CLARA

MELBOURNE MARKET STUDY

mccrindle

MELBOURNE'S GREATEST STRENGTHS

1. cafes and restaurants
2. amenities
3. lifestyle
4. natural environment
5. cultural diversity

5 BIGGEST CHALLENGES FOR INDIVIDUALS LIVING IN MELBOURNE

1	Cost of living	48%
2	House prices / rental prices	35%
3	Traffic and travel time	34%
4	Crime / safety	34%
5	Population growth	24%

THE COST OF LIVING, SPECIFICALLY RELATED TO HOUSING AFFORDABILITY, IS A CHALLENGE FOR 88% OF MELBOURNIANS

9 OUT OF 10

1 IN 3 (33%)

WISH THEY COULD COMMUTE BY TRAIN

PERCEPTIONS OF MELBOURNE

1. **49%** busy
2. **46%** expensive
3. **46%** liveable

FUTURE SENTIMENT

34% expect things will get better

41% unsure

24% expect things will get worse

1 IN 2 (55%) HAVE CONSIDERED MOVING OUT OF MELBOURNE

Half of Melbournians (49%) would like to live within 500m to 2km of shops and recreation areas.

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INTRODUCTION

When preparing a rebalancing plan for our nation it is important to understand people's thoughts, wishes, aspirations, inspirations and concerns to inform decisions made from a planning perspective.

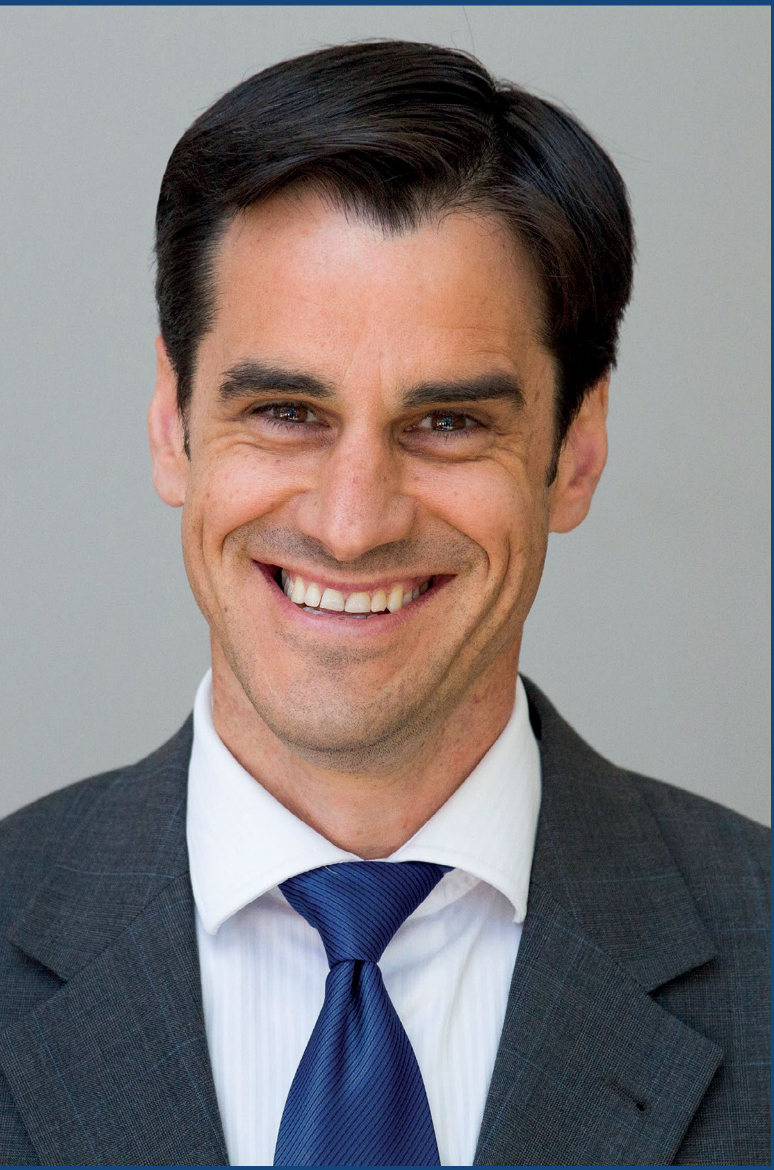
The new regional SMART cities plan for Victoria will ease the pressures of congestion, affordability, access to services and create connected communities. One of the key challenges facing this plan is whether or not people will entertain the notion of moving to a new area. What the CLARA Melbourne Survey demonstrates is that the current population of Melbourne is very open to relocating. The survey has shown that they will relocate if they have greater access to services including transport, schools, healthcare and community ammenities.

