



Strata Development Pipeline Capital City Metro Areas

September 2019



INTRODUCTION

With the state of residential strata development currently a hot topic nationally, it is important to gain an overall understanding of each Capital City Metro market's development pipeline. This report aims to provide a high-level view of total, proceeding, and deferred/abandoned strata developments, both in terms of number of projects and number of units/apartments planned for the market, between 2018-2020. Key findings of this report will provide developers and buyers with key information to make informed decisions relating to pursuing current and future development opportunities within these markets.

METHODOLOGY

METRO AREAS

The data for all projects presented in this report was obtained through the Cordell Connect database. Projects were selected on the basis of a 'Metro' classification for each state or territory, as classified by Cordell Connect, with the exception of the Australian Capital Territory (ACT). Because of the nature of the ACT, Cordell Connect assigns no 'Metro' status to projects. For this reason, the entire ACT development pipeline was considered.

APARTMENTS & UNITS

Given that the report is strata-focused, only projects with units or apartments being developed for non-commercial purposes were considered. This means that dwellings created for commercial activities such as aged care, student accommodation, motels and hotels, and others have been excluded from this report. Mixed-use developments were considered, providing they included a non-commercial residential component.

PROJECT DATE

Projects have been categorised into years (2018, 2019, and 2020) according to the commencement date assigned to each project by Cordell Connect. The commencement date quoted typically indicates a general project commencement date and does not necessarily indicate the commencement of project construction.

PROJECT STATUS

Each project was considered to have one of three statuses: deferred/abandoned, proceeding, or unknown. Each of these statuses were categorised according to information acquired through Cordell Connect. Projects with an 'unknown' status made up approximately 2.3% of all apartment/unit stock. These were excluded from the total project pipeline in this report. Deferred/abandoned projects with a status of either 'deferred' or 'abandoned' in Cordell Connect were classified as deferred/abandoned in this report, whereas projects with a variation of either, 'commenced', 'early', 'firm', 'possible', and 'registrations' were classified as proceeding.

DISCLAIMER

It is important to note that this report presents a snapshot of the apartment and unit market at a specific point in time, as determined through a single database system. Project data for this report was downloaded in August 2019, with Cordell Connect reviewed on a monthly basis. This report is useful in providing a comparative overview of recent strata development at the National and Capital City Metro levels, however individual data points should not be relied upon due to the non-static nature of the project development pipeline.

KEY FINDINGS

Key findings include the following:

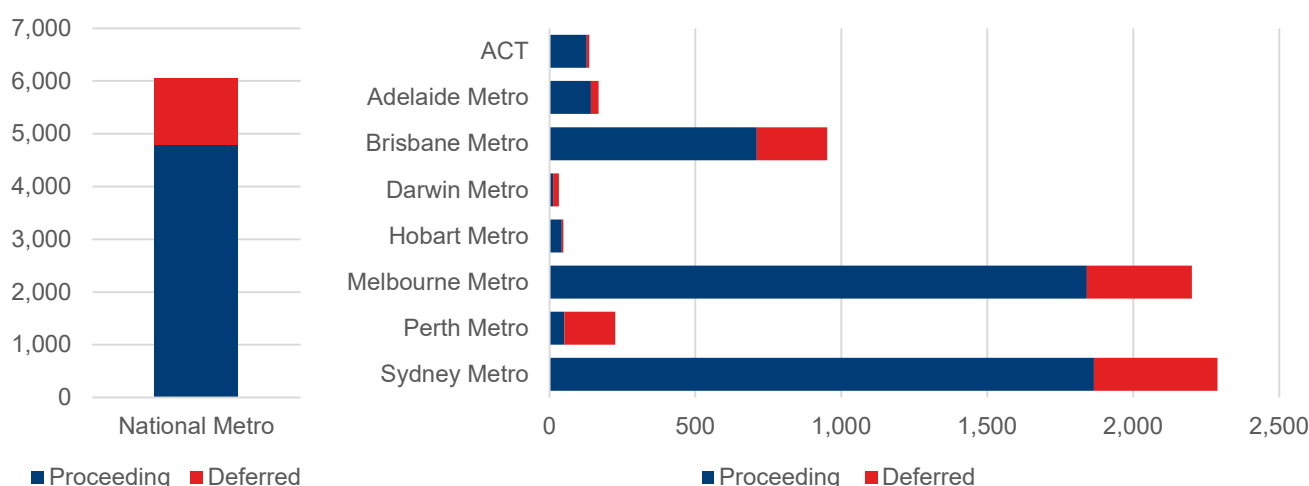
- Total development pipeline of over 360,000 apartments and units in Metro markets nationally between 2018-2020
- Project abandonment rate of 18.8% in Metro markets nationally between 2018-2020
- 43.5% of proceeding apartments and units are located in Sydney Metro
- Melbourne Metro is due to see nearly 100,000 apartments and units proceeding construction between 2018-2020
- Of the 3 major capital cities, only Brisbane Metro sees its proceeding pipeline increase annually in all consecutive years, with a phenomenal increase of 327.1% in total apartment and unit stock between 2018-2020

NATIONAL METRO 2018-2020

Below is a national snapshot of total project development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels. Across the National Metro markets, 81.2% of all projects and 82.6% of units and apartments identified between 2018-2020 are classified as proceeding.

