



THIS IS **MELBOURNE**

Australia's leading city for growth & opportunity.
Backed by data. Built for the future.



AUSTRALIAN ECONOMY



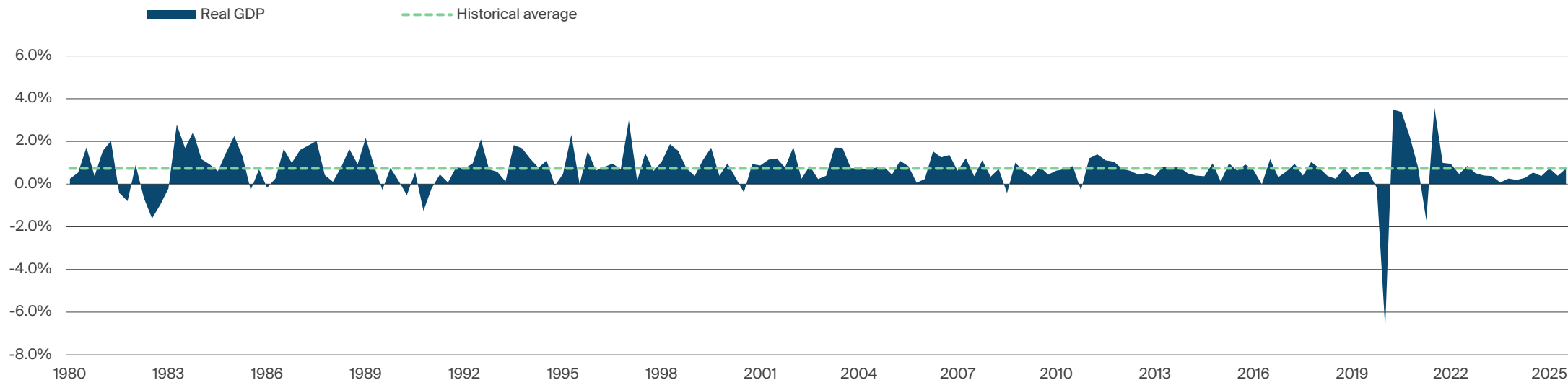
Strong growth nationally across the decades

Australia's resilient expenditure-driven economy has underpinned consistently strong GDP growth over the long term.

Australia's economic resilience is evidenced by its exceptionally strong long-term growth record. Since 1980, the economy has experienced only three recessions, in 1981, 1990, and the COVID-19 downturn in 2020. Prior to the pandemic, Australia delivered an unprecedented 28 consecutive years of positive economic growth, underscoring the strength and stability of its economy. This durability is further highlighted as the economy recorded 35 consecutive quarters of GDP growth after posting a single negative quarter in 2011.

Australia GDP

Quarterly growth compared to historical average, %



Source: Knight Frank Research, Oxford Economics

Positive outlook for sustained growth in Australia

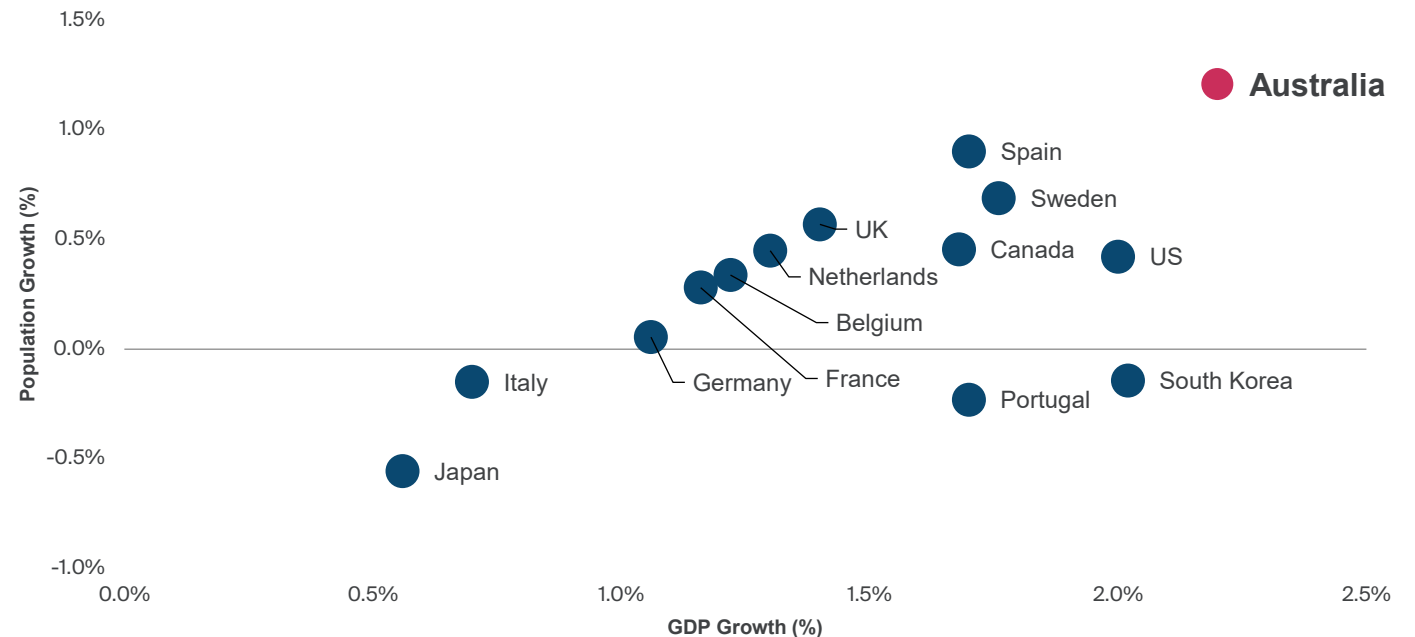
Australia has the strongest population and GDP Growth forecast of any advanced economy globally.

Over the next 5-years Australia is forecast to achieve an annual economic growth rate of 2.3% per annum. Whilst this is lower than the historical average, it is comfortably stronger than every other advanced economy in Asia, Europe and North America. The narrative is the same for population growth, which is forecast to increase at an average annual rate of 1.2% per annum.

Country	Annual avg. population growth forecast (%)	Annual avg. GDP growth forecast (%)
Australia	1.2	2.2
USA	0.4	2.0
UK	0.6	1.4
Japan	-0.6	0.6
Italy	-0.2	0.7
Canada	0.5	1.7

Source: Knight Frank Research, IMF

Advanced economies - GDP and population outlook (2026-30 p.a.)



Source: Knight Frank Research, IMF



MELBOURNE ECONOMY



The population is outgrowing all advanced economies

Melbourne's population has grown at an annual average pace of 1.8% since 2000, faster than any other advanced economy globally.

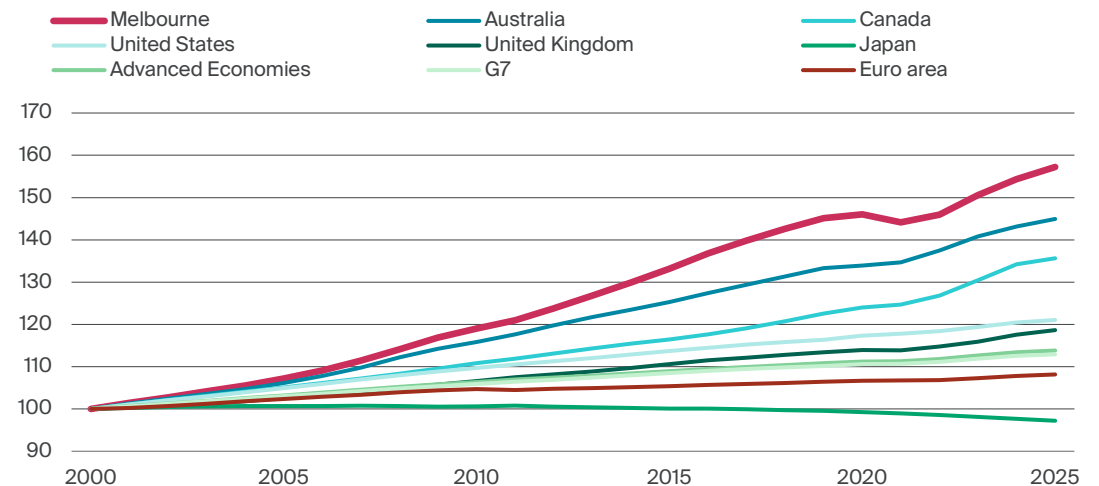
Australia is the fastest-growing advanced economy globally, recording average population growth of 1.4% per annum between 2000 and 2025. The national population has now surpassed 27 million, underpinned by strong net overseas migration driven by high living standards, employment opportunities, and access to quality education and healthcare. Melbourne has been a primary beneficiary of this trend and remains one of the most attractive destinations to live and work in Australia. Population growth in Melbourne has outpaced the national average, increasing by approximately 1.8% per annum over the same period.

Country / City	CAGR (2000-25)	Population (millions)
Melbourne	1.8%	5.5
Australia	1.4%	27.4
Canada	1.2%	41.6
USA	0.7%	342.4
UK	0.7%	69.9
Japan	-0.1%	123.3
Advanced Economies	0.5%	1,107.0
G7	0.5%	787.7
Euro area	0.3%	351.4

Source: Knight Frank Research, IMF, Oxford Economics

Outgrowing comparative economies

Total population growth by comparative economies, index - 200=100



Source: Knight Frank Research, IMF, Oxford Economics

Highest population increase of any state in Australia

Victoria had the highest number of additions to its population last year, and the population will overtake Sydney in the next decade.

In the year to June 2025, Melbourne recorded the largest population increase of any Australian city, adding approximately 123,500 residents. Growth was underpinned by the strongest natural increase nationally and the second-highest contribution from net overseas migration, behind NSW. While there is a perception of migration from Melbourne, net interstate losses were modest at just 777 people, compared with over 24,000 for NSW, largely reflecting affordability pressures. Melbourne's population is forecast to overtake Sydney's by the end of the decade, reinforcing the city's position as Australia's fastest-growing major metropolitan area.

Melbourne's population to overtake Sydney

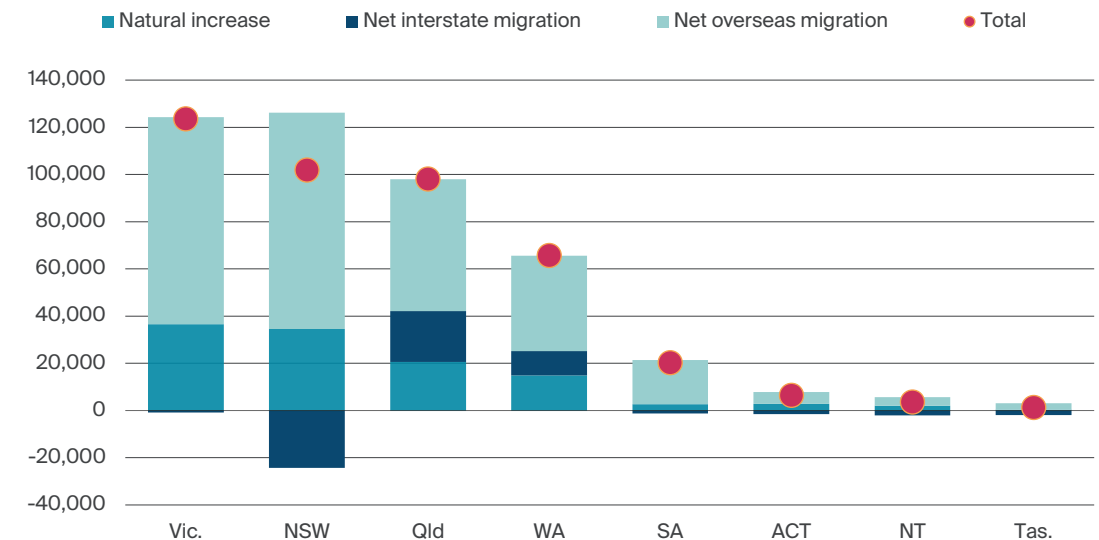
Total population forecast by capital city, millions



Source: Knight Frank Research, Oxford Economics

Source of population growth

Number of persons migrated to each state, year to June 2025



Source: Knight Frank Research, ABS

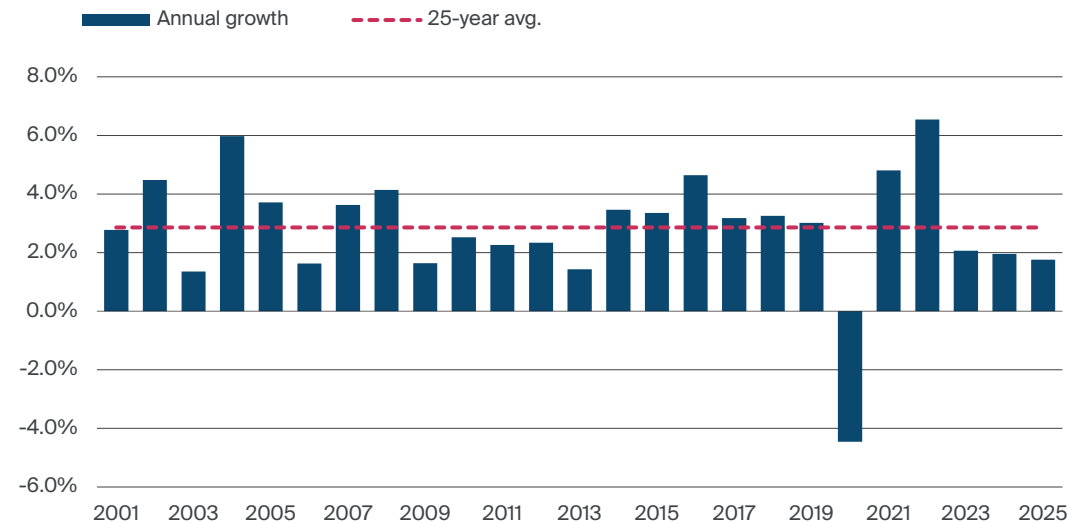
Melbourne has a strong and diverse economy

Melbourne continually boasts strong levels of economic growth and is regarded as the most diverse economy nationally.

