

Herald Sun

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HD **Big buyers eye-off city**
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PROPERTY MELBOURNE has been nominated in a global research report as one of the next “prime” cities of the world, as multi-millionaire investors look outside traditional overpriced housing markets.

It ticks almost every box on the “wanted list” of these super-rich **property** buyers, coming second in the list of up-and-coming cities around the globe.

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The research identifies 12 cities “set to outperform the prime world cities and show strong **residential** price growth”.

It is published by London-based developer Candy & Candy, the research arm of real **estate group** Savills and the asset management division of German investment banking giant Deutsche Bank.

“Investors are looking at alternatives away from the fully valued established safe havens, both in secondary markets and second tier cities,” the report said.

The existing prime global cities are **Hong Kong**, Moscow, Singapore, New York and London — where an **apartment** developed by Candy & Candy **sold** recently for more than \$180 million.

These cities account for 40 per cent of the \$US 2.2 trillion (\$2.36 trillion) of global **property** investments held by the world’s super wealthy, known as ultra high net worth individuals.

However, these markets have become too concentrated and investors are looking to the next tier cities around the world for better diversification, the report says.

Although Melbourne was higher priced than many of the other cities on the list, it rates well for personal safety and investment regulation, making it more desirable.

“An Australian city that vies hard with Sydney for dominance, Melbourne is one of the most highly developed and high-functioning cities on our list,” Candy & Candy chief executive Nick Candy said.

“Given it’s premier status and strength of the Australian economy in recent years, it has one of the highest priced real **estate** markets of our cities but would provide strong ‘safe haven’ status.” David Morrell, director of up-market buyers advocacy **group** Morrell and Koren, said Melbourne was frequently preferred to many other large cities in the Asian region, including Sydney.

“Melbourne is easy to get around and it’s very secure,” he said. “If you’re one of these big heavy hitters, unlike other cities, you don’t have to have body guards, your kids can go to and from school in comfort, there’s a good transport system and a good raft of schools.

“It’s also a very appealing city, there’s parks and beaches, it’s multicultural and it tends to have a more stable population.

“When people come to Melbourne they tend to put their tent pegs in the ground for a lot longer, especially compared with very transient cities such as Sydney.” **Property** adviser Catherine Cashmore said the report highlighted the potential for growth in Melbourne to ultra wealthy investors, however there had already been a jump in demand from international buyers, residents and students.

Within 10 years, the Asian region was forecast to account for almost half the world’s economic output and to be the world’s biggest consumer, she said.

“If we play our cards right, Australia, particularly Melbourne and Sydney, are best placed to take advantage,” Ms Cashmore said.

“Trade flows, research, business development, education, tourism and increased levels of migration have given us the potential to capitalise on the inflow.

“The trouble of course, comes down to management. The influx, which will push prices higher, will not benefit us over the long term — especially the next generation of priced-out buyers.”

THE RISING STARS • Tel Aviv, Israel • Melbourne, Australia • Miami, USA • Chicago, USA • Dublin, Ireland • Panama City, Panama • Beirut, Lebanon • Istanbul, Turkey • Cape Town, South Africa • Jakarta, Indonesia • Lagos, Nigeria • Chennai, India

What makes a prime city?

- English as first or second language
- Large and well-educated population
- New technology industries
- Cultural and arts facilities
- Greenery or high quality environment
- Architectural and urban heritage
- Openness to visitors
- Openness to international companies
- Finance centre
- Water, such as rivers, beaches, lakes

WHAT THE EXPERTS LIKED ABOUT MELBOURNE • Highly developed and well-functioning metropolis • Has strong claims to “world city” status • An important financial centre in the Oceania region • Has strong technical and R&D (research and development) sectors • Benefits from the strength of the Australian economy • Should be an investment “safe haven” despite high house pricesSource: Candy GPS Report

NS gcat : Political/General News

RE austr : Australia | usa : United States | melb : Melbourne | sydney : Sydney | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America | nswals : New South Wales

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