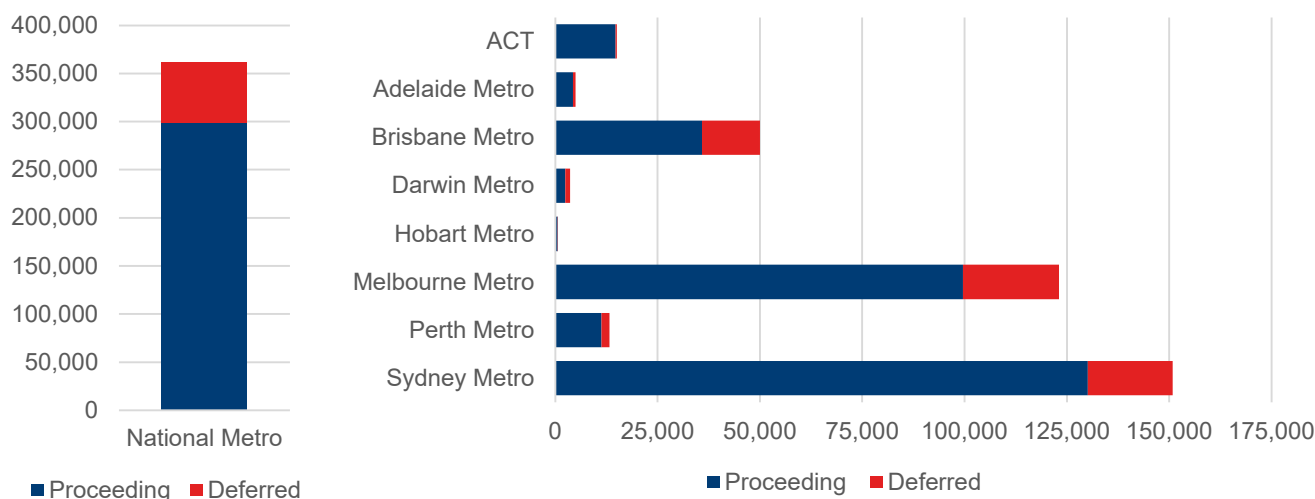
TOTAL PROJECTS

	2018		2019		2020		Total	
Proceeding	1,151	76.5%	1,909	81.6%	1,854	83.9%	4,914	81.2%
Deferred or Abandoned	353	23.5%	430	18.4%	355	16.1%	1,138	18.8%
Total	1,504	100.0%	2,339	100.0%	2,209	100.0%	6,052	100.0%



APARTMENTS & UNITS

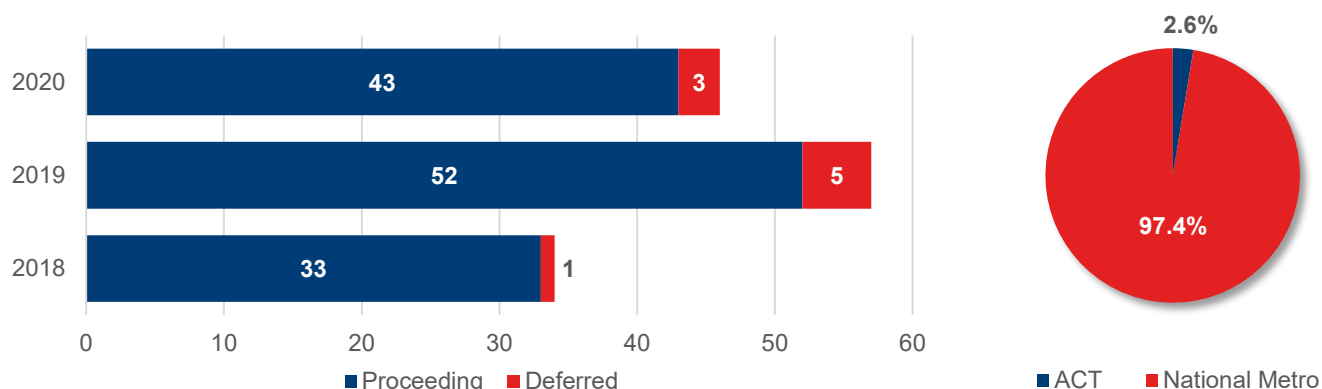
	2018		2019		2020		Total	
Proceeding	58,320	77.8%	120,913	84.7%	119,601	83.2%	298,834	82.6%
Deferred or Abandoned	16,622	22.2%	21,851	15.3%	24,089	16.8%	62,562	17.3%
Total	74,942	100.0%	142,764	100.0%	143,690	100.0%	361,396	100.0%



AUSTRALIAN CAPITAL TERRITORY 2018-2020

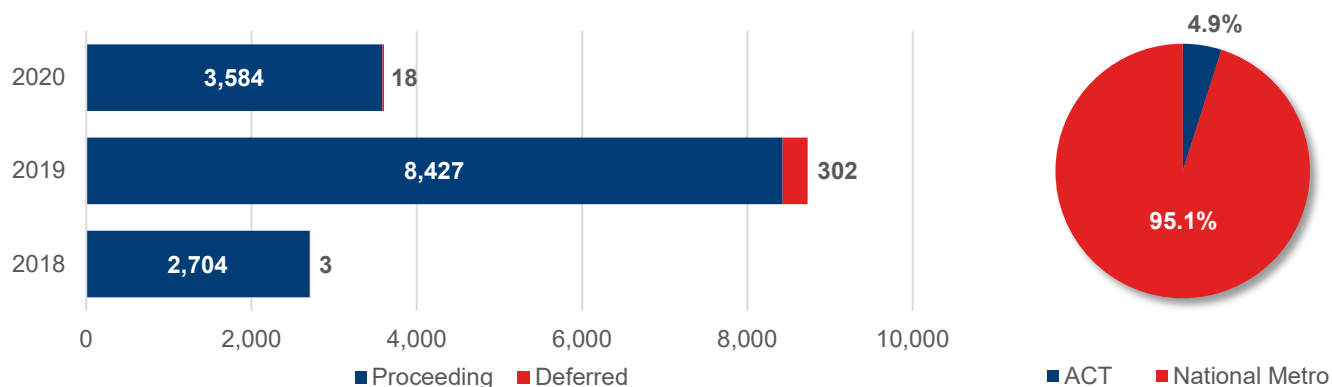
Below is a snapshot of the ACT's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



The ACT accounts for 2.6% of National Metro apartments and units proceeding between 2018-2020, with a total of 128 projects set to commence. Nine projects were either deferred or abandoned over the period, meaning 93.4% of projects remain active in the ACT. This is well above the National Metro market's 81.2%, reflecting developer confidence and a healthy appetite for residential strata products.

APARTMENTS & UNITS



The ACT accounts for 4.9% of National Metro apartments and units proceeding between 2018-2020, with a total of 14,715 apartments and units set to commence. 323 apartments and units were either deferred or abandoned over the period, meaning 97.9% of stock remains active in the ACT; well above National Metro's 82.6%. This is an even stronger indication of developers' confidence, based on known purchaser's appetite for strata products in the ACT.

