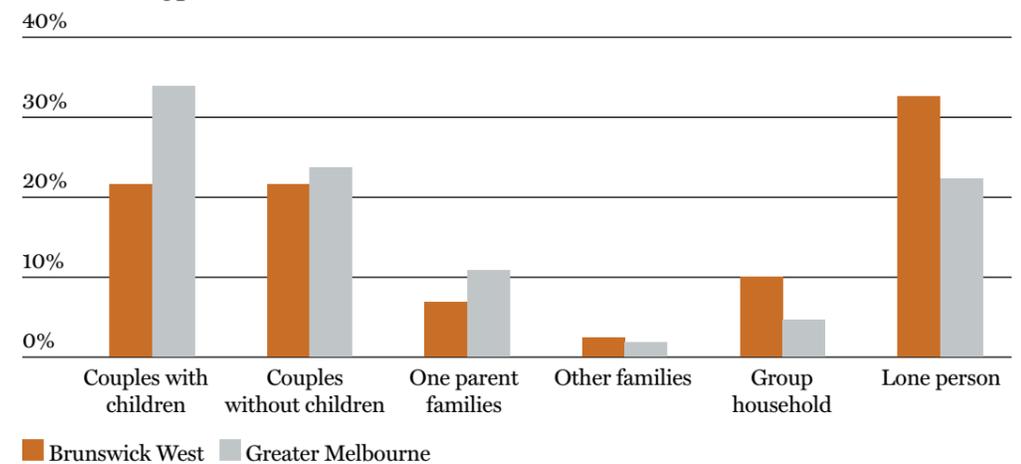
Source: Australian Bureau of Statistics 2011

HOUSEHOLD TYPE

## High concentration of single/lone person households

A significant proportion of the population are single, which is also the ideal demographic for renting apartments.

Household type



Source: Australian Bureau of Statistics 2011

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SUPPLY VS DEMAND

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*Herald Sun & Leader, April 9, 2015 3:01pm  
Jordan Marshall, News Corp Australia Network*

## Brunswick East is the most difficult suburb in Melbourne to buy a house

Frustrated buyers will find that with only four houses currently for sale, strong demand and an above-average ownership period are giving them headaches as they try to secure a rare house in the area.

Recent CoreLogic RP Data statistics show high demand in the tightly held suburb has caused the median house price to increase by 26.6 per cent in the past 12 months.

“We are in a hot market at the moment,” said Nelson Alexander partner Michael Fry. “There is always good interest in the area and not enough supply.”

In the year ending November 30, only 2.1 per cent of houses in Brunswick East had been listed for sale — well-below the Melbourne average of 5.3 per cent. People were also remaining in their homes longer, with houses owned for an average of 14.2 years, more than the metropolitan average of 11.8 years.

“The fact that there are so few houses on the market in the area shows why there are buyers constantly looking,” Mr Fry said. A three-bedroom home at 6 Orari Ave sold for \$1.2 million thanks to high interest in the area. “That sale proved how many people were keen to get into that particular pocket,” Mr Fry said.

Ray White Brunswick director Jamil Allouche said the difficulties facing potential Brunswick East house buyers were forcing them to look at other avenues to get into the area. “There is a definite stock shortage when it comes to houses,” Mr Allouche said. “People are being forced to look at apartments as an alternative if they are determined to get into the area.”

Apartments are not rare in Brunswick East, but prices of large apartments have been pushed higher by those who cannot secure a house, he said. A two-bedroom apartment at 6/211 Weston St sold recently for \$720,000 — a price that was staggering for the vendor and agent.

The reasons people wanted to live in the area included the proximity to the CBD, bigger blocks and comparative affordability to neighbouring North Fitzroy and Carlton, he said. Price growth and lack of opportunities were also forcing buyers to look slightly further afield, he said.

As the most difficult suburbs to buy into, Brunswick East was followed by Carlton, Fairfield, Carlton North and Fitzroy North, with Clayton South, Mulgrave, Watsonia, Hughesdale and Carnegie rounding out the top 10.

## *THE GROVE OVERVIEW*

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The Grove is expected to outperform surrounding projects from both a rental and re-sale perspective.

With sophisticated yet practical interior design by AdeleBatesDesign, The Grove residences have been designed with ‘a place for everything’ creating apartments superior in both style & functionality.

