



GROWTH PROJECTIONS FOR OUR CITIES

Welcome to The Commercial Property
Cashflow Webinar Part 1

CITY GROWTH PROJECTIONS & IMPLICATIONS

What Sydney will look like in 2046? Three Scenarios...

- 'Decentralised scenario which incorporates acres of building and hundreds of thousands of new homes in the south-west.'
- 'Centralised scenario where everyone crams like crazy into zones close to the Central Business District (CBD), and to a lesser extent Parramatta.'
- 'Medium-density scenario, which is a realistic mixture of the two, incorporating population growth across the city and on balance the most likely outcome.'
- The scenarios have one thing in common: Sydney in 2046 with a population of 7.34 million.
- *Michael Yardney:- <https://propertyupdate.com.au/this-is-what-sydney-is-going-to-look-like-in-2046/>*

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

- ‘Over the next 30 years the percentage of the population living in Australia’s four largest cities will increase from 58% to 64%.’
- ‘This trend reflects the increasing number of businesses, and in turn jobs, located in Australia’s largest cities, and shifting preferences, among some sections of the community, towards a metropolitan lifestyle.’
- <https://www.infrastructureaustralia.gov.au/publications/future-cities-planning-our-growing-population>
- Other reports: <https://www.infrastructureaustralia.gov.au/listing/view-all-our-reports>

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

- ‘Population growth is a central driver of this change.’
- ‘In the next 30 years, Sydney’s population is projected to increase by 2.4 million people, growing to be a city of 7.4 million.’
- ‘Over the same period, Melbourne is projected to grow by 2.7 million people, to be a city of 7.3 million.’
- ‘The growth of Brisbane and Perth, while on a smaller scale, will still bring substantial change to both cities.’
- <https://www.infrastructureaustralia.gov.au/publications/future-cities-planning-our-growing-population>

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

- ‘Between now and 2046, Brisbane is projected to grow by 1.6 million people and Perth by 2.2 million people, delivering cities of just under 4 million and 4.3 million, respectively.’
- ‘This means the Brisbane and Perth of tomorrow will become cities the size of Melbourne and Sydney today.’
- ‘While **Melbourne and Sydney** will become cities comparable to the current size of some of the world’s most significant urban economies, **operating more like the Hong Kong, New York and London of today.**’
- <https://www.infrastructureaustralia.gov.au/publications/future-cities-planning-our-growing-population>

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

Shifts to consider over this time frame:

- ‘Rapid technological transformation: Technological change across a range of sectors within the Australian economy is fundamentally disrupting how goods and services are provided, regulated, consumed and paid for.’
- ‘This will have implications for the planning, design and operation of Australian cities both now and in the future, including our transport networks.’
- **Think.... Online sales instead of retail sales of goods & products and commodity items, that don't spoil quickly in storage**
- <https://www.infrastructureaustralia.gov.au/publications/future-cities-planning-our-growing-population>

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

Shifts to consider over this time frame:

- ‘The increasing urban freight task: According to the 2015 Australian Infrastructure Audit, Australia’s containerised freight task is projected to experience substantial growth, increasing by 165% by 2031, with cities being a primary location for this growth.’
- ‘This will have implications for our urban freight networks, in particular first and last mile transport and handling, which will impact the future structure of our cities.’
- **Think.... warehousing centres for assisting the freight transport of goods**
- <https://www.infrastructureaustralia.gov.au/publications/future-cities-planning-our-growing-population>

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

Shifts to consider over this time frame:

- ‘The shifting structure of national and global economies:
The national economy is in a state of transition. As the mining investment boom winds down, the focus of the economy is shifting towards service and knowledge-intensive activities.’
- ‘Cities are the ideal location for these agglomerating economies, enabling collaboration and easy access to skilled labour.’
- ‘This has implications for the spatial structure of our cities, and the infrastructure which supports them.’
- **Think... Office space and Retail and public access, public transport and parking**

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

Shifts to consider over this time frame:

- ‘Changes to the nature and location of work: Technological innovation, including ongoing developments in communications, robotic technology and artificial intelligence, are enabling changes to the way we work.’
- ‘These changes will have implications for the nation’s key employment centres, primarily located in our cities, with flow-on impacts for infrastructure networks and social equity across our cities.’
- **Think... work from home and the Suburban and Regional local communities supporting this eg... supporting shops, services (medical, professional etc)**

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

Finding 2

Public transport is crucial to improving accessibility in Australia's largest cities. Under all scenarios, the use and performance of public transport services across the cities improves. Even as our largest cities grow by over two million people, both the public transport mode share, and the proportion of jobs that can be accessed by public transport, increase. This shows that public transport is well-suited to moving large volumes of people, particularly in higher density environments.