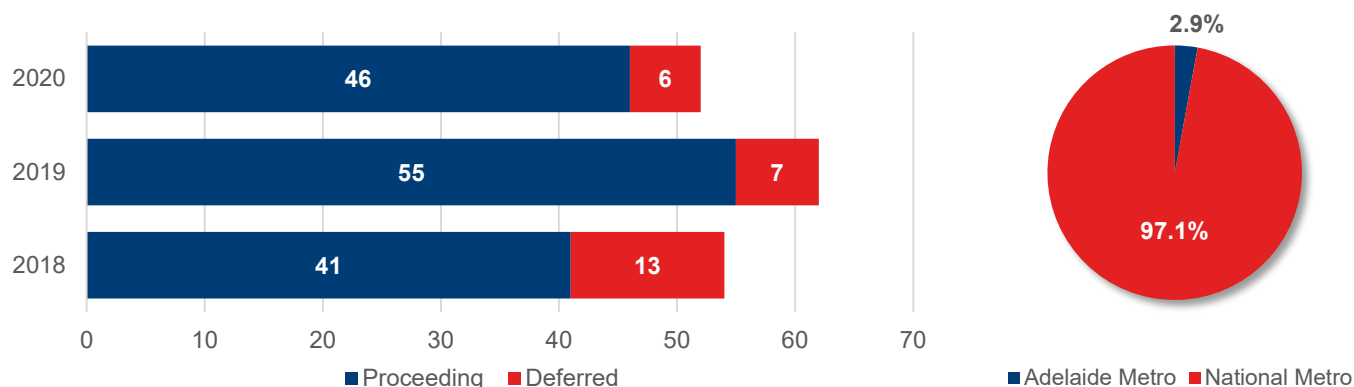
TOP FIVE PROJECTS

Project Name	Suburb	Apartments/Units	Estimated Value [^]	Status	Commence Date
WOVA – Woden Revamped	Phillip	800	\$221.8M	Possible	Mar-2020
Canberra Civic Site Redevelopment	Canberra City	250	\$214.4M	Possible	Nov-2019
Dickson on Northbourne – SOHO	Dickson	1,000	\$189.9M	Possible	Nov-2019
Section 7 Reid – Metropol City 7	Reid	522	\$163.8M	Possible	Sep-2019
Republic – Stage 2 – High Society	Belconnen	547	\$158.5M	Firm	Dec-2019

ADELAIDE METRO 2018-2020

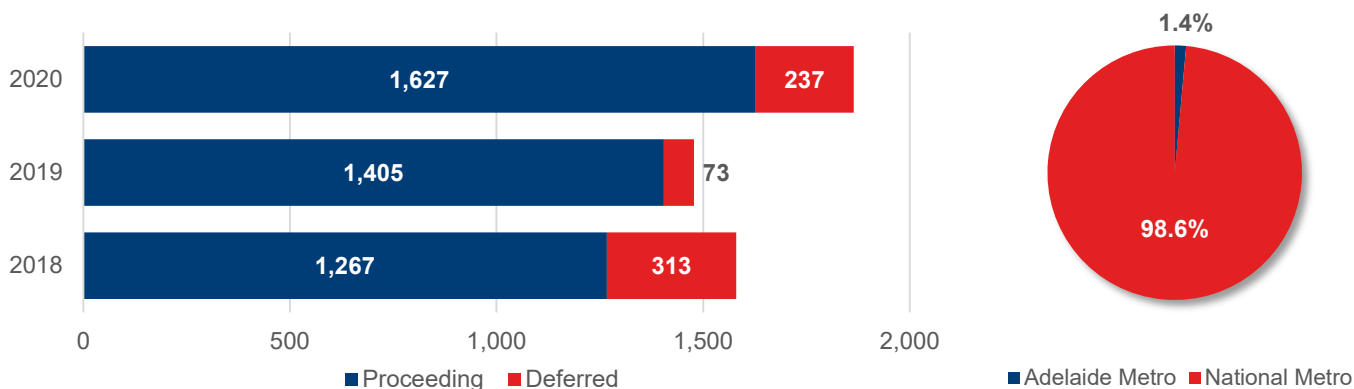
Below is a snapshot of the Adelaide Metro's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



Adelaide Metro accounts for 2.9% of National Metro apartments and units proceeding between 2018-2020, with a total of 142 projects set to commence. 26 projects were either deferred or abandoned over the period, meaning 84.5% of projects remain active in Adelaide Metro; above National Metro's 81.2%. This suggests that there is continued opportunity for developers with residential strata offerings in Adelaide Metro.

APARTMENTS & UNITS



Adelaide Metro accounts for 1.4% of National Metro apartments and units proceeding between 2018-2020, with a total of 4,299 apartments and units set to commence. 623 apartments and units were either deferred or abandoned over the period, meaning 87.3% of stock remains active in Adelaide Metro; above National Metro's 82.6% from 2018-2020. Additionally, a growing pipeline in three consecutive years suggests the strata market will be well prepared to cater for Adelaide Metro's growing population.

TOP FIVE PROJECTS

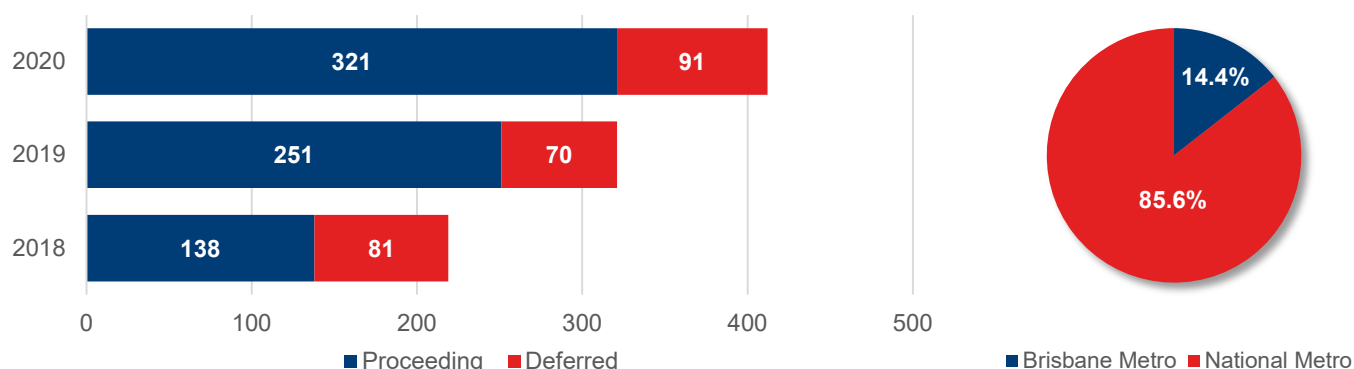
Project Name	Suburb	Apartments/ Units	Estimated Value [^]	Status	Commence Date
Fishermans Wharf Mixed-use Development	Port Adelaide	163	\$200.0M	Early	Oct-2020
Sofitel Hotel & Residential Tower	Adelaide	70	\$140.0M	Commenced	Oct-2018
8 South Esplanade Glenelg	Glenelg	52	\$75.0M	Commenced	Aug-2018
U2 On Waymouth Apartment Building	Adelaide	257	\$75.0M	Commenced	Apr-2019
Victoria Square Mixed-use Development	Adelaide	70	\$60.0M	Early	Oct-2019