As the pressures of a growing city increase it's important to understand what the community is feeling and what they are requiring to ensure their lifestyles improve in line with this growth.

'Failing to plan is planning to fail' need not be our approach to a growing Australia. Understanding our communities is essential in providing the best options for the future. The CLARA Melbourne Survey provides a terrific insight to ensure well thought out and thought through solutions.

I am proud on behalf of CLARA to present this report to all stakeholders.

Nick Cleary
CEO, Consolidated Land and Rail Australia Pty Ltd (CLARA)



Melbourne is one of Australia's leading global cities and boasts world class liveability, amenity and cultural experiences. As a result of this desirability, in the last year Melbourne grew by 125,000 people (almost the size of Darwin 147,000 people). Greater Melbourne grew to more than 5 million residents in 2018 and is forecast to reach 8 million by 2037, 14 years faster than expected, by which time it will have overtaken Sydney as Australia's largest city.

Melbourne's appeal and sustained growth has brought a range of benefits and challenges to its residents, communities and workplaces, which we explore in this report. Findings in this summary report explore the strengths of Melbourne, challenges (including affordability and congestion), population mobility and what makes a 'liveable city'.

The growth of a vibrant city like Melbourne relies on its core social factors such as liveability and culture. Melbourne, however also faces challenges such as congestion and busyness as 5 million people travel to schools, universities and work in a heavily car-dependant, sprawling city. Despite Melbourne's iconic trams in the CBD, and newly proposed train lines, Melbournians are experiencing traffic congestion, increased commute times and increasing cost of living challenges. Melbournians describe their city as 'busy', 'expensive' and thirdly 'liveable'. These current experiences of living in Melbourne also shape the future sentiment towards living in the city. Our latest study shows more than half of Melbournians (55%) have to some extent considered moving out of Melbourne.

We are delighted to share this new data on the desirable qualities Melbournians look for when considering where to live. These results give evidence to support the vision of CLARA's city building initiative, connected by high speed rail as affordable, smart, connected cities that manage population growth through effective, visionary planning.

Mark McCrindle
Principal, McCrindle Research

THE FUTURE OF MELBOURNE

Melbourne, Australia's second largest city, is home to over 5 million people and is currently the fastest growing city in Australia. Based on current annual growth of 2.7%, Melbourne is set to become Australia's largest city as early as 2026. As this growth continues, Melbourne is also projected to be the first Australian city to reach 8 million people by 2037, 14 years faster than expected.

5M
2018

8M
2037

MELBOURNE'S GREATEST STRENGTHS

According to its residents, the three greatest strengths of Melbourne are its cafes and restaurants (37%), amenities (31%) and lifestyle (30%). Melbournians also value the city's natural environment (27%) and cultural diversity (25%).

1 cafes and restaurants

2 amenities

3 lifestyle

4 natural environment

5 cultural diversity

PERCEPTIONS OF MELBOURNE

Despite often being heralded as Australia's most liveable city, residents are more likely to describe Melbourne as busy (49%) and expensive (46%), compared to liveable (46%).

1 **49%** busy

2 **46%** expensive

3 **46%** liveable

FUTURE SENTIMENT

34% expect things will get better

41% unsure

24% expect things will get worse

MELBOURNIANS STRUGGLE TO BE OPTIMISTIC ABOUT THEIR CITY'S FUTURE

Nearly everyone (98%) expects that over the next decade housing affordability will continue to be a challenge in Melbourne. Almost three quarters (73%) expect that housing affordability will be extremely/very challenging over the next ten years.

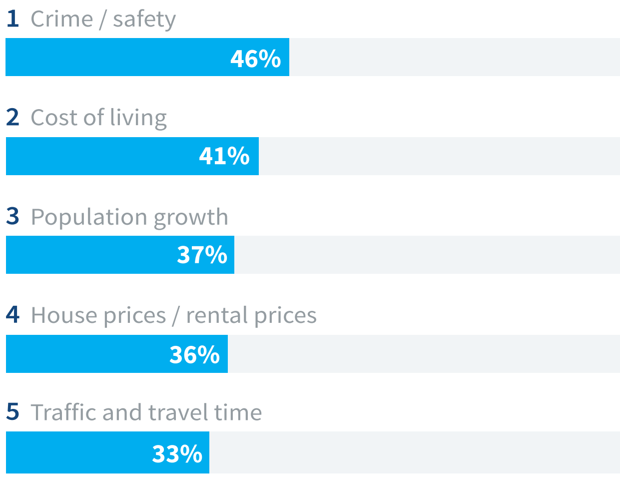
Melbournians are also sceptical about the future of the city's infrastructure. Only a third of the population (34%) think the city's infrastructure, public transport and facility development will be better placed to cater for the needs of the community over the next five years.