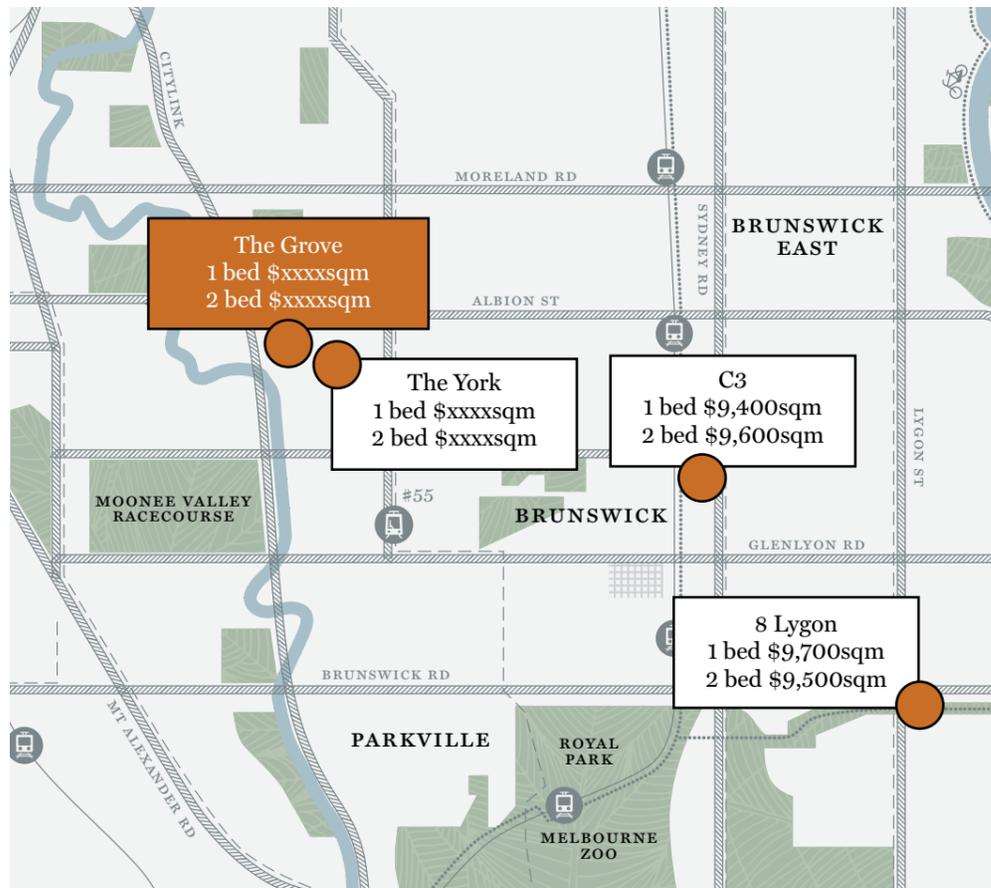
The amenity is unparalleled in any other project, with it’s own cafe, health retreat, landscaped outdoor kitchen & dining, bocce court, table tennis, business centre with wifi, private kitchen & dining room and an outdoor landscaped spa.



VALUE

The Grove represents outstanding value when compared with other apartments within the immediate vicinity.

This is compared with other projects in the vicinity as shown below.



VALUE – CASE STUDY

Apartments within The Grove are disproportionately cheap compared with similar product within comparable suburbs in similar locations to Brunswick West. For example:

The Grove	107 Cambridge Collingwood
Typical 1 Bedroom + Study	Typical 1 Bedroom
Internal size: 54m <sup>2</sup>	Internal size: 52m <sup>2</sup>
Price: \$462,000	Price: \$540,000

This demonstrates The Grove to be 17% cheaper than a very similar apartment in a comparable project. This affordability and value would suggest that buying now will be buying ahead of the curve, where stronger than average price growth could be expected in the short to medium term.