- **Think... Commercial property with good access to public transport- trains, buses, trams, ferries**

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

Finding 3

Cars continue to play an important role in our cities. However, across all scenarios, congestion significantly increases, and adding new roads is only part of the solution. The scenario analysis indicates that private vehicles continue to be used for the majority of trips within our largest cities, and the total number of trips on our roads increases significantly. Construction of new roads alone cannot accommodate this demand and alleviate congestion at the same time. Land-use planning and transport network investment will need to be complemented by other approaches, including demand management mechanisms such as road user charging, and public transport investment.

- **Think... good road access to existing commercial property- eg. Near main highways for warehouse and industrial property**

INFRASTRUCTURE AUSTRALIA – FUTURE CITIES REPORT

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Table 2: Provisional Estimated Resident Population at 30 June 2016¹⁶

Indicator	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
Capital city population	5,029,768*	4,725,316	2,360,241	2,022,044	1,324,279	224,462	403,468	145,916	16,235,494
State/territory balance	2,709,506	1,453,933	2,488,636	536,907	388,775	293,126	NA	99,824	7,970,707
State/territory total population	7,739,274	6,179,249	4,848,877	2,558,951	1,713,054	517,588	403,468	245,740	24,210,809**
Capital city percentage of state/territory population	64.99%	76.47%	48.68%	79.02%	77.31%	43.37%	100.00%	59.38%	67.06%
Capital city percentage of national population	20.77%	19.52%	9.75%	8.35%	5.47%	0.93%	1.67%	0.60%	67.06%

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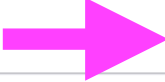
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Table 5: Sydney – New South Wales Government population projections²²

	2016		2046	Change 2016–46	Percentage change
Population	4,680,000		7,340,000	2,650,000	57%
Employment	2,440,000		3,730,000	1,290,000	53%

Note: Population and employment rounded to the nearest 10,000. Change and percentage change is calculated using more detailed underlying data and then rounded.

Table 6: Melbourne – Victorian Government population projections²³

	2015		2046	Change 2015–46	Percentage change
Population	4,460,000		7,260,000	2,800,000	63%
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Location ▼

Sector ▼

Year ▼



Content type ▼


CLEAR ALL


PROJECTS

Peak Downs Highway Realignment (Walkerston Bypass)



The business case is for a 10-kilometre link between the Peak Downs Highway and the Mackay Ring Road to bypass Walkerston and provide a more efficient link from the northern Bowen Basin to Mackay.


June 2019  QLD  Road


PROJECTS

METRONET - Automatic Train Control



The business case is for upgrading existing signalling and control systems on the Perth rail network to an integrated high-capacity signalling system, enabling more trains and improved reliability.


June 2019  WA  Rail


PROJECTS

Bruce Highway, Bribie Island to Steve Irwin Way



The business case is for widening the Bruce Highway from four to six lanes between Caboolture to Steve Irwin Way, and to improve flood immunity.

April 2019  QLD  Road


PROJECTS

Bindoon Bypass

The business case is to construct a western bypass of Bindoon along the Great Northern Highway, in the Shire of Chittering, north-west of Perth. The bypass would be a two-lane highway and slightly over 45km in length.