Melbourne benefits from strong and sustainable GSP growth, having recorded only one year of negative growth in the last 25-years (during the pandemic). This resilience is underpinned by the city's highly diversified economic base, with no single industry dominating overall economic activity or expenditure. Excluding healthcare, employment across Melbourne's largest industries remains broad, with each sector supporting between 150,000 and 320,000 workers.

Melbourne GSP growth

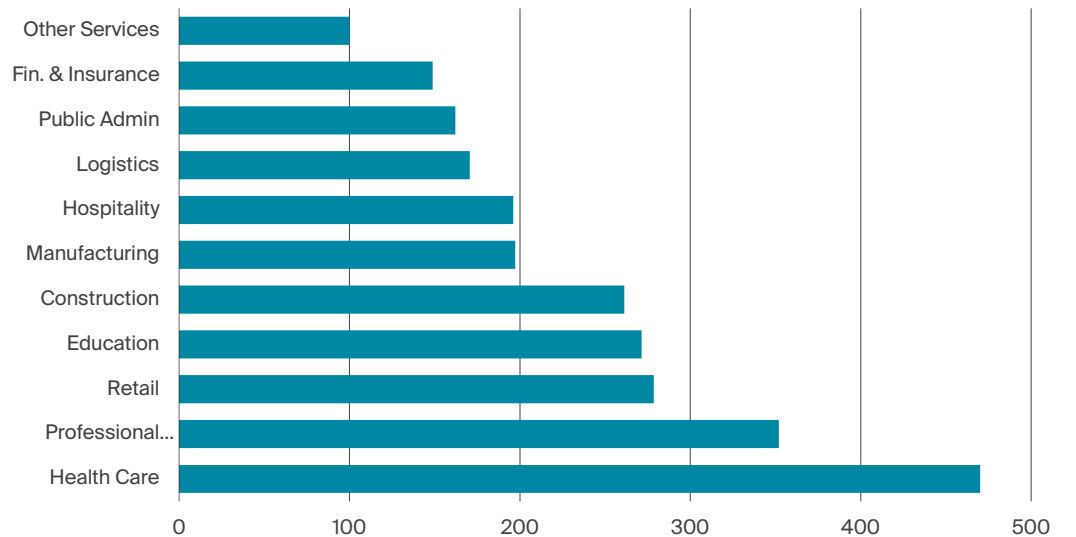
% change y/y



Source: Knight Frank Research

10 most employed industries in Melbourne

Number of employees, 000's



Source: Knight Frank Research, Oxford Economics

FOURTH
MOST
LIVEABLE
CITY IN THE
WORLD



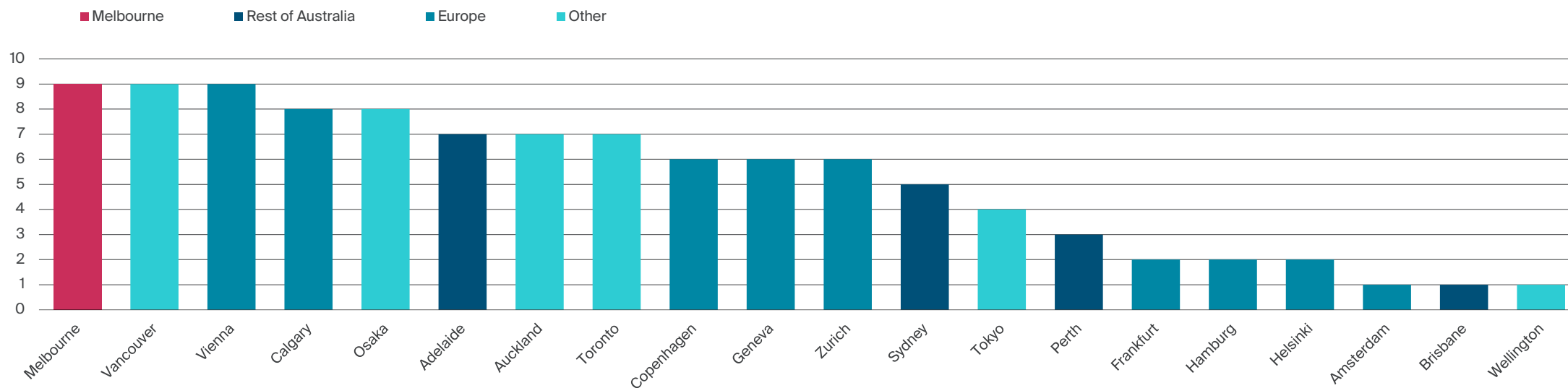
Melbourne has always pioneered global liveability

Melbourne has had the most appearances of any city in the top-10 global liveability index.

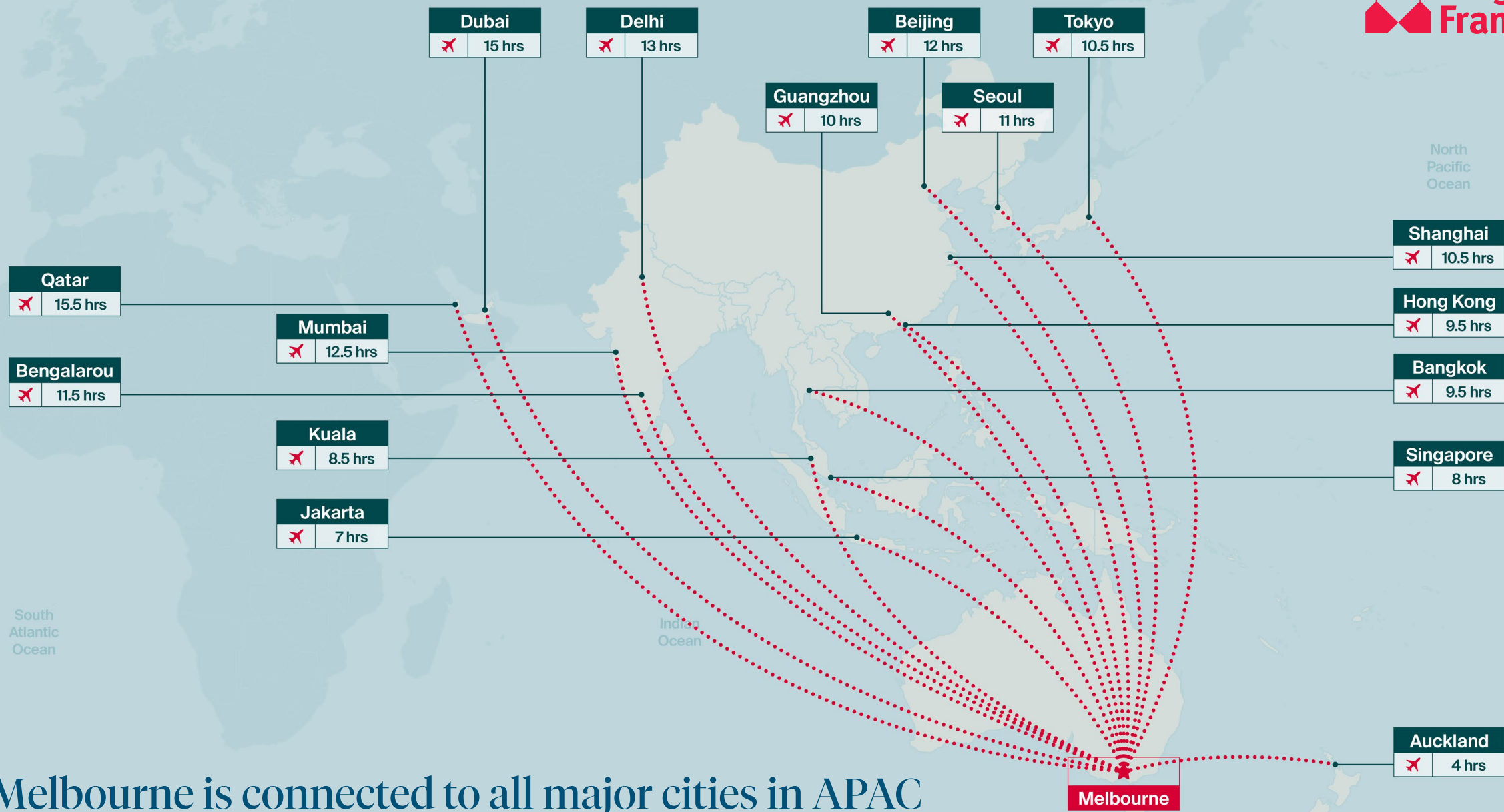
Melbourne continues to assert itself as one of the most liveable cities in the world, jointly boasting the greatest number of appearances in the top 10 global liveability index. Melbourne comfortably surpasses Sydney and Brisbane in the number of times it has featured in the top 10. Melbourne has a perfect score on healthcare and education, it also ranks in the top 5% for stability, culture and infrastructure.

Number of times ranked in top 10

By capital city, (2016-2025)



Source: Knight Frank Research, Economics Intelligence Unit



Melbourne is connected to all major cities in APAC

Melbourne is ranked #1 student city in Australia

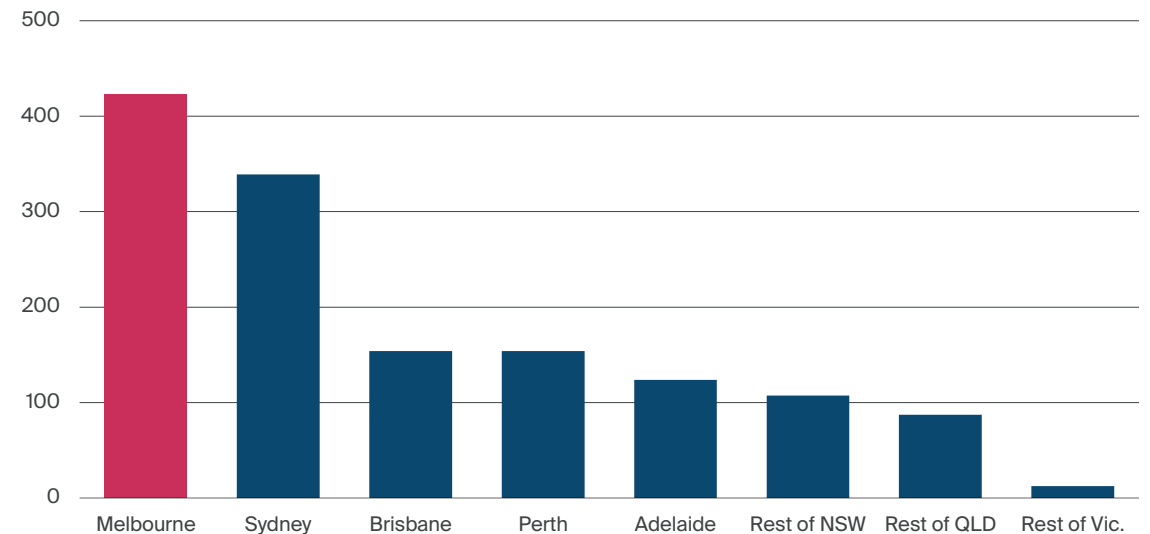
Melbourne is Australia's #1 city for tertiary education, home to the greatest number of students and the top 2 universities.

Melbourne has been ranked the leading student city in Australia and fifth globally, behind Munich, London, Tokyo and Seoul. The city's appeal as a study destination mirrors its broader liveability, underpinned by safety, diversity and strong employment pathways. These attributes, combined with a concentration of globally recognised universities, places Melbourne in a strong competitive position. The fact that nearly all Victorian universities are based within Melbourne, increases the concentration of students within it, thus reinforcing Melbourne's status as Australia's largest university city.