CHALLENGES FACING MELBOURNE

5 BIGGEST ISSUES FACING MELBOURNE TODAY

Nearly half of the population (46%) think that crime and safety is one of the biggest issues facing Melbourne today, followed by the city's challenging cost of living (41%) and large population growth (37%).

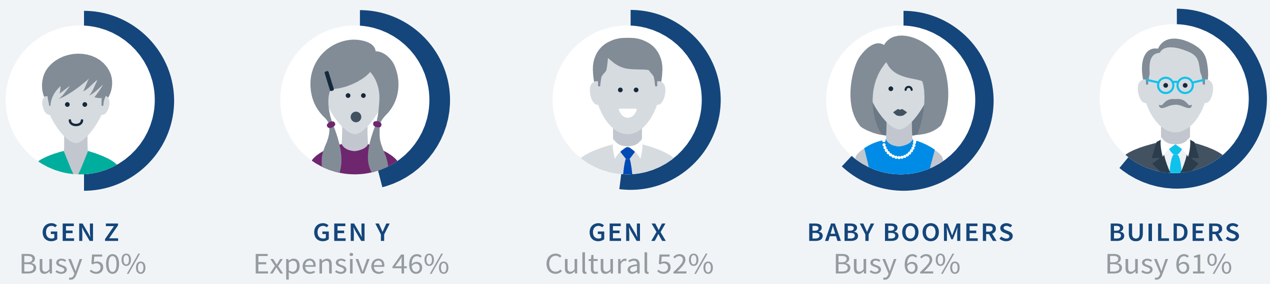
Linked to the city's high cost of living is Melbourne's fourth biggest challenge which is housing affordability. Over a third of people living in Melbourne believe house/rental prices (36%) are one of the biggest challenges facing the city. This is followed by traffic and travel times which are a significant challenge for a third of the population (33%).



KEEPING UP WITH MELBOURNE

The city's older generations are most likely to feel overwhelmed by the pace of Melbourne with more than three in five Baby Boomers (62%) and Builders (61%) describing Melbourne as busy.

The generations see Melbourne as…

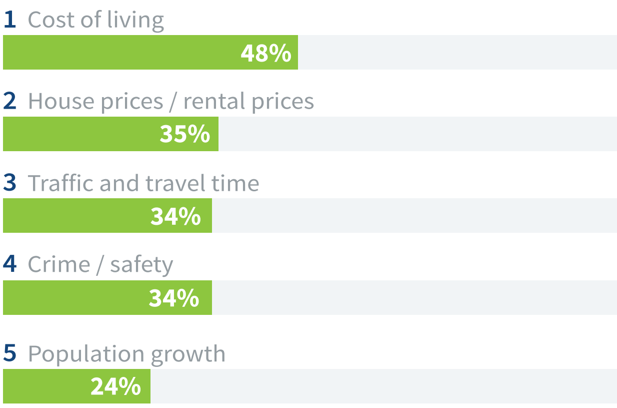


COST OF LIVING IS THE BIGGEST PERSONAL CHALLENGE

MELBOURNE'S HIGH COST OF LIVING IS THE BIGGEST CHALLENGE FOR INDIVIDUALS

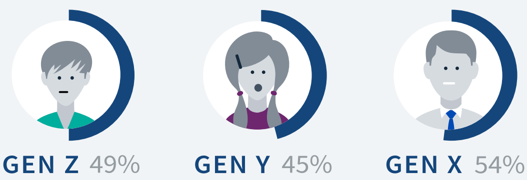
Although Melbournians consider crime and safety to be the biggest issue facing the city (46%), at an individual level, the city's high cost of living is the biggest challenge (48%). Individuals are also struggling with housing affordability (35%) and the city's traffic and travel times (34%).

5 BIGGEST CHALLENGES FOR INDIVIDUALS LIVING IN MELBOURNE



THE COST TO YOUNG MELBOURNIANS

Proportion who believe the cost of living is the biggest personal challenge of living in Melbourne



HOUSING AFFORDABILITY IN MELBOURNE IS EXTREMELY CHALLENGING

The cost of living, specifically related to housing affordability, is a challenge for 88% of Melbournians. The problem has become so severe that nearly half (48%) describe Melbourne's housing affordability as extremely/very challenging.