Disclaimer: Dwelling stock is an indicative number of dwellings scheduled for commencement annually as indicated by the data provider. PRDnationwide does not hold any liability to exact stock levels. [^]Estimated value is the value of construction costs provided by relevant data authority; it does not reflect the project's sale/commercial value.
Source: Cordell Database. © Copyright PRDnationwide 2019.

BRISBANE METRO 2018-2020

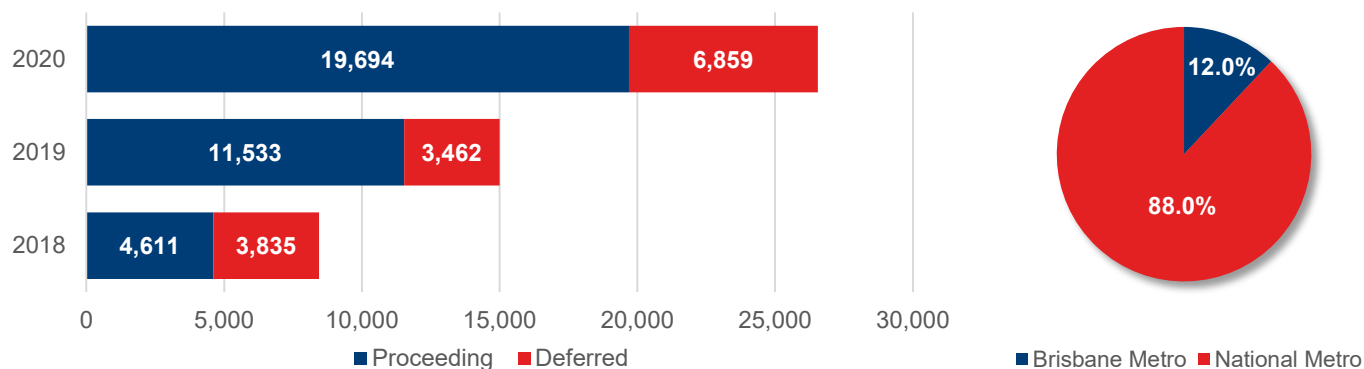
Below is a snapshot of the Brisbane Metro's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



Brisbane Metro accounts for 14.4% of National Metro apartments and units proceeding between 2018-2020, with a total of 710 projects set to commence. 242 projects were either deferred or abandoned over the period, meaning 74.6% of projects remain active in Brisbane Metro; below National Metro's 81.2% between 2018-2020. This suggests that developers are cautious, which has stemmed from recent oversupply fears in the area.

APARTMENTS & UNITS



Brisbane Metro accounts for 12.0% of National Metro apartments and units proceeding between 2018-2020, with a total of 35,838 apartments and units set to commence. 14,156 apartments and units were either deferred or abandoned over the period, meaning 71.7% of stock remains active in Brisbane Metro; below National Metro's 82.6% from 2018-2020. A larger proportion of total proceeding projects than total apartments and units suggests that developers are having greater success on average, with slightly smaller product offerings in Brisbane Metro.

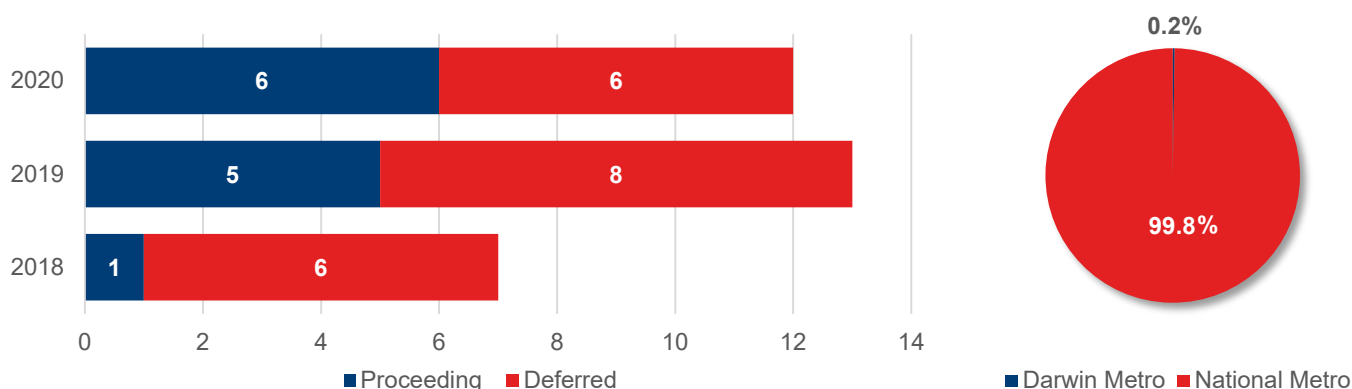
TOP FIVE PROJECTS

Project Name	Suburb	Apartments/ Units	Estimated Value [^]	Status	Commence Date
Springfield Central Gardens Area 5B	Springfield Central	2,277	\$6.0B	Possible	Jun-2020
The Lakes	Carbrook	1,528	\$750.0M	Possible	Mar-2020
Albert Street Mixed-use Development	Brisbane	857	\$500.0M	Possible	Jun-2020
Brisbane Quarter The One Residential Tower	Brisbane	466	\$300.0M	Commenced	Aug-2018
Project Waters Mixed-use Development	Fortitude Valley	525	\$158.0M	Possible	Feb-2020