#1 Student City in Australia QS University Rankings 2025	#1 Student Mix Globally QS University Rankings 2025
Top 2 Highest Ranked Universities in Australia Times Rankings 2025	422,693 Higher Education Students Department of Education
#2 Student View Globally QS University Rankings 2025	#5 Student City Globally QS University Rankings 2025
201,202 International Students Department of Education	\$31b in GSP 2024 Education & Training Australian Bureau of Statistics (ABS)

Higher education students

By location within Australia, 000's students



Source: Knight Frank Research, 2024 Student Statistics DoE



Victoria is the most educated state in Australia

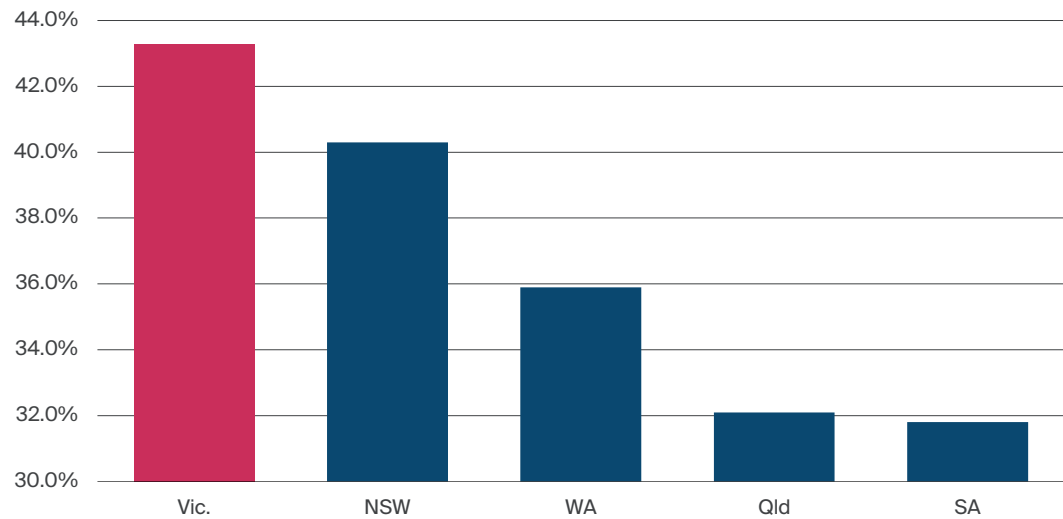


Victoria has the highest proportion of people with degrees and has the strongest performing students in primary & secondary school.

As Australia’s most populous student city, Melbourne underpins Victoria’s position as the most highly educated state in the country, supporting the Government’s branding of Victoria as “the Education State”. Victoria records the highest proportion of bachelor-degree-qualified residents nationally and leads on education performance indicators, including the share of children meeting or exceeding academic standards and the lowest proportion requiring additional learning support. This concentration of educational attainment positions Melbourne as home to one of Australia’s most productive and workforce-ready populations.

Population with a bachelor degree or higher

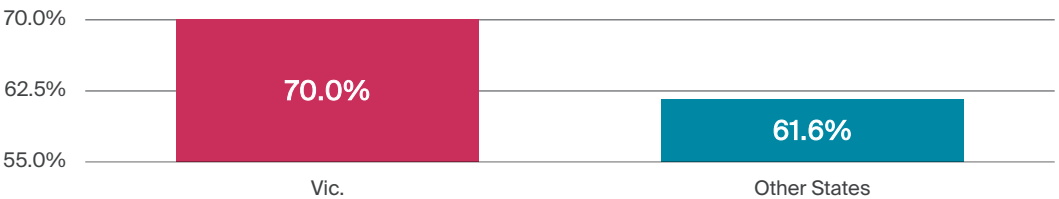
By state, population aged between 20-64 years old, %



Source: Knight Frank Research, ABS

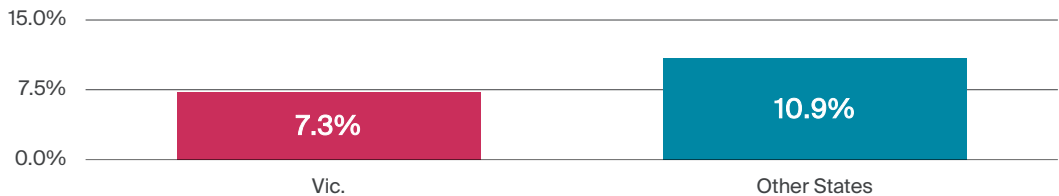
Students graded as "strong" or "exceeding"

NAPLAN results 2025



Students needing additional support

NAPLAN results 2025



Source: Victorian Government & ACARA



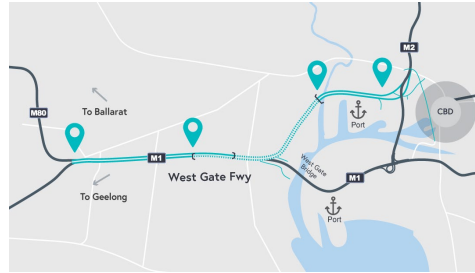
43.3%

Population between 20-64 years old in Victoria that are bachelor degree educated, the highest of any state in Australia (ABS).

Projects to improve the way Melbournians travel

West Gate Tunnel - \$20.0bn

The West Gate Tunnel is designed to provide commuters and freight operators with a high-capacity alternative route to the CBD from Melbourne's west, relieving pressure from the West Gate Bridge. The project was delivered over a six-year construction period, with completion achieved in 2025.



North-East Link- \$26.1bn

The North-East Link will provide commuters with a direct connection between the Eastern Freeway and M80. This removes the need for vehicles travelling east to north from passing through the CBD, easing congestion and accommodating up to 135,000 vehicles per day.



Metro Tunnel - \$15.6bn

The Metro Tunnel reached completion in late 2025 and provides a new, direct rail connection into the CBD as an alternative to the City Loop. It will increase capacity by 500,000 passengers per week, easing existing pressures and improving accessibility.



Suburban Rail Loop (SRL)- \$100.0bn

SRL is the largest infrastructure project ever undertaken in Victoria. It will form an orbital rail connection linking multiple existing lines, reducing the need for commuters to travel into the CBD to interchange between services. The project will deliver key connections to La Trobe, Monash, and Deakin Universities.



Level Crossing Removal - \$31.8bn

The Level Crossing Removal Program has been delivered in multiple stages over an extended timeframe. It reduces congestion along major roads across Victoria, enhances traffic flow, and supports the operation of faster, more reliable train services.



Airport Rail Link - \$12.5bn

The SRL West component of the SRL will deliver a long-awaited rail connection to Melbourne Airport. Construction is expected to commence in early 2030, following the practical completion of Stage 1 of the SRL.



Significant investment in transport infrastructure

From 2014 to 2036
the Victorian Government
is expected to have
invested approximately
\$200 billion in
transport
infrastructure.



\$31.8bn

Level Crossing Removal (LCR) Stage 1

2014 2022



\$10.0bn

Westgate Tunnel

2018 2025



\$15.6bn

Metro Tunnel

2019 2025



\$26.1bn

North-East Link

2020 2028



\$32.8bn

Suburban Rail Loop (SRL) East

2022 2034

\$8.8bn LCR Stage 2

2022 2025

\$4.0bn Regional Rail

2024 2027

\$6.0bn LCR Stage 3

2025 2030



\$15.6bn

Airport Rail Link (West)

2029 2034

\$63.7bn LCR North

2033 2036

Housing is more affordable in Melbourne

The cost to buy and rent housing in Melbourne is considerably cheaper than Sydney, Brisbane and Perth.

While housing costs in Australia remain high by global standards, Melbourne offers relatively greater affordability compared with other major domestic markets, including Sydney, Brisbane and Perth, across both rental and owner-occupier segments. More affordable housing is associated with improved economic outcomes, including higher household disposable incomes, stronger labour productivity, reduced reliance on government housing support and broader employment growth; which benefits Melbourne compared to other markets.

Median weekly rent

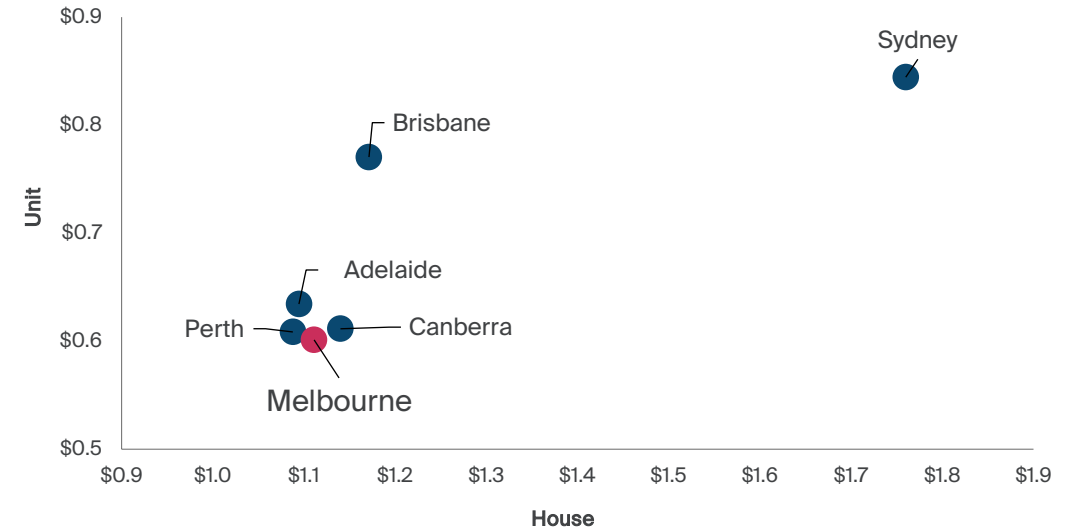
By dwelling type and capital city, \$/sqm



Source: Knight Frank Research, Domain Q4-2025

Median dwelling price

By dwelling type and capital city, 000's



Source: Knight Frank Research, Domain

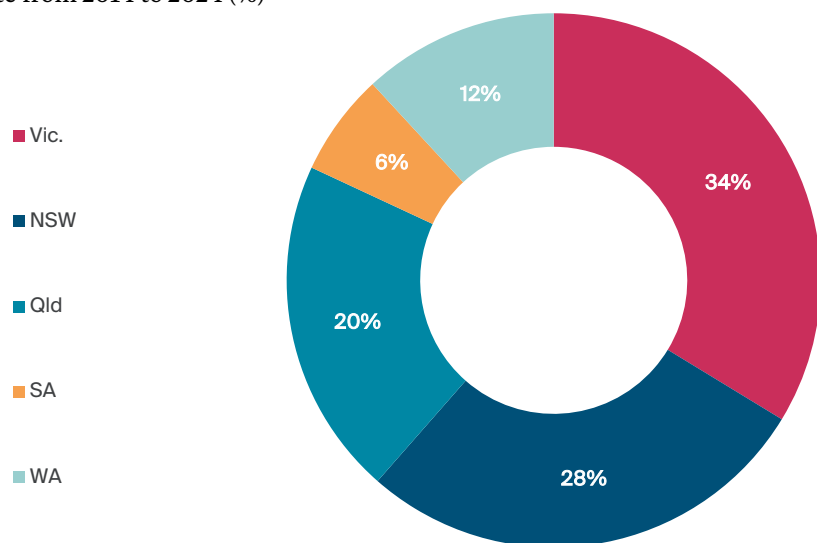
Most dominant city in Australia for housing supply

Victoria (and Melbourne) have dominated housing supply over the past decade, and dwelling approvals indicate this trend will persist.

Melbourne's relative housing affordability compared with other Australian capital cities has been largely underpinned by a sustained and consistent delivery of new housing supply. Over the past decade, Victoria has accounted for approximately 34% of completions across the five major capital cities and has consistently led the nation in dwelling approvals. This supply-led approach is expected to continue supporting housing availability. Victoria also benefits from fewer geographic constraints on land supply relative to other capitals, many of which are bounded by national parks or undevelopable land.