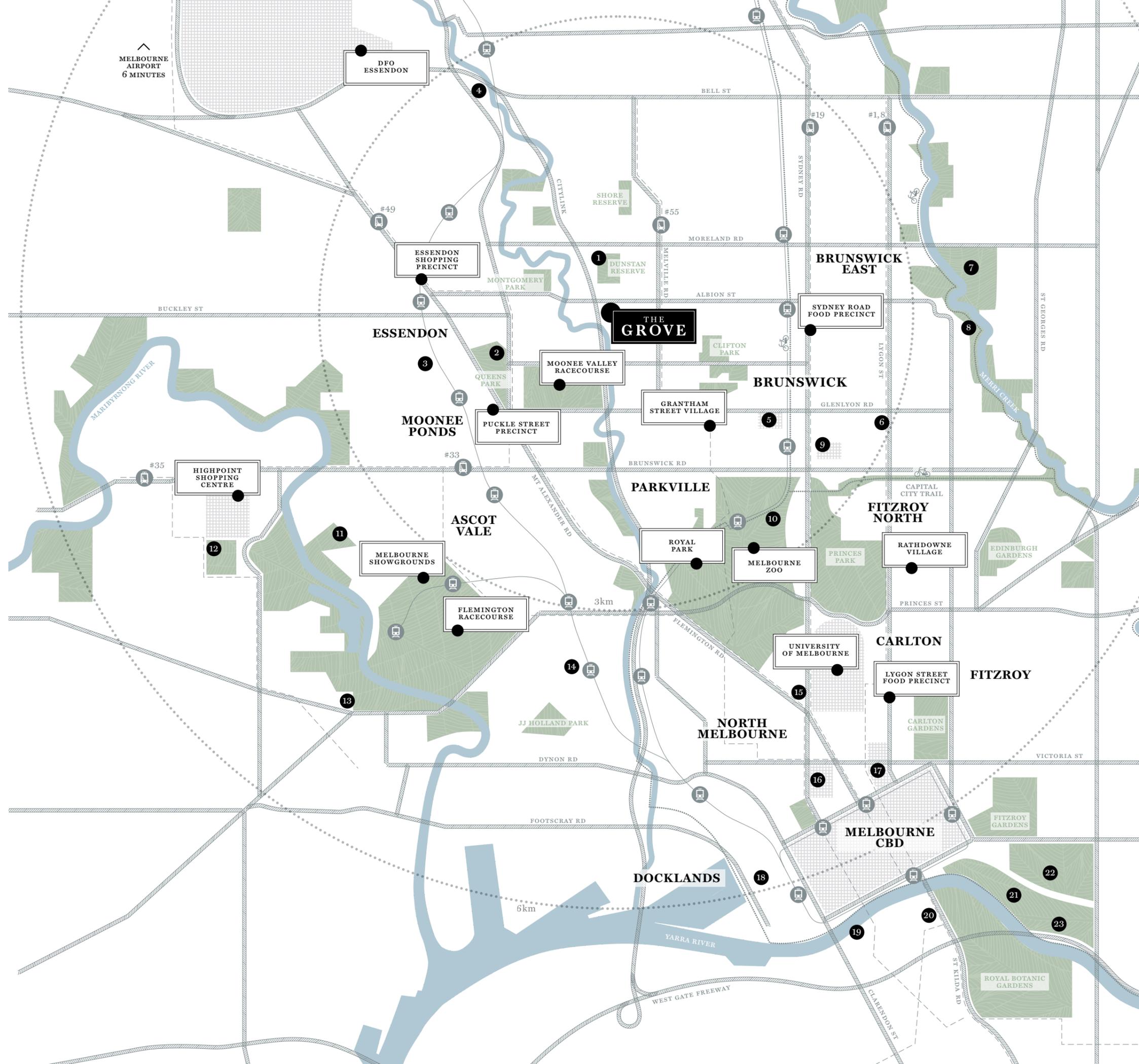
CAPITAL GROWTH

The York, a project nearby to The Grove, has been selling very successfully over the past year, with four buildings now sold out. There has been very strong price growth within this project across the stages. For example, a one bedroom apartment in Stage 2 sold in mid-2015 sold for \$375,000–\$381,000. The exact same apartment in Stage 3 sold in December 2015 for \$436,000.

This demonstrates a price increase of 12.6% over 12 months.

Note: Prices quoted are reflective of the information on a typical apartment available as of 01.02.16. Prices may be subject to change.

- 1 West Brunswick Community Garden & Food Forest
- 2 Queens Park Swimming Pool
- 3 Penleigh & Essendon Grammar School
- 4 Strathmore Secondary College
- 5 RMIT University Brunswick
- 6 Lygon Street Food Precinct
- 7 Northcote Golf Club
- 8 CERES Environment Park
- 9 Barkly Square Shopping Centre
- 10 Royal Park Golf Club
- 11 Riverside Golf Course
- 12 Maribyrnong Aquatic Centre
- 13 Victoria University Footscray
- 14 Kensington Village
- 15 The Royal Melbourne Hospital
- 16 Queen Victoria Market
- 17 RMIT University
- 18 Etihad Stadium
- 19 Crown Melbourne
- 20 National Gallery of Victoria
- 21 Rod Laver Arena
- 22 MCG
- 23 AAMI Park





*By* BLUE EARTH GROUP

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