DARWIN METRO 2018-2020

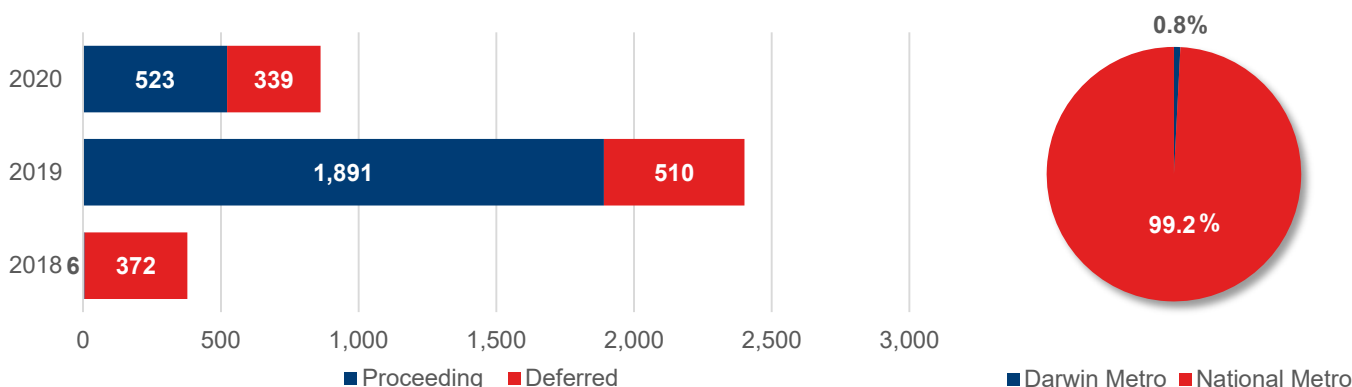
Below is a snapshot of the Darwin Metro's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



Darwin Metro accounts for 0.2% of National Metro apartments and units proceeding between 2018-2020, with a total of 12 projects set to commence. 20 projects were either deferred or abandoned over the period, meaning 37.5% of projects remain active in Darwin Metro; well below National Metro's 81.2%. A high deferment rate is likely due in part to low population growth, which is needed to support the viability of such projects.

APARTMENTS & UNITS



Darwin Metro accounts for 0.8% of National Metro apartments and units proceeding between 2018-2020, with a total of 2,420 apartments and units set to commence. 1,221 apartments and units were either deferred or abandoned over the period, meaning 66.5% of stock remains active in Darwin Metro; below National Metro's 82.6%. An overall picture by number of apartments and units paints a better picture for development in Darwin Metro than by number of projects, thanks to a few large projects which are set to proceed.

TOP FIVE PROJECTS

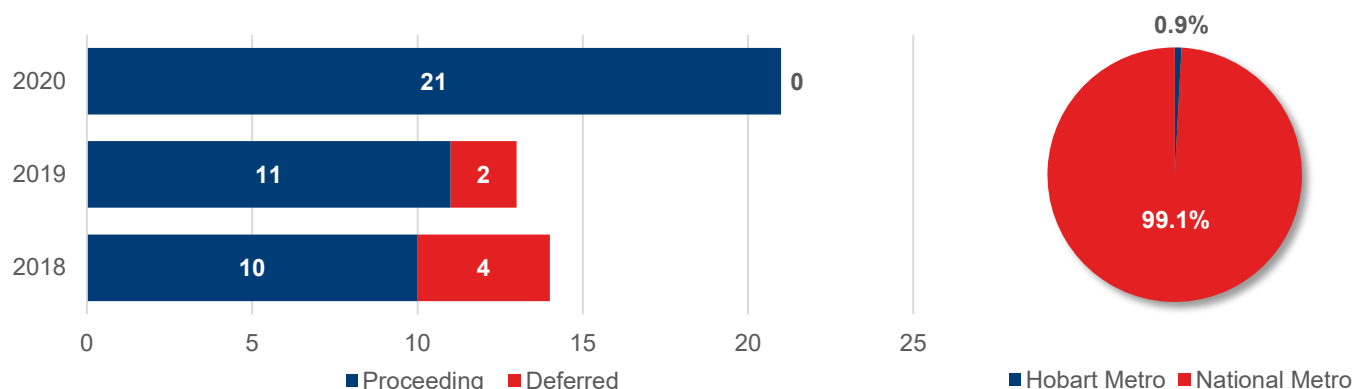
Project Name	Suburb	Apartments/ Units	Estimated Value [^]	Status	Commence Date
The Boulevard Res Development (Stages 1-7)	Bayview	906	\$300.0M	Possible	Nov-2019
Chinatown Mixed Development	Darwin	262	\$108.0M	Possible	Jun-2019
Darwin City Gate Mixed-use Development	Darwin	325	\$97.0M	Possible	Dec-2019
Former Asti Motel Site	Larrakey	48	\$48.0M	Possible	Aug-2020
Manton St Mixed-use Development	Darwin	48	\$17.0M	Possible	Mar-2020

Disclaimer: Dwelling stock is an indicative number of dwellings scheduled for commencement annually as indicated by the data provider. PRDnationwide does not hold any liability to exact stock levels. [^]Estimated value is the value of construction costs provided by relevant data authority; it does not reflect the project's sale/commercial value.
Source: Cordell Database. © Copyright PRDnationwide 2019.

HOBART METRO 2018-2020

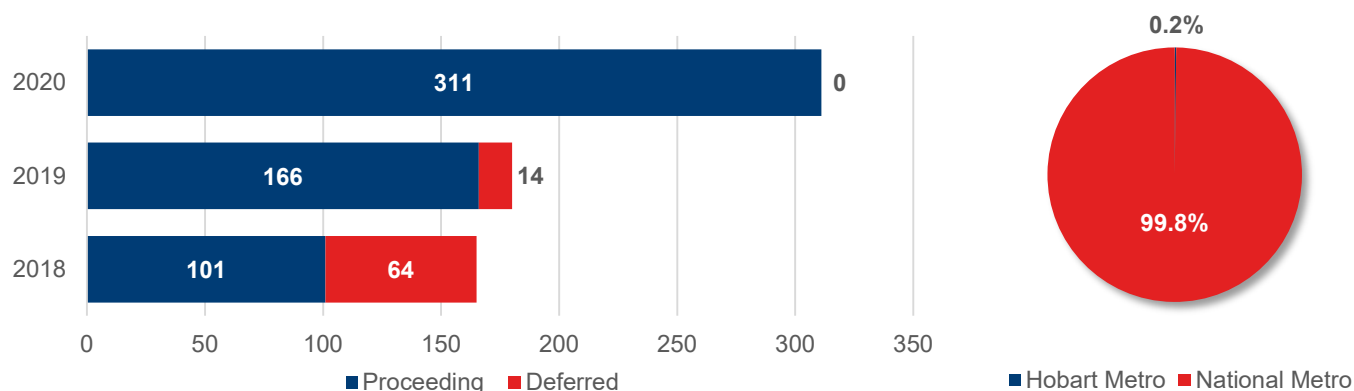
Below is a snapshot of the Hobart Metro's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