Share of residential housing completions

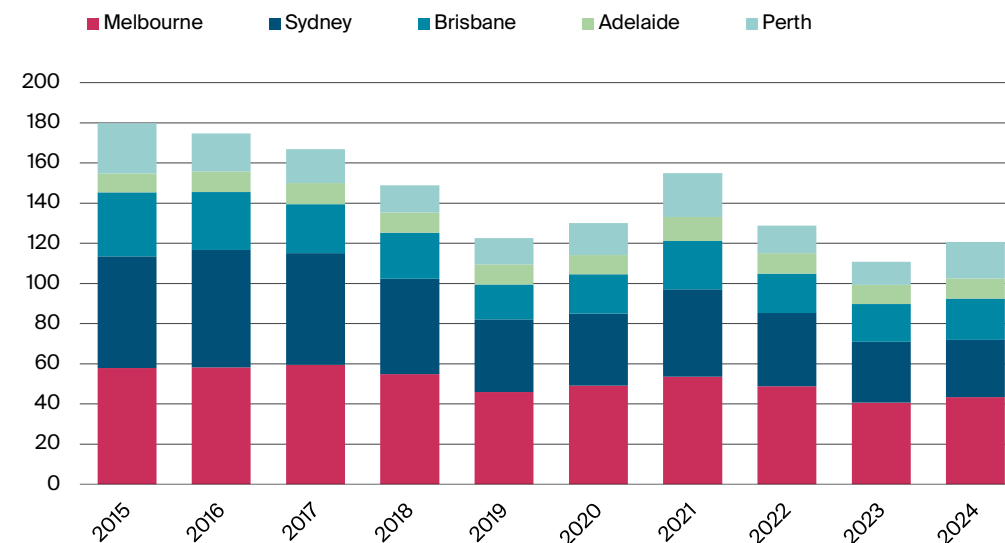
By state from 2014 to 2024 (%)



Source: Knight Frank Research, ABS

Capital city housing approvals

Per annum, 000's



Source: Knight Frank Research, ABS



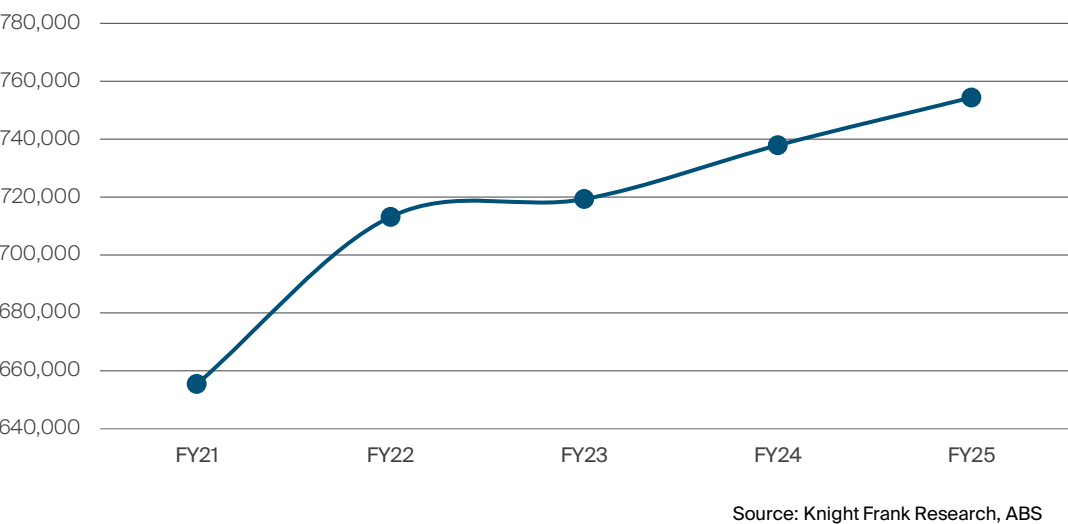
Support and growth in new business across the state

New businesses continue to grow in Victoria, and the government is welcoming and willing to offer support along the way.

Support offered by the government for new businesses

- Grants up to \$500k for digital developers
- Early stage grants up to \$250k
- Start-up R&D grants up to \$50k
- Free digital training and mentoring
- Tax benefits for venture capital
- Visa nominations for skilled professionals
- Site selection, permit support
- Talent acquisition support

Number of businesses in Victoria



Case Study – Invest Victoria

In September 2024, Invest Victoria attracted Indian business process services giant First-Source to establish its Australian and New Zealand headquarters in Melbourne. First-source received comprehensive support from Invest Victoria, including assistance with site selection and talent acquisitions, connections with HR agencies and access to key government programs, such as Victoria's Digital Program. The assistance helped draw them to the city.



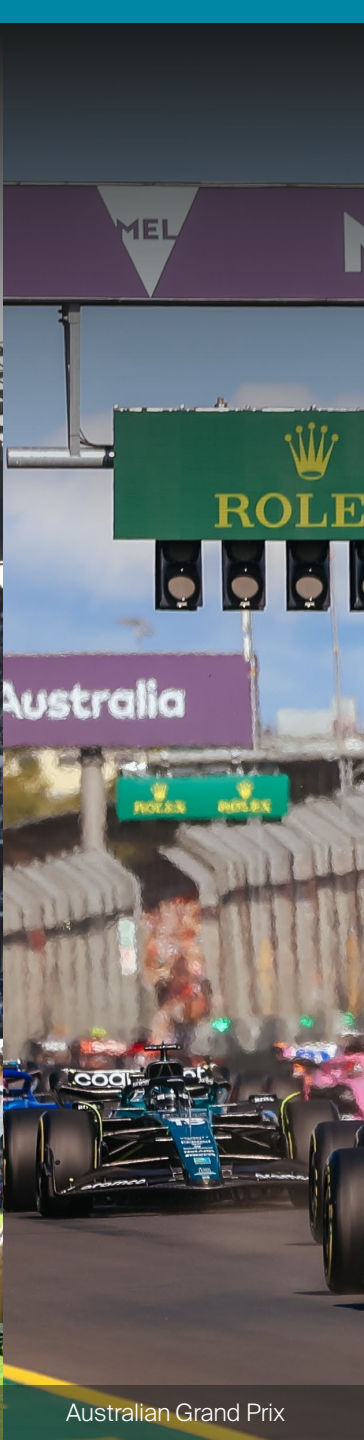
Melbourne
is a global leader
in **major**
entertainment



Australian Open Golf



AFL Grand Final



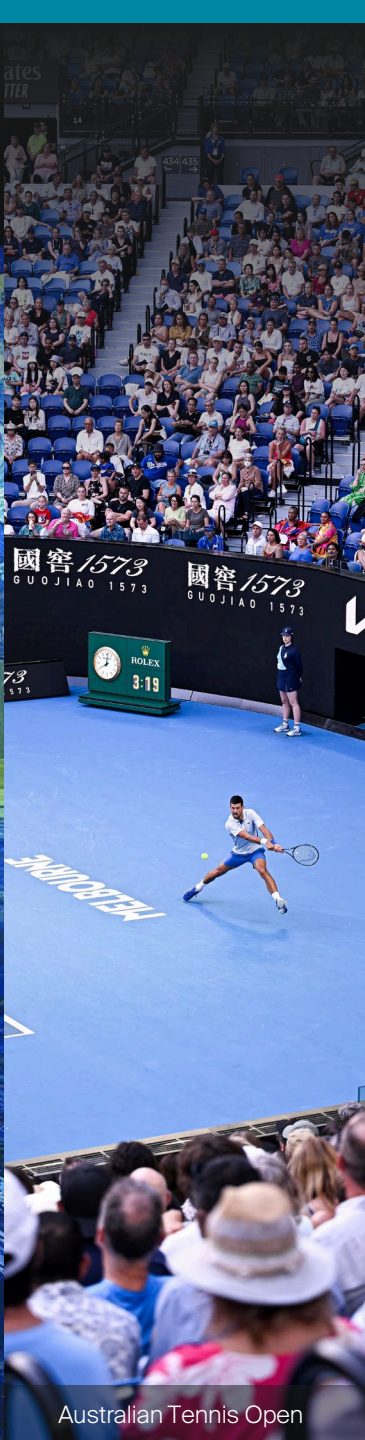
Australian Grand Prix



Melbourne Cup - Flemington



National Gallery Victoria



Australian Tennis Open



International Comedy Festival

Momentum builds in Melbourne's CBD retail market

Underpinned by a series of new high-quality developments and near record low vacancy, Melbourne's retail market is thriving.

Since the pandemic, consumer behaviour in Melbourne has shifted, with shoppers increasingly drawn to the CBD's depth and quality of amenity. According to the City of Melbourne, foot traffic during evenings and weekends has increased materially. This has driven a strong take-up of retail shopfronts across the CBD and the broader City of Melbourne, with vacancy now tightening to 6.5%. The uplift in demand has supported the delivery of new, high-quality retail precincts such as Melbourne Place and Melbourne Walk, alongside upgrades to established flagship destinations including Bourke Street Mall, Emporium and the Queen Victoria Market.



Michael Di Carlo
Director, Retail Leasing
Victoria

"Major national and international retailers also continued to commit to Melbourne's core retail grid, underscoring long-term confidence in the CBD. MUJI confirmed a flagship commitment at 246 Bourke Street, MINISO opened its Swanston Street flagship at 185 Swanston Street, and UNIQLO reaffirmed its presence with its Emporium store. Collectively, these developments reflect a clear trend toward larger, flagship-style stores and experience-driven retail, positioning Melbourne's CBD for continued recovery and growth beyond 2025."



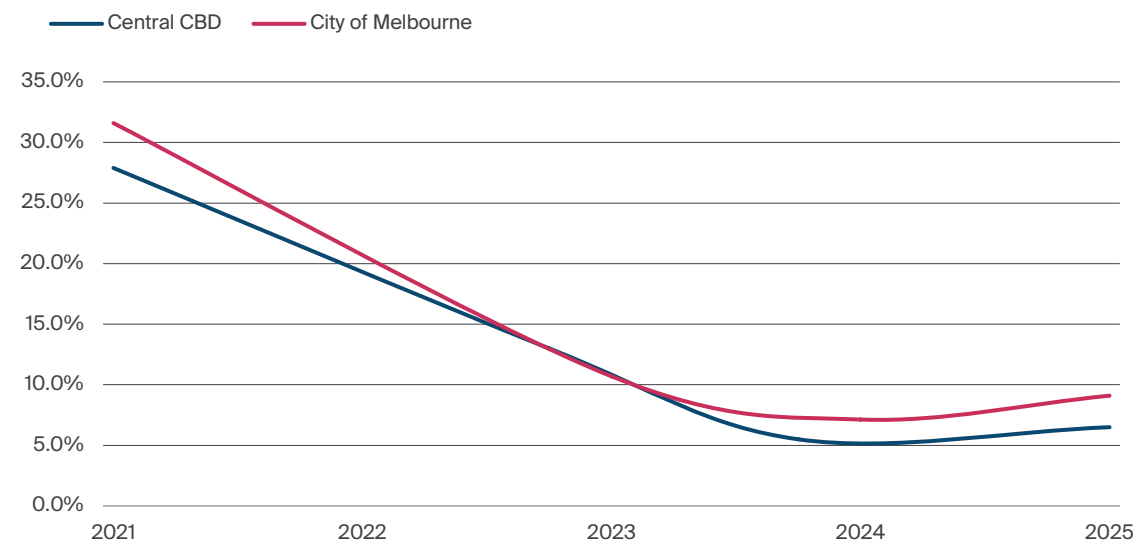
Melbourne Walk, 2025



Louis Vuitton, Collins Street Paris End

Melbourne CBD retail vacancy rate

By location within the city of Melbourne, %



Source: Knight Frank Research, City of Melbourne

The most culturally rich and diverse city in Australia



Melbourne possesses a globally renowned food, wine and coffee culture underpinning the city's appeal.

3,500 restaurants

and more than 70 cuisines

Largest

Food & Wine Festival in the World

699

wineries across the state

Oldest Chinatown

in the World

3 million

cups of coffee consumed per day

Coffee-bean imports

have increased 780%
in the last decade

2,000 farmers

sell their produce at genuine
markets every month

#1

Croissant in the world

Source: Knight Frank Research, Visit Victoria



Lune Croissanterie



Melbourne Food & Wine Festival



Yarra Valley



Chinatown, Melbourne



MELBOURNE OFFICE MARKET

Melbourne has always led on office affordability

Among Australia's three major CBD office markets, Melbourne continues to provide the most competitive rental levels.

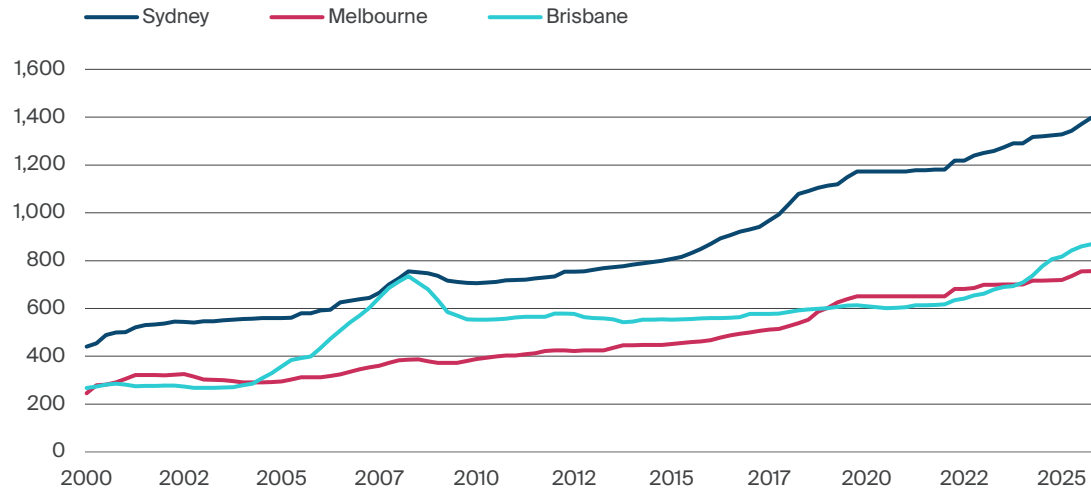
46% cheaper than **Sydney** on average.

13% cheaper than **Brisbane** on average.

Rents for CBD office space in Melbourne have historically been lower than Sydney and continue to remain so. All Melbourne CBD precincts are more affordable than Sydney's cheapest precinct (Southern), except for the Eastern Core, which remains more affordable than four of Sydney's five precincts. Melbourne is also more affordable than Brisbane.