MELBOURNIANS ARE WILLING TO MOVE

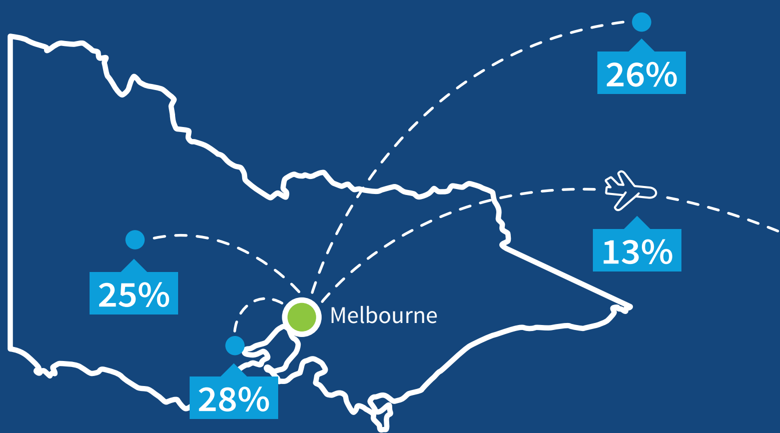
OPENNESS TO MOVING OUT OF MELBOURNE

More than seven in ten Melbournians (72%) are open to moving in the next three years, with nearly two in five (37%) extremely/very open to the idea.

The rising cost of living, pace of life, traffic and travel times in Melbourne have become such a challenge for residents that more than half (55%) are not only open to moving to a new house but have actively (seriously/somewhat/slightly) considered moving out of Melbourne.

PREFERRED RELOCATION DESTINATIONS

Of those who would consider moving out of Melbourne, 53% would be likely to move out of Melbourne, but remain in the state of Victoria. Residents are most likely to want to move to another city within Victoria (28%) followed by a rural/regional area in Victoria (25%). Similarly, a quarter (26%) would consider moving interstate (either to another city 20% or rural/regional area 6%). Just 13% would move overseas.



AFFORDABILITY IS DRIVING MELBOURNIANS TO MOVE

PUSH FACTORS

Affordability is the number one reason why Melbournians would leave their current house and move to a new house (48%).

This is followed by the desire to be close to family and friends (25%), revealing the importance of community in people's lives. The incentive of a desirable lifestyle (24%) is the third highest reason why Melbournians's would leave their existing house.

PULL FACTORS

Affordability is not only the most common reason that a person in Melbourne would consider leaving their current home (48%) but it is also the most common reason that someone would be drawn to moving to a new area (51%).

More than half of Melbournians would move to a new area because of affordability (51%). This is followed by the desire to be closer to family and friends (28%), lifestyle (25%) and access to public transport (23%).

TOP REASONS WHY MELBOURNIAN'S WOULD LEAVE THEIR HOUSE

OUT

1 Affordability (i.e. purchase price / rental price) — 48%

2 Close to family and friends — 25%

3 Lifestyle (i.e. cosmopolitan, suburban, rural etc.) — 24%

4 Access to public transport — 20%

5 Services (i.e. healthcare and education) — 19%

TOP REASONS THAT WOULD ATTRACT MELBOURNIANS TO A NEW HOUSE

IN

1 Affordability (i.e. purchase price / rental price) — 51%

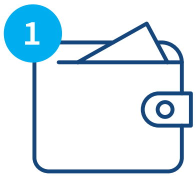
2 Close to family and friends — 28%

3 Lifestyle (i.e. cosmopolitan, suburban, rural etc.) — 25%

4 Access to public transport — 23%

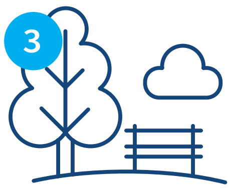
5 Services (i.e. healthcare and education) — 22%