Hobart Metro accounts for 0.9% of National Metro apartments and units proceeding between 2018-2020, with a total of 42 projects set to commence. Six projects were either deferred or abandoned over the period, meaning 88.1% of projects remain active in Hobart Metro; above National Metro's 81.2%. This is good news for Hobart Metro, as local first home buyers have identified a strong need for more residential strata development.

APARTMENTS & UNITS



Hobart Metro accounts for 0.2% of National Metro apartments and units proceeding between 2018-2020, with a total of 578 apartments and units set to commence. 78 apartments and units were either deferred or abandoned over the period, meaning 88.1% of stock remains active in Hobart Metro; well above National Metro's 82.6%. Hobart Metro is seeing a very small volume of overall apartment and unit stock in the context of the National Metro pipeline, suggesting developers in the area will have great success with limited competition and strong demand.

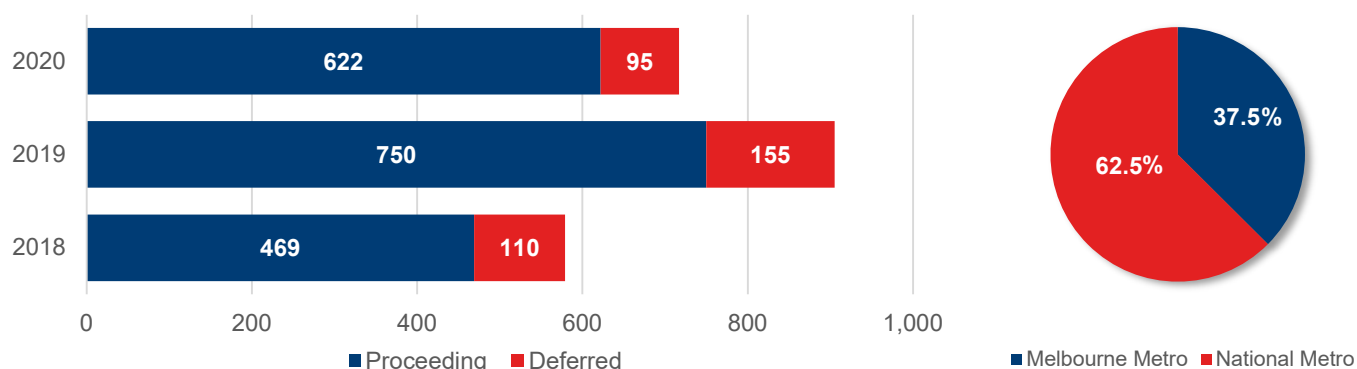
TOP FIVE PROJECTS

Project Name	Suburb	Apartments/Units	Estimated Value [^]	Status	Commence Date
Battery Point Mixed-use Development	Battery Point	72	\$100.0M	Possible	Feb-2020
Sixty Six North Hobart	North Hobart	57	\$78.0M	Possible	Nov-2019
Elizabeth Street Hotel and Apartments	Hobart	91	\$40.0M	Possible	Aug-2020
Summerleas Road Mixed-use Development	Kingston	97	\$26.0M	Possible	Jul-2020
The Commons Hobart	Hobart	30	\$20.0M	Commenced	Mar-2019

MELBOURNE METRO 2018-2020

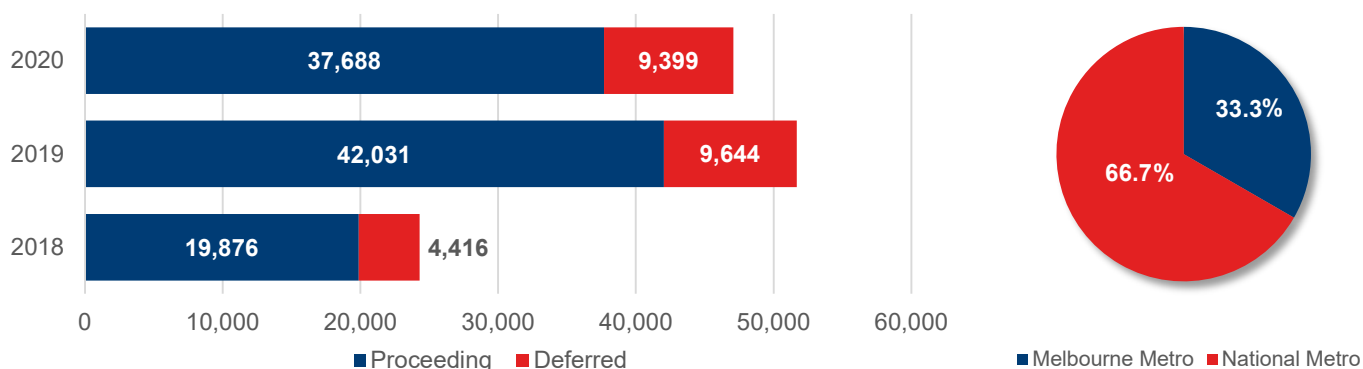
Below is a snapshot of the Melbourne Metro's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



Melbourne Metro accounts for 37.5% of National Metro apartments and units proceeding between 2018-2020, with a total of 1,841 projects set to commence. 360 projects were either deferred or abandoned over the period, meaning 83.6% of projects remain active in Melbourne Metro; above National Metro's 81.2%. Despite being the second largest Capital City Metro market by total projects, this rate suggests supply is still expected to be met by ongoing demand.