CBD office rents

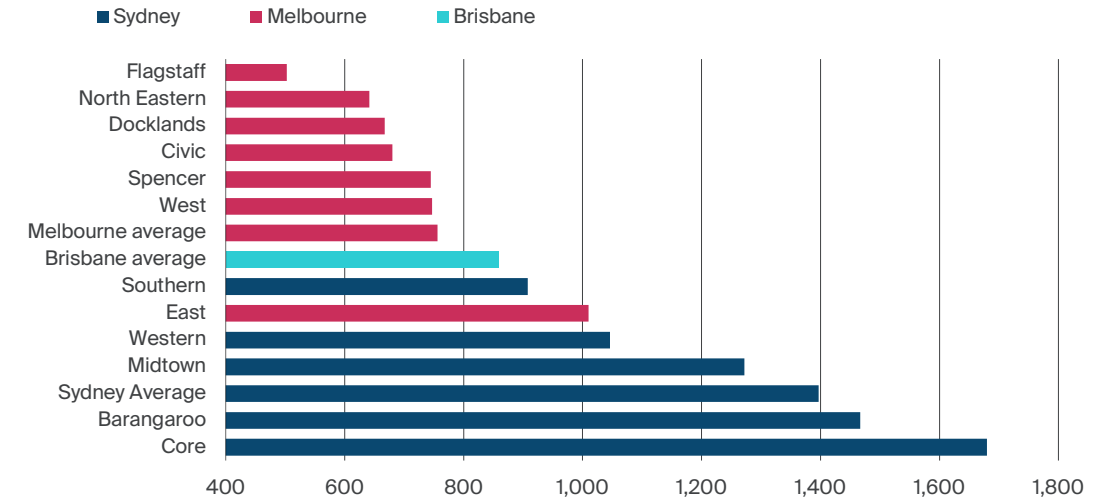
By capital city, prime net face rents \$/sqm



Source: Knight Frank Research

Precinct CBD office rents

By capital city, prime net face rents \$/sqm



Source: Knight Frank Research

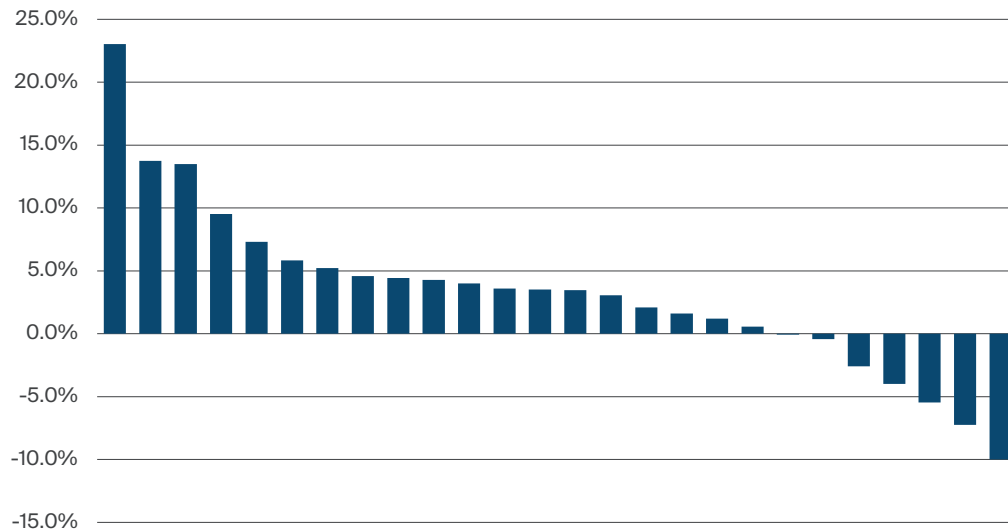
Melbourne's CBD has returned to growth in 2025

Effective rents have returned to growth, realising their strongest annual increase since before the pandemic.

Prime net effective rents rose 4.0% in 2025, their highest annual increase since 2019 when they rose 9.5%. Growth was realised across all premium assets in the basket, with the exception of a few A-Grade assets in less favourable locations. This movement provides a signal that demand has lifted across the market, particularly for quality stock, and will continue to rise as the economic recovery continues adding to Melbourne's attractiveness.

Melbourne CBD prime face rental growth

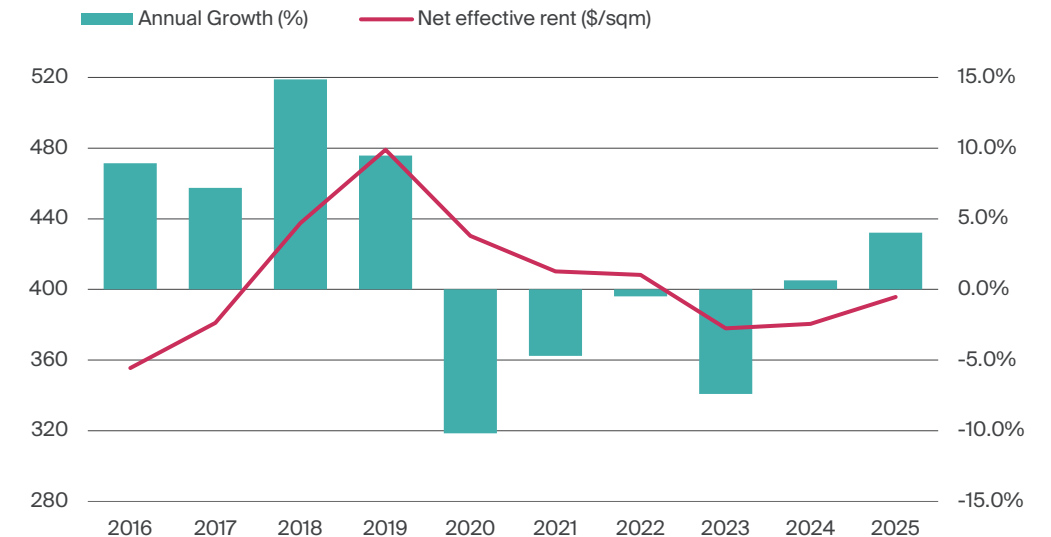
By building, prime net face rental growth (%)



Source: Knight Frank Research

Melbourne CBD prime effective rent & growth

Prime net effective rents \$/sqm (LHS), and annual rental growth % (RHS)



Source: Knight Frank Research

Melbourne's Eastern Core is leading the way

The Eastern Core is a top-performing locale nationally, with some of the strongest rental growth in 2025.



Simon Hale
Partner, CBD Office Leasing,
Victoria

"The Eastern Core, colloquially referred to as the Paris End of Collins Street, is unrivalled in terms of building quality, tenant profile, premium hospitality offerings and accessibility to public transport. It recorded stronger rental growth than the majority of precincts across Sydney and Melbourne in 2025, with a solid base of demand evidenced by several recent large lease deals."

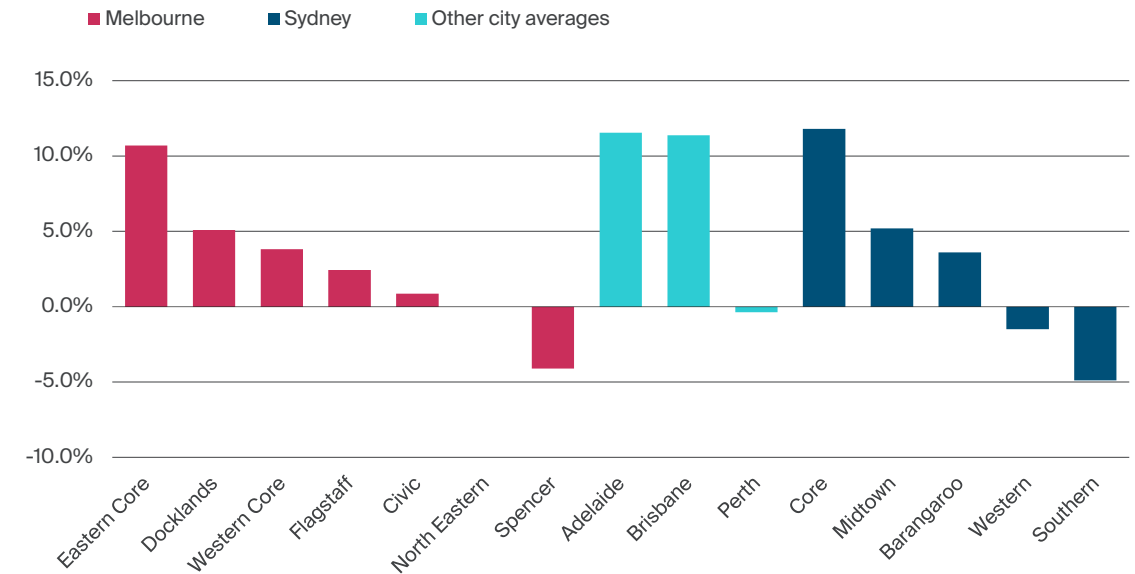
Recent significant lease deals in the Eastern Core

Tenants	Size (sqm)	New Building	Previous Precinct
Corrs Chambers Westgarth	9,100	120 Collins Street	Spencer
Clayton Utz	7,800	120 Collins Street	Western Core
EY	20,100	111 Bourke Street	Eastern Core
BDO	5,200	35 Collins Street	Docklands
WPP	4,500	51 Flinders Lane	St Kilda Road
AirTrunk	1,900	51 Flinders Lane	Metropolitan Melbourne
Westpac (renewal)	15,000	150 Collins Street	Eastern Core

Source: Knight Frank Research

CBD effective rental growth

By precinct or CBD average, %



Source: Knight Frank Research

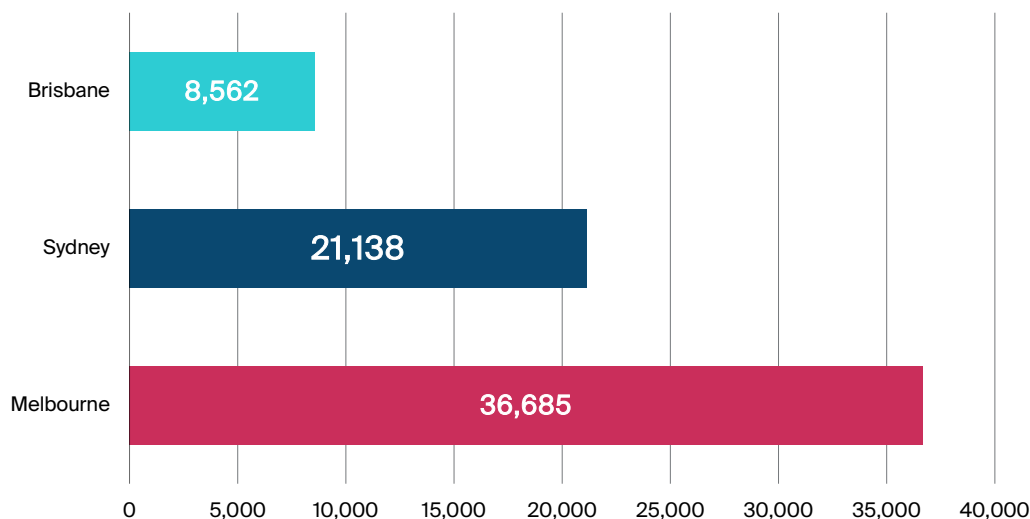
Long-term tenant demand capital of Australia

Before the pandemic, on average, Melbourne had the strongest rate of net absorption, and lowest average prime vacancy rates.

Melbourne has long been an attractive destination for businesses seeking to expand or establish operations. This appeal has been underpinned by the city's nation-leading population growth, robust economic performance prior to the pandemic, and low cost-base. These fundamentals are reflected in historically strong average net absorption of 36,685 sqm per annum and consistently low vacancy rates, averaging 6.3% for Premium and 5.1% for A-Grade stock. While the pandemic temporarily disrupted these long-standing trends, Melbourne is already showing signs of returning to this growth trajectory as market conditions normalise.