DESIRABLE QUALITIES OF LIFESTYLE CITIES



AFFORDABILITY

SERVICES



SOCIAL AMENITIES

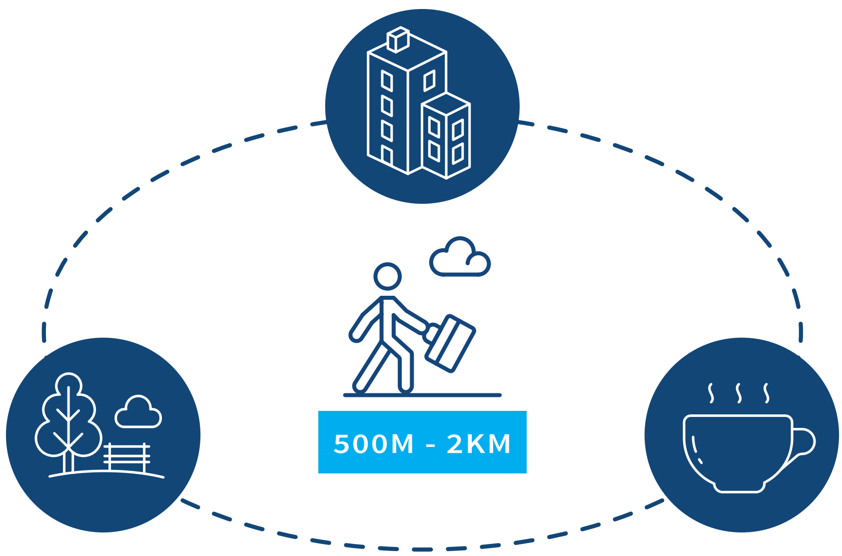
‘MUST HAVES’ FOR LIFESTYLE CITIES

When Melbournians were asked what qualities would most attract them to a new location, affordability was once again the most important quality of a future home location. Four in five (80%) think affordability is extremely/very important (extremely 49% and very 31%).

The second most important quality of a future home area is provision of services. A third of Melbournians (33%) consider services such as health care and education to be extremely important, while an additional 39% consider these provisions to be very important.

The third most important aspect of a future home location is social amenities. Just under a quarter (23%) consider an area’s social amenities to be extremely important followed by an additional 42% who consider social amenities to be very important.

Nearly half of Melbournians (49%) desire a walkable community, with their ideal living situation being between 500 meters and two kilometres from local shops and places of recreation.



THE FUTURE OF TRAVEL

THE IDEAL COMMUTE

When considering their ideal commute time, the most common response (25%) was that Melbournians wish that they could work from home, five times as high as the proportion that currently work from home (5%). The second most common response (24%) was to spend between 11 and 20 minutes commuting to work each day, influenced by a desire to keep a short separation between work and home.

PREFERRED LENGTH OF COMMUTE IN FUTURE

1. None, work from home
2. 11 - 20 minutes

	CURRENT	FUTURE PREFERENCE
WORK FROM HOME	5%	25%
COMMUTE TO WORK BY CAR	74%	58%

MELBOURNIANS WANT LESS CAR DEPENDENCY

If given the choice, less than half of Melbournians (48%) would commute to work in a car as the driver and only one in ten (10%) would commute as a passenger. This represents 58% of the population which is 22% lower than the current proportion of Melbourne workers that commute via car (74%).

The most desired form of public transport is train travel with a third of Melbournians (33%) wishing they could commute on the train.

Given the choice, two in five Melbournians (39%) would like to use public transport at least a few times per week and an additional one in five (19%) would prefer to use public transport most days.

One in five Melbournians wish they could walk to work (18%) which is more than twice the proportion of those who are currently able to (7%).

1 IN 3 (33%)

WISH THEY COULD COMMUTE BY TRAIN

METHODOLOGY

MELBOURNE MARKET ANALYSIS

The Melbourne Market Analysis study is a collation of quantitative and qualitative data collected through an online survey of people living in Melbourne. For this study, the Australian Bureau of Statistics' Greater Melbourne Capital City Statistical Area (GCCSA) has been used to define the city's geographical boundaries. The survey is representative according to age (by generation), gender and location (urban core, inner suburban areas and outer suburban areas).

The survey was deployed through an online panel to people living within the boundaries of Melbourne (GCCSA) in two phases. The survey was in field from 23 October to 2 November 2018.

The survey was completed by 1,009 people who live in Melbourne (representative by gender, age and location). Data from this first phase has been used to represent the attitudes and opinions of persons living in Melbourne, including comparisons made between the different genders and generations.

TERMINOLOGY

Throughout this report, phase one responses (representative by age, gender and location) are referred to as 'Melbourne residents', 'residents' or 'Melbournians'.

Responses in this report have been further delineated into representative segments according to demographic factors. The definitions of each of these segments is outlined below:

Age

- Generation Z: aged 18 to 24
- Generation Y: aged 25 to 39
- Generation X: aged 40 to 54
- Baby Boomers: aged 55 to 73
- Builders: aged 74+

Interpreting the graphs

Unless otherwise specified, the results in this report refer to Melbourne residents that were captured in phase one of the Melbourne Market Analysis survey.

Data labels in this report have been rounded and may, therefore, sum to 99% or 101%. Any calculations where two data points have been added are based on raw data (not the rounded data labels on the graph) which have then been rounded once combined.