APARTMENTS & UNITS



Melbourne Metro accounts for 33.3% of National Metro apartments and units proceeding between 2018-2020, with a total of 99,595 apartments and units set to commence. 23,459 apartments and units were either deferred or abandoned over the period, meaning 80.9% of stock remains active in Melbourne Metro; slightly below National Metro's 82.6%. The slowing in strata development pipeline between 2019-2020 is undermined by the rapid growth between 2018-2019, suggesting developers must target offerings to niche market segments to ensure success.

TOP FIVE PROJECTS

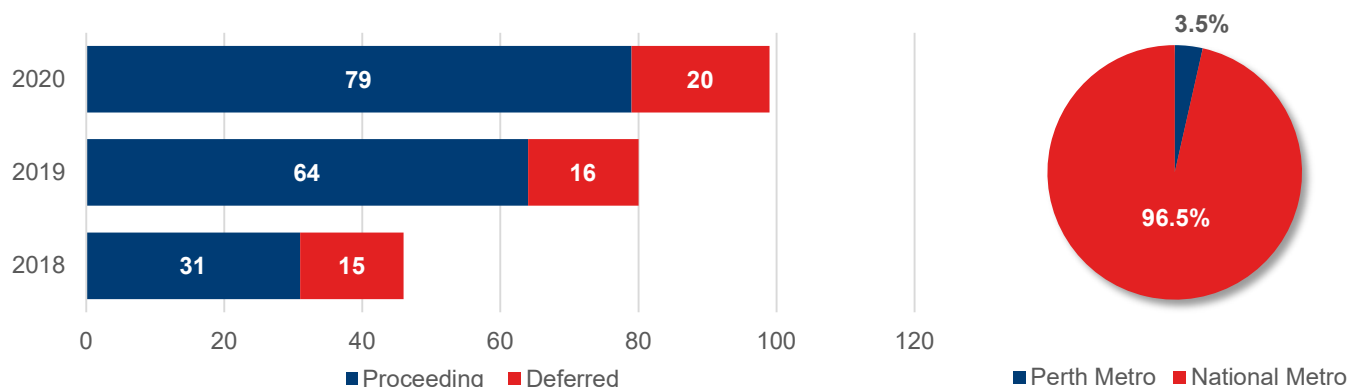
Project Name	Suburb	Apartments/ Units	Estimated Value [^]	Status	Commence Date
Ingles Street Mixed-use Development	Sandridge	1,406	\$1.0B	Possible	Mar-2020
East Village Mixed-use Redevelopment	Bentleigh East	1,250	\$850.0M	Early	Feb-2019
Plummer & Salmon Sts Mixed-use Development	Wirraway	1,188	\$840.0M	Possible	Feb-2020
Melbourne Quarter East Tower Building	Docklands	719	\$750.0M	Commenced	May-2018
Mandarin Oriental Hotel Mixed-use Development	Melbourne	148	\$700.0M	Possible	Oct-2019

Disclaimer: Dwelling stock is an indicative number of dwellings scheduled for commencement annually as indicated by the data provider. PRDnationwide does not hold any liability to exact stock levels. [^]Estimated value is the value of construction costs provided by relevant data authority; it does not reflect the project's sale/commercial value.
Source: Cordell Database. © Copyright PRDnationwide 2019.

PERTH METRO 2018-2020

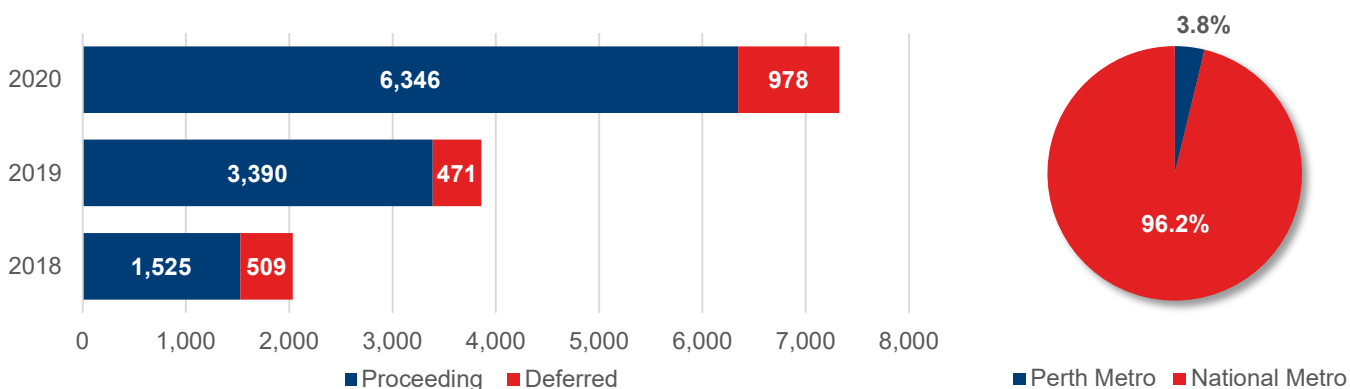
Below is a snapshot of the Perth Metro's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



Perth Metro accounts for 3.5% of National Metro apartments and units proceeding between 2018-2020, with a total of 174 projects set to commence. 51 projects were either deferred or abandoned over the period, meaning 77.3% of projects remain active in Perth Metro; below National Metro's 81.2%. Despite this, project deferment rates have decreased annually between 2018-2020, suggesting there is growing confidence in the market.

APARTMENTS & UNITS



Perth Metro accounts for 3.8% of National Metro apartments and units proceeding between 2018-2020, with a total of 11,261 apartments and units set to commence. 1,958 apartments and units were either deferred or abandoned over the period, meaning 85.2% of stock remains active in Perth Metro; slightly above National Metro's 82.6%. This figure is indicative of a number of large developments which occupy the proceeding pipeline in 2020 in particular, presenting a great opportunity to cater for local population growth.