Net absorption strongest in Melbourne pre-pandemic

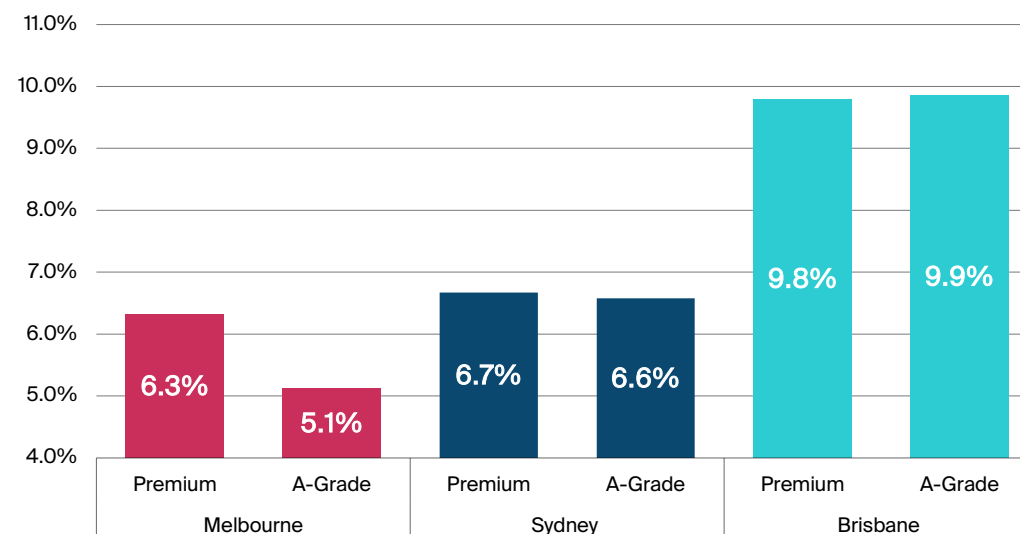
Average half-yearly total net absorption in sqm; 2010 - 2019



Source: Knight Frank Research

Low vacancy in Melbourne pre-pandemic

Average vacancy rate by grade; 2010-2019



Source: Knight Frank Research, PCA



+65%

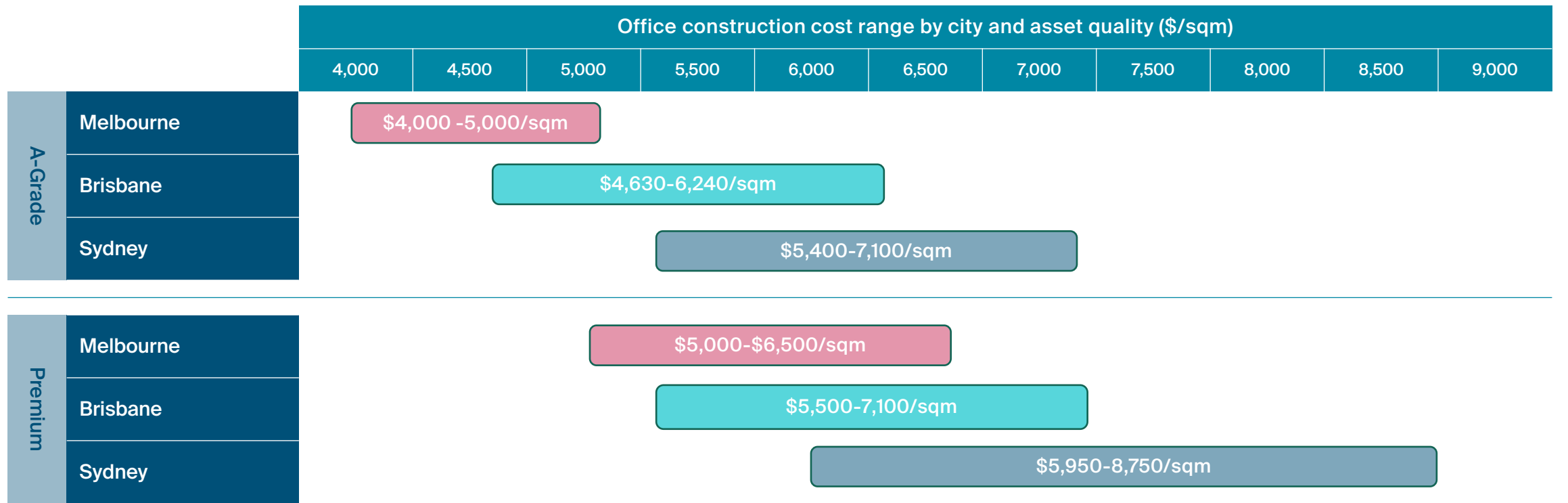
Melbourne's CBD has grown the most of any CBD office market in Australia over the last 25-years (rising **65%**). Melbourne also has the highest concentration of prime stock of any CBD office market.

Cheaper construction costs for offices in Melbourne



Melbourne is the cheapest city of the three largest markets to develop premium or a-grade office buildings.

Construction costs for office space remains materially lower in Melbourne than in Sydney and Brisbane. Sydney’s higher construction costs are driven by land scarcity and elevated wages compared to the rest of Australia. Brisbane is experiencing similar cost pressures, further elevated by the scale of infrastructure investment required to deliver the 2032 Olympic Games, which has contributed to labour shortages.



Source: Knight Frank Research, Napier & Blakely

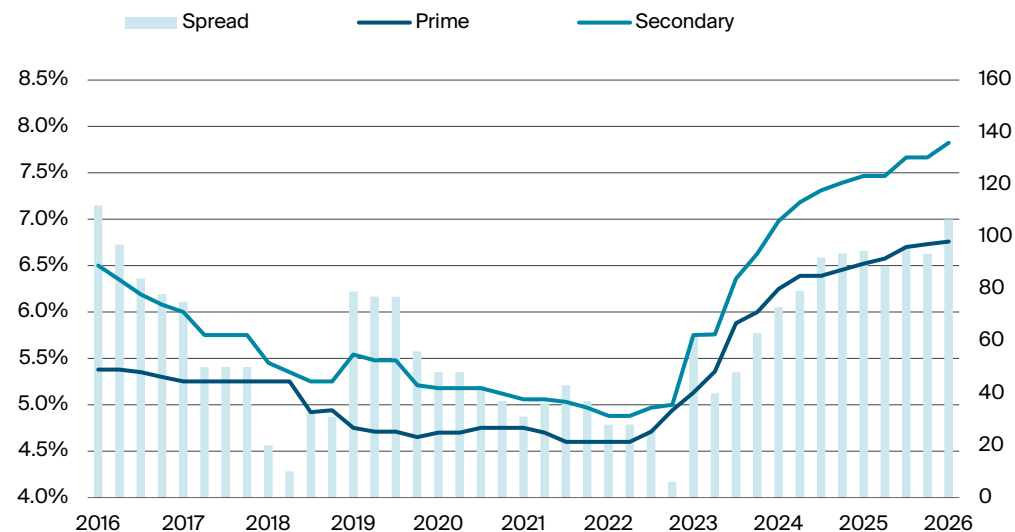
Appealing pricing to acquire assets in Melbourne

The spread in yields between prime Melbourne and Sydney CBD office assets is at near peak-levels.

The yield spread between prime CBD office assets in Melbourne and Sydney has widened to 101 bps, the largest spread since Q4 2003. This discrepancy presents prospective investors with a compelling total-return opportunities, underpinned by the potential for both yield compression and rental growth. A similar but more selective investment case exists for secondary Melbourne assets, particularly where repositioning, repurposing or other capital expenditure can unlock income and valuation uplift.

Melbourne CBD office yields

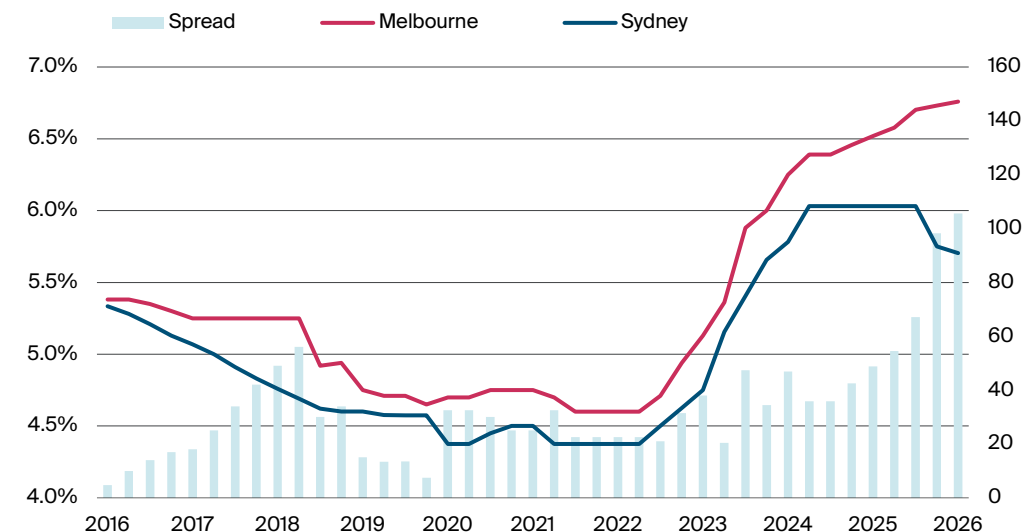
By grade % (LHS), and spread in bps (RHS)



Source: Knight Frank Research

Spread between Melbourne and Sydney CBD office

Prime yields % (LHS), and spread in bps (RHS)



Source: Knight Frank Research

Home to Cremorne, Melbourne's silicon valley

Cremorne, one of Australia's most defined tech-hubs, anchored by prominent tenants such as REA Group and SEEK.

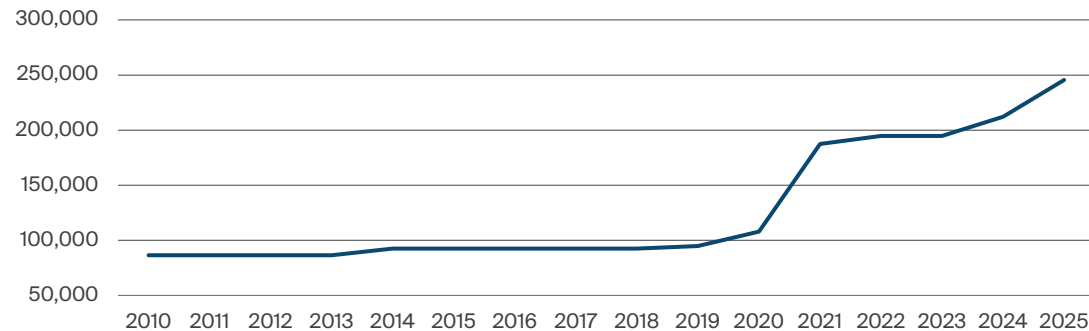
Cremorne is Melbourne's, and Australia's fastest-growing office precinct, expanding its footprint by 128% over the past five years. This rapid growth reflects strong demand, particularly from technology firms seeking to set up their operations in the highly regarded precinct. The suburb is set for further expansion as the tech sector continues to grow in Victoria, now employing over 8% of Victoria's workforce. The precinct is home to some of Australia's largest tech companies including Seek, MYOB and REA Group. Easy-Go's recent 13,000 sqm commitment further highlights the momentum of major tech companies moving to Cremorne.

+29% net face rental growth in the **last 3-years.**

+15 new developments added to the market in the **last 5-years.**

Cremorne office stock

Incl. buildings with office NLA >2,000 sqm



Source: Knight Frank Research

Major office occupiers in Cremorne

Technology

Other businesses

Source: Knight Frank Research



MELBOURNE INDUSTRIAL MARKET



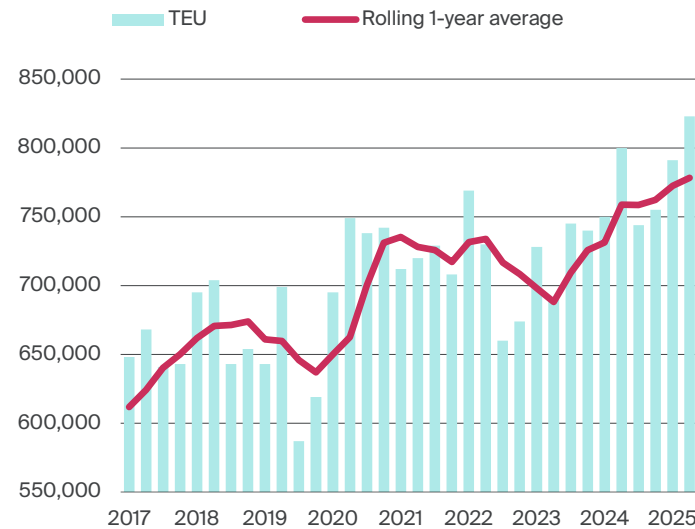
Melbourne has the busiest port in Australia

Over FY25 the Port of Melbourne moved approximately 3,000,000 twenty-foot-equivalent containers.

Melbourne's port, has undergone a significant expansion in the post-pandemic period, largely underpinned by the sustained growth of e-commerce. Whilst strong population growth will continue to support container movement, shifts in retail consumption have materially strengthened demand across the industrial sector, and this trend is expected to continue. Over the past three financial years, the Port of Melbourne has recorded the highest container movement of Australia's largest ports, with volumes increasing by approximately 25% since 2018.