March 2019  WA  Road

➤ Other reports: <https://www.infrastructureaustralia.gov.au/listing/view-all-our-reports>



HIGH YIELD COMMERCIAL MEET-UP

Remember To Lock In These Dates

MEET-UPS 2019 DATES

Sydney:

- Location: Eastwood Ryde Leagues Club

Brisbane:

- Location: Colmslie Hotel

Melbourne:

- Location: Blackburn Hotel

Sydney: Every Month- Wednesday from March to November

- 14 August, 18 September, 16 October, 13 November

Brisbane: Every 2 months

- 26 September, 21 November

Melbourne: Every 2 months

- 12 September, 7 November

AGENDA

- 6:30pm Registration
- 7pm Start - Presentation on a Commercial Property Topic by Helen Tarrant
- 7:45 - 8:15pm - Networking/Break
- 8:15pm - Guest Speaker
- 8:45pm - Q n A
- 9pm Conclusion
- Registration links to come



MEET-UP UPDATES



Commercial Cashflow Mentoring Program



Commercial Cashflow Mentoring Program

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Write a comment...



OLDER



Helen Tarrant shared a link.
Admin · Yesterday at 10:00 AM

Time for Brisbane meet up!
Dont forget to register if your in Brisbane



HIGH YIELD
COMMERCIAL



MEET UP GROUP

EVENTBRITE.COM.AU
HIGH YIELD Commercial Property Meet Up Group - Brisbane



LISMORE PROPERTY CASE STUDY – HELEN

Welcome to The Commercial Property
Cashflow Webinar Part 2

LISMORE NSW PROPERTY WITH HELEN

- 3hr drive FROM BRISBANE
- Population 30K people
- Kingscliff & Tweed head becoming popular- like Byron
- Ballina (down from Byron Bay) 8 yrs ago was like a ghost town.... Now commercial properties have come a long way
- Lismore 1/2 hr inland from Ballina- It's a township, where agents that manage Ballina properties will manage these also
- Agents not branded- but locals - know the area well, have been there years.
- Lismore- Whole town flooded in 2017 (previously in the 1970's)

LISMORE NSW PROPERTY WITH HELEN

- Newcastle Permanent -building society (tenant)
- No Maintenance or sinking funds- 2 owners so pay 1/2 for insurance and any repairs
- No sinking fund- treated like a freehold building.... But contact each other and split the difference.
- Some insurers will split the bill for you
- Tenant paying higher than market rate... but getting the property also at a higher yield (nearly 10%)
- Market yield 8 to 8.5%
- So get property at above market yield - acts as a buffer for rent rate being above market rate.

LISMORE NSW PROPERTY WITH HELEN

- Lismore... & close areas difficult to find industrial properties ie-demand for industrial
- Retail in Lismore- swap-over... clothing & newsagents coming their “end” and being replaced by service and government and food tenants
- Agent says theses a vacancy rate that’s the highest rate had in Lismore, because of tenant swap-out
- 3 major streets - vacant & partially vacant
- Refurbishing of older homes etc, just out of the city... can attract more of the professional tenants and do well. Eg Character cottage- 3 tenants -Solicitor-financial services- Government

LISMORE NSW PROPERTY WITH HELEN

- QN: how difficult will be to get another tenant in once the lease expires in Lismore?
- Can ask tenant if they'd like to add an option in... (6 months prior to lease ending)
- If in high sought after location, or a tenant mix like health, because you may be able to put the property back on the market to get a higher rent at that point in time.
- Qun: Does that imply that over time the vacancy rate will decrease in Lismore?... Should be lower and tenanted in the next 12 months.
- When selecting location. not much of development happening around that part of Lismore? i might be wrong but what are your thoughts

LISMORE NSW PROPERTY WITH HELEN

- Property has a ramp for wheelchair access etc- which is attractive to more government tenants etc.
- HOT TIP: If you cannot get an inspection time with an agent... walk in as a customer and get info- get the vibe.
- Qun: For we have to go for inspection if we want to put in an offer to any property.. Only if it's close to you ... otherwise after you've put the offer in... then take the time and expense to view
- If you don't know the area- talk to different agents to get a good picture- see different properties with different agents just for further information- tell them you are seeing the other agent about that property... and they may tell you a bit more about the property.
- Don't be afraid to ask where they got their information from- to double check.

LISMORE NSW PROPERTY WITH HELEN

- When do we engage Renay to inspect the property on behalf of us .. think it is during the due diligence period ?
- Offer accepted and contract drafted- Helen needs to see IM and the agents details
- QUN : Before we put in an offer, do we engage the Solicitor first
- Solicitor - if NSW or VIC- get solicitor to review contract before you sign it
- QLD- if due diligence clause in it- you can sign and then get solicitor to review