TOP FIVE PROJECTS

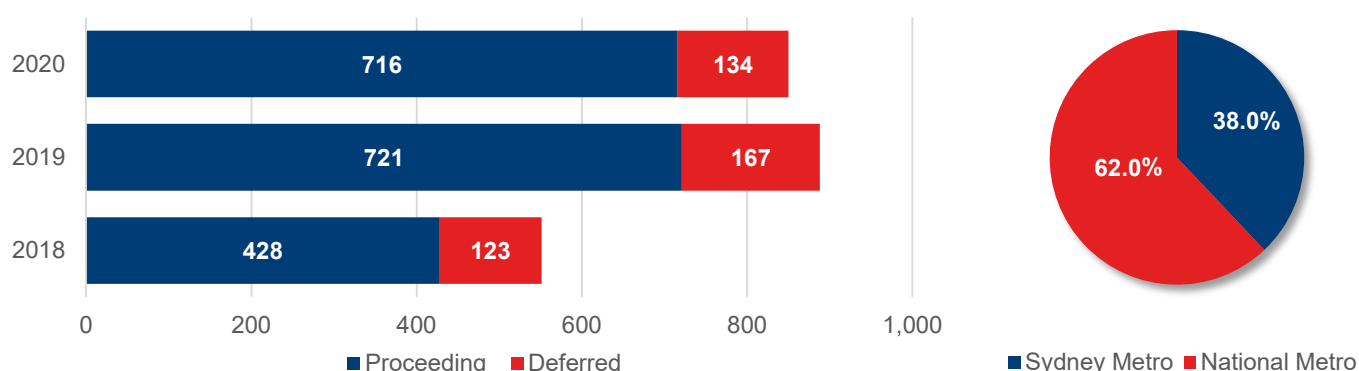
Project Name	Suburb	Apartments/ Units	Estimated Value [^]	Status	Commence Date
Waterbank Precinct Apartments Building B	East Perth	283	\$500.0M	Possible	Dec-2019
Perth+ Mixed-use Development	Perth	220	\$400.0M	Possible	Jan-2020
Civic Heart Mixed-use Development	South Perth	309	\$320.0M	Possible	Jun-2020
Elizabeth Quay Mixed-use Development	Perth	484	\$300.0M	Possible	Nov-2020
Applecross Apartment Towers Stages 2 & 3	Applecross	360	\$222.0M	Possible	Jun-2020

Disclaimer: Dwelling stock is an indicative number of dwellings scheduled for commencement annually as indicated by the data provider. PRDnationwide does not hold any liability to exact stock levels. [^]Estimated value is the value of construction costs provided by relevant data authority; it does not reflect the project's sale/commercial value.
Source: Cordell Database. © Copyright PRDnationwide 2019.

SYDNEY METRO 2018-2020

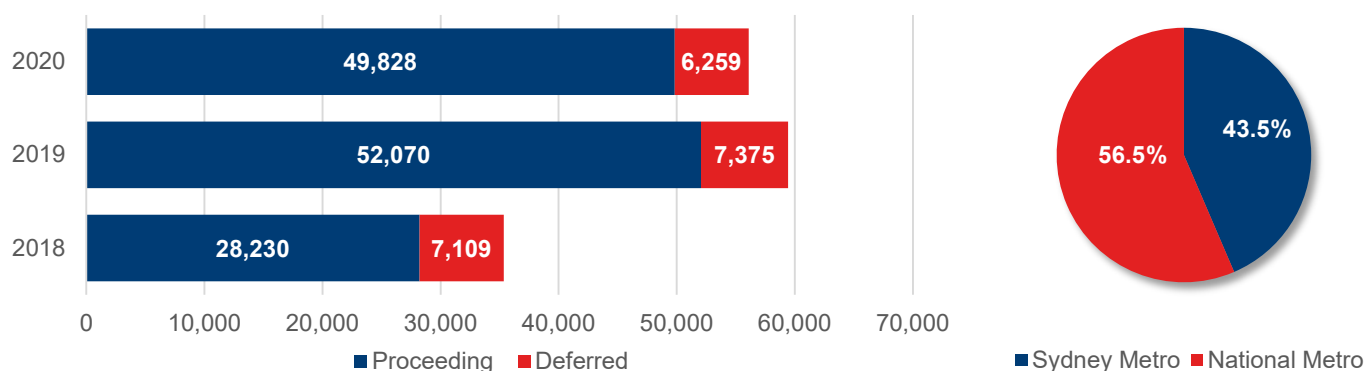
Below is a snapshot of the Sydney Metro's development pipeline for units and apartments, scheduled for commencement between 2018-2020. The data is first presented as total number of projects, and then by total number of planned apartment and unit stock levels.

TOTAL PROJECTS



Sydney Metro accounts for 38.0% of National Metro apartments and units proceeding between 2018-2020, with a total of 1,865 projects set to commence. 424 projects were either deferred or abandoned over the period, meaning 81.5% of projects remain active in Sydney Metro; just above National Metro's 81.2%. As the largest Capital City Metro market by share of projects, this is an expected outcome.

APARTMENTS & UNITS



Sydney Metro accounts for 43.5% of National Metro apartments and units proceeding between 2018-2020, with a total of 130,128 apartments and units set to commence. 20,473 apartments and units were either deferred or abandoned over the period, meaning 86.3% of stock remains active in Sydney Metro; above National Metro's 82.6%. This suggests that developers are increasingly cautious in Sydney Metro, however remain confident that quality developments will continue to sell well.

TOP FIVE PROJECTS

Project Name	Suburb	Apartments/ Units	Estimated Value [^]	Status	Commence Date
One Barangaroo Crown Residences	Barangaroo	82	\$2.4B	Commenced	Mar-2018
Park Sydney	Erskineville	1,400	\$636.7M	Possible	May-2020
Former Cumberland Media Centre Site	Parramatta	964	\$500.0M	Early	Apr-2020
South Quarter	Parramatta	773	\$381.2M	Possible	Jun-2019
Schofield Road Apartments	Schofields	1,381	\$373.3M	Possible	Sep-2019

Disclaimer: Dwelling stock is an indicative number of dwellings scheduled for commencement annually as indicated by the data provider. PRDnationwide does not hold any liability to exact stock levels. [^]Estimated value is the value of construction costs provided by relevant data authority; it does not reflect the project's sale/commercial value.
Source: Cordell Database. © Copyright PRDnationwide 2019.

ABOUT PRDnationwide RESEARCH

PRDnationwide's research division provides reliable, unbiased and authoritative property research and consultancy to clients in metro and regional locations across Australia.

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

OUR SERVICES

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

PRDnationwide Research

T +61 7 3229 3344

E research@prd.com.au

PRD.com.au

Sell Smarter!

**Over 40 Years of Leading
Property Industry Research**

PRDnationwide Corporate Head Office

P +61 7 3229 3344

E info@prd.com.au

PRD.com.au

PRDnationwide is a
Colliers International company.