Total containers - Port of Melbourne

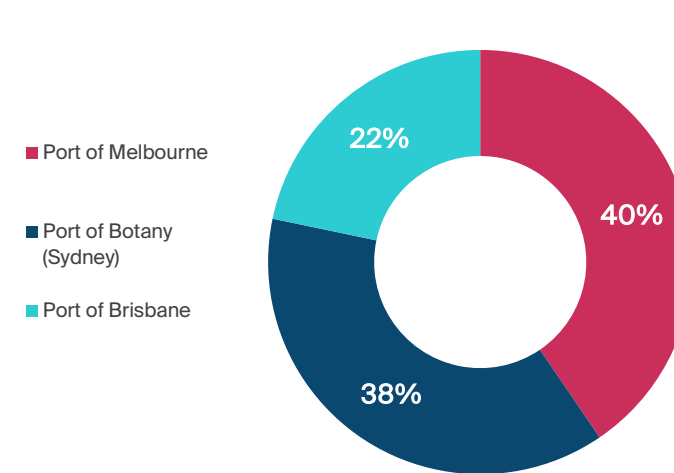
Number of TEU's (20-foot equivalent container)



Source: Knight Frank Research, Port of Melbourne

Share of total container movement

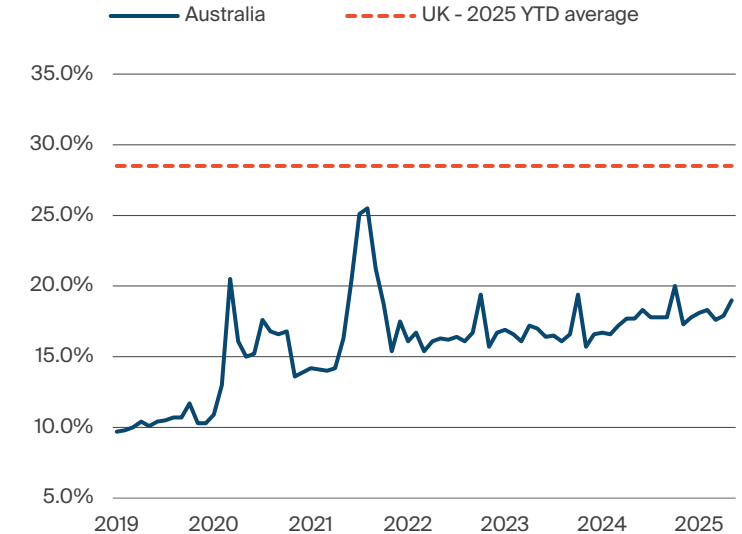
Three most serviced ports on the East Coast: FY23-25



Source: Knight Frank Research, Port of Melbourne/Brisbane/Botany

Share of retail spending online

Non-food retail spending in AUS compared to the UK (%)



Source: Knight Frank Research, ABS



45%

Industrial warehousing is **45%** cheaper to rent in Melbourne than Sydney.

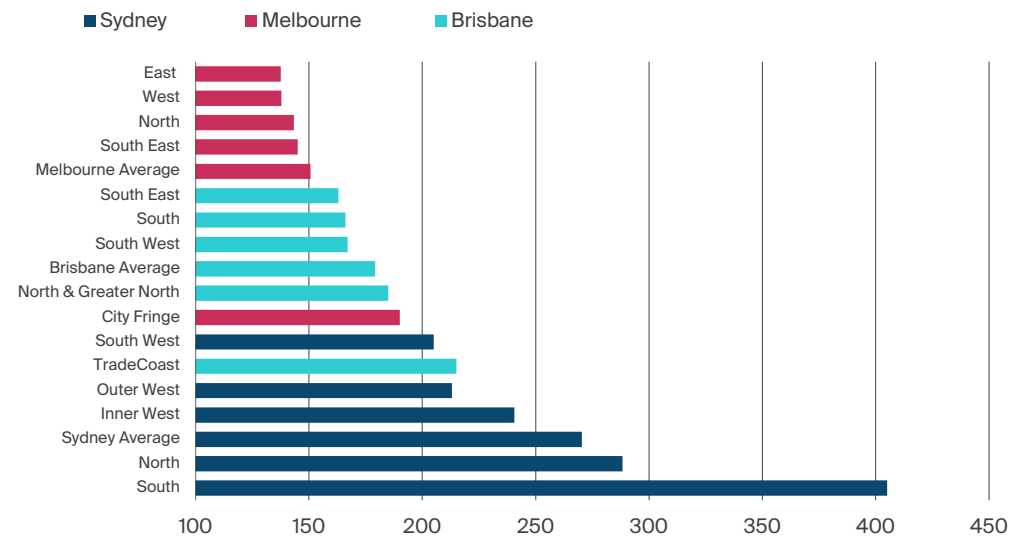
Melbourne leads on industrial affordability

Among Australia's three major cities, Melbourne continues to provide the most competitive rental levels for warehousing.

Melbourne's industrial market comprises five distinct precincts, with the Southeast representing the city's traditional industrial base and the North and West emerging as the key growth corridors. Except for the City Fringe, which neighbours the Port, industrial rents across Melbourne remain, on average, below every precinct in Sydney and Brisbane, positioning Melbourne as the most affordable major capital city to rent a warehouse. Land values in the West and North are also the lowest of any East Coast market, less than half the cost of Sydney's most affordable development precinct. This supports stronger feasibility for new supply.

Prime industrial rents

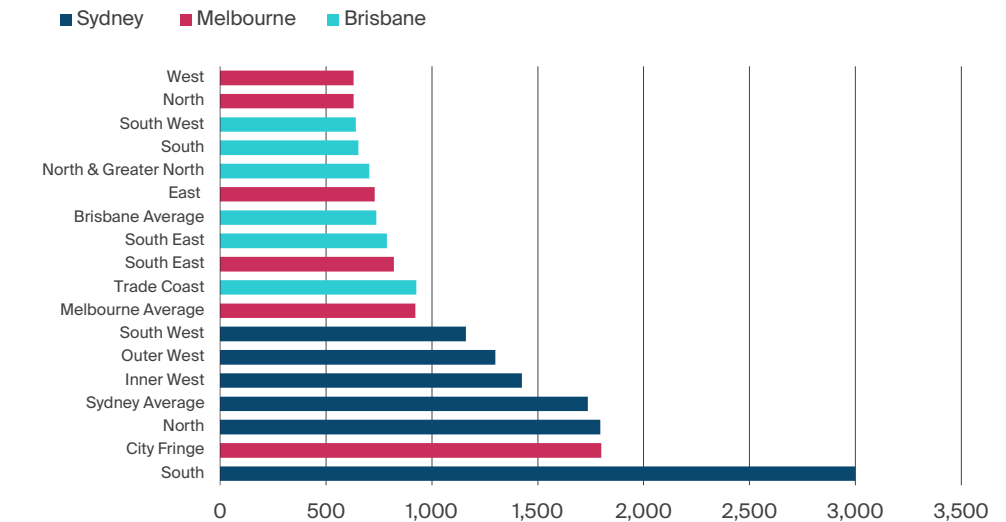
By capital city and precinct, net face rent \$/sqm



Source: Knight Frank Research

Prime industrial land values

By East Coast city and precinct - medium sized lots (1-5 ha), \$/sqm

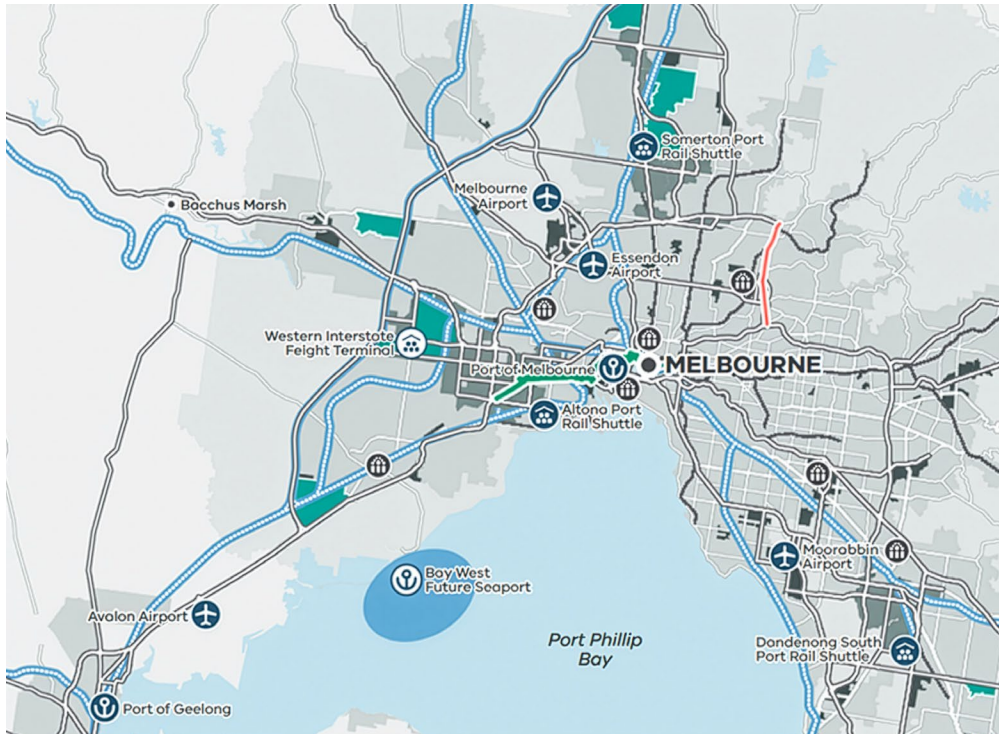


Source: Knight Frank Research

More contiguous land to fuel future growth

Melbourne is the largest industrial market nationally, and benefits from having more contiguous land available for future development.

Map of industrial land available for expansion in Melbourne

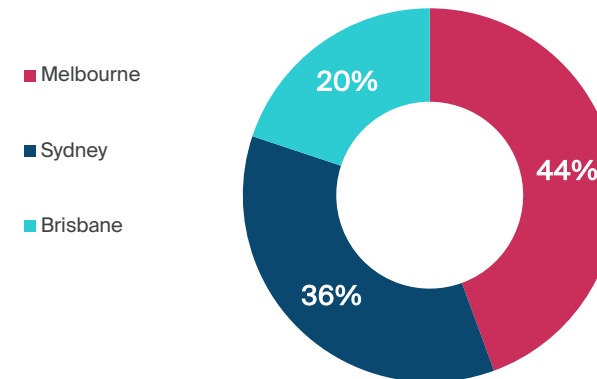


Source: Knight Frank Research, Victorian Government / PCA

Melbourne hosts Australia's largest industrial market, comprising approximately 34 million sqm of warehousing stock. Beyond its scale, the market also offers the strongest capacity for future expansion. Recent government rezoning has unlocked substantial tracts of industrial land across Melbourne's northern and western growth corridors, and the outer Southeast. Compared with other capital cities, Melbourne benefits from a greater availability of contiguous, developable land, supporting large-scale industrial projects. These structural advantages are expected to underpin continued growth and reinforce Melbourne's position as the leading industrial market nationally.

Share of industrial stock

By capital city in sqm, warehouses >5,000 sqm (%)



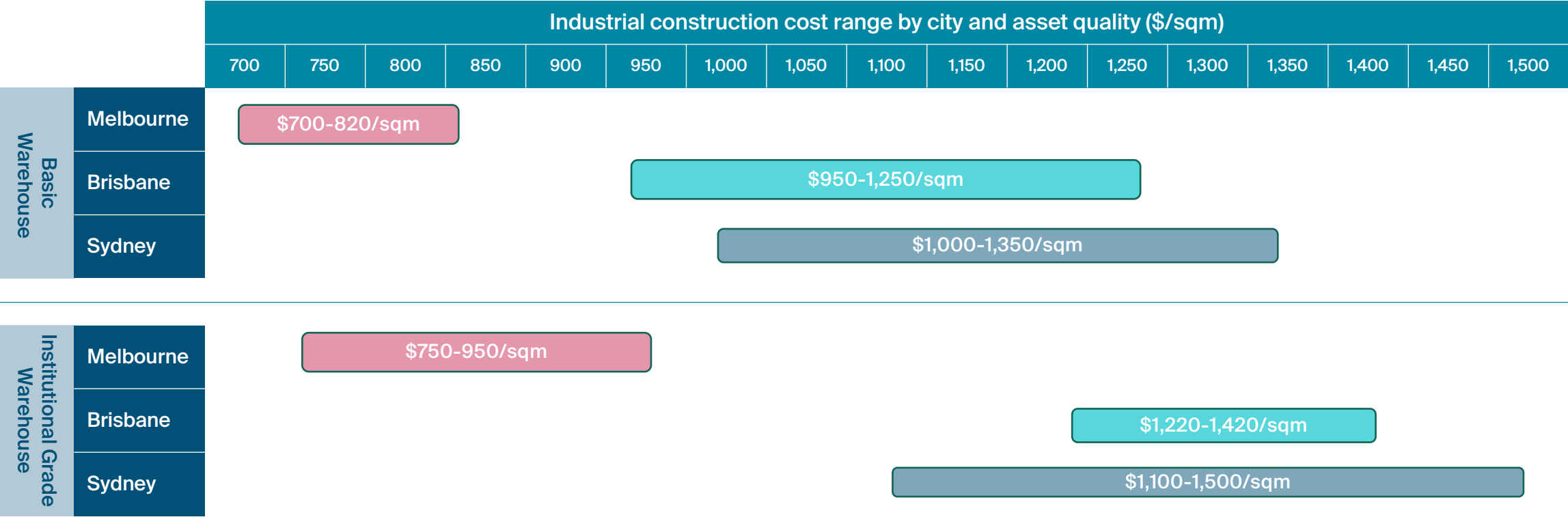
Source: Knight Frank Research



Cheaper construction costs for warehousing

Construction costs for warehousing are considerably cheaper in Melbourne compared to Sydney and Brisbane.

Consistent with office developments, construction costs for warehousing are substantially cheaper in Melbourne than Sydney and Brisbane.



Source: Knight Frank Research, Napier & Blakely



MELBOURNE ALTERNATIVE MARKETS

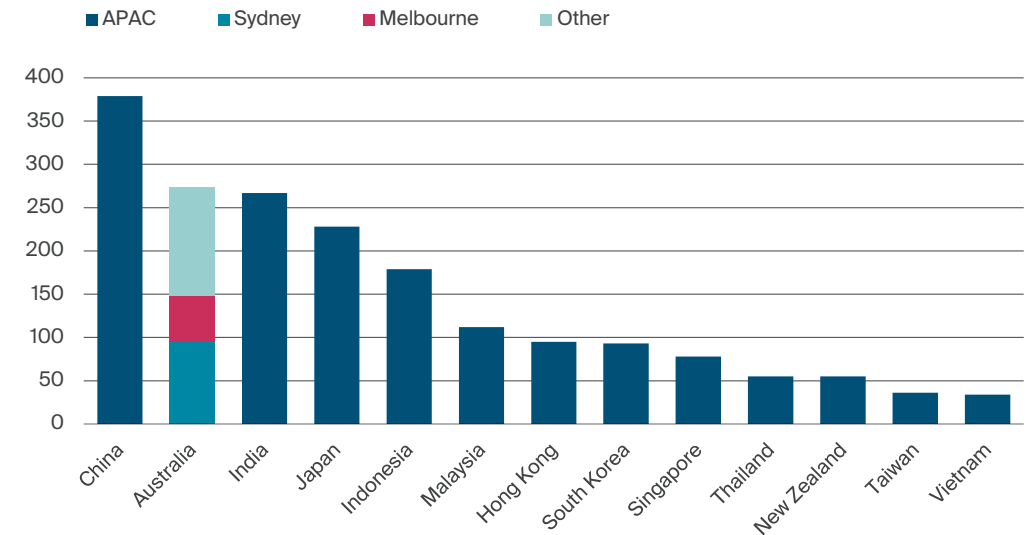
Melbourne is an emerging market for Data Centres

Australia has the second largest data centre market in the APAC region, with Melbourne expected to underpin future growth.

Australia is a leading data-centre market in APAC, now housing more facilities than any country in the region other than China. Within this, Melbourne's data-centre market is experiencing rapid growth as demand continues to outpace new supply. Strong take-up, driven by cloud adoption and AI-related workloads, has pushed vacancy to low levels and confirmed Melbourne's transition to a demand-led market. The city is increasingly attracting next-generation, high-density facilities capable of supporting advanced AI infrastructure. Compared with Sydney, Melbourne benefits from more competitive land pricing and greater availability of scalable power, particularly across the western suburbs. Government support through streamlined planning processes has further improved development certainty, reinforcing Melbourne's position as a key growth market for data-centre investment. The Victorian government is supportive of this movement and wants to be recognised as the technology capital of Australia, stating that advancements in AI and datacentres could generate up to \$30 billion in GSP over the next 10-years.

Data Centre tally

By country in APAC, number of active facilities



Source: Knight Frank Research, Data Centre Map



Harley Bowen

Director, Industrial Capital Markets
Victoria

"Melbourne has recorded strong growth in the data-centre sector over the past 18 months, emerging as a key AI-aligned and hyperscale hub in APAC. While the market remains smaller than in Sydney, Melbourne is expected to deliver faster growth. Market leaders such as Microsoft and Amazon have been active in Melbourne, with further opportunities expected to be secured in the coming months and years."

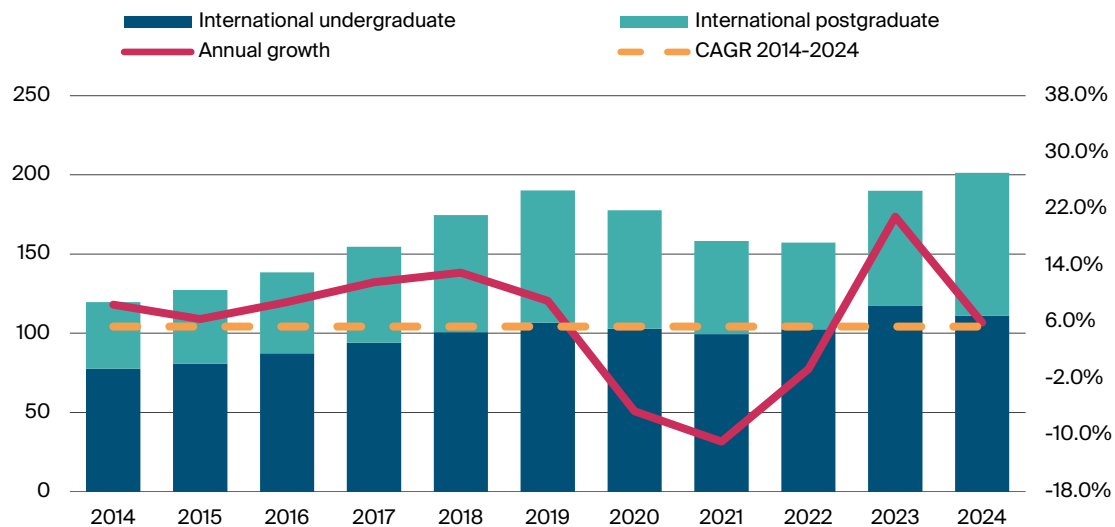
Strong and growing market for PBSA

Growing presence of international students in Victoria will continue to support growth in Melbourne's PBSA market.

The number of international students in Victoria has increased at an average rate of 5.3% per annum since 2014. Total student enrolments is now estimated at approximately 420,000 with just under half international students. The PBSA market has expanded rapidly, more than doubling in size since 2017. Current supply stands at around 39,000 apartments, with a further 10,000 units planned over the next 5-years.

International student commencements in Victoria

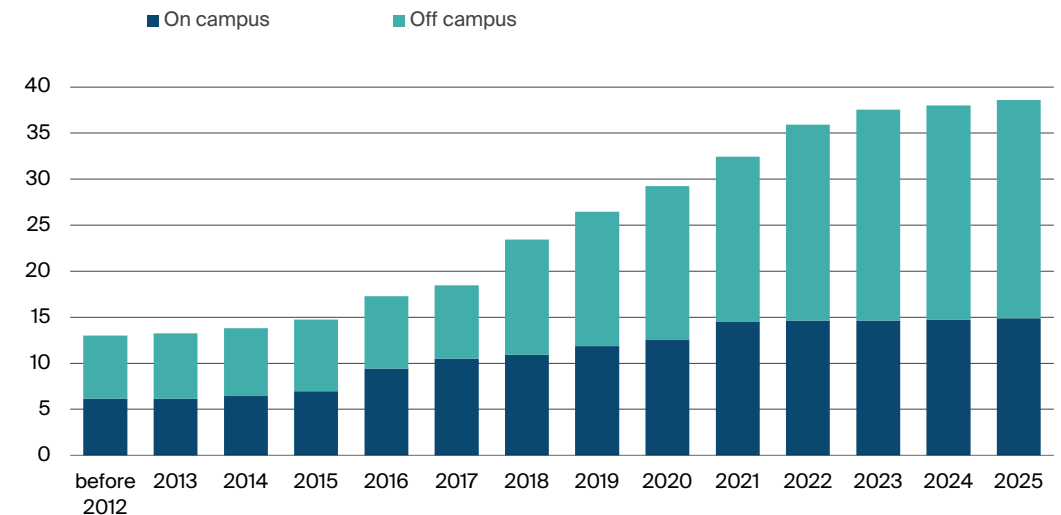
'000 students (LHS), growth % (RHS)



Source: Knight Frank Research, Department of Education

PBSA supply in Victoria

'000 beds, on campus v off campus



Source: Knight Frank Research

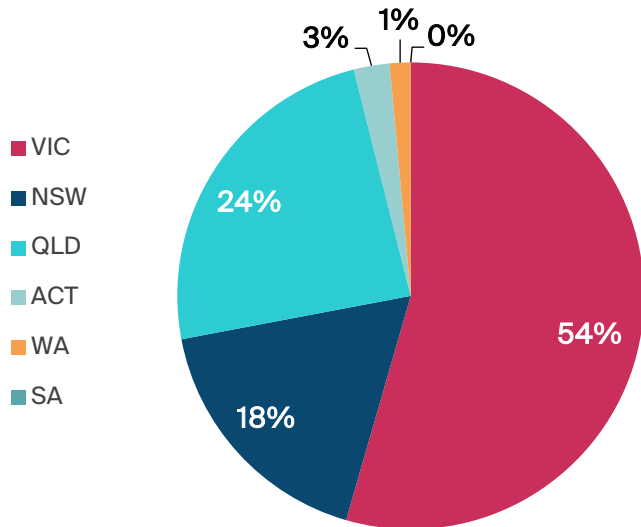
Most dominant market for Build-to-Rent nationally

Melbourne has the most Build-to-Rent stock of any city in Australia and is well placed to continue growing in the future.

Melbourne accounts for more than half of Australia's total Build-to-Rent (BTR) units and remains the preferred market for developers nationally. This is supported by favourable Victorian Government tax concessions, a tightly constrained residential rental market with vacancy of approximately 1.5%, and comparatively lower construction and land costs compared to Sydney and Brisbane. Collectively, these factors position Melbourne to maintain its leadership as Australia's dominant BTR market.

Share of completed BTR units

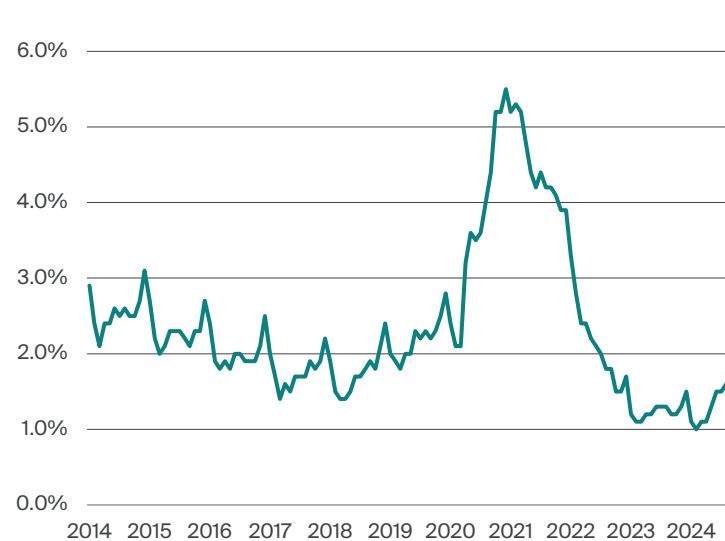
By state (%)



Source: Knight Frank Research

Melbourne residential vacancy rate

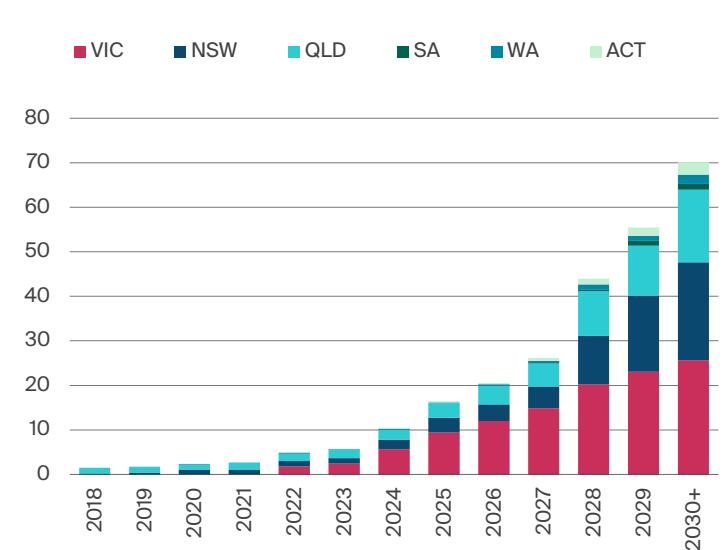
%



Source: Knight Frank Research, SQM Research

BTR units completed and proposed

By state, 000's units



Source: Knight Frank Research

Contact our Victorian team



[Dr Tony McGough](#)
Partner,
Head of Research



[Dominic Long](#)
Partner,
Managing Director



[Chas Keogh](#)
Partner,
CBD Office Leasing



[Simon Hale](#)
Partner,
CBD Office Leasing



[Trent Preece](#)
Partner,
Capital Markets



[Tom Ryan](#)
Partner,
Investment Sales



[Jenna Wallace](#)
Partner,
Global Portfolio Solutions



[Joel Davy](#)
Partner,
Industrial Logistics



[Lisa Mahya](#)
Partner,
Workplace Solutions



[Lisa Atkins](#)
Partner,
Asset Management Services



[Craig Carr](#)
Director,
Tenant Representation



[Michael Di Carlo](#)
Director,
CBD Retail Leasing