



REGION REPORT

SOUTH

Demand is on rise

NICOLE ENGWIRDA

DEVELOPMENTS are changing the face of the southern suburbs to meet increasing demand from buyers seeking the bayside lifestyle.

Investors are active in the apartment market, but aren't the only group buying in Melbourne's south, developers and agents say.

People downsizing from suburban homes were buying apartments in bayside neighbourhoods, according to Paul Castran, chief executive of Castran Gilbert.

Mr Castran said empty nesters were selling their large homes in favour of low-maintenance living.

"They want something smaller and they want to bank some money," he said.

Investors were also active in the market, but there was a severe shortage of housing stock to meet the growing demand, Mr Castran said.

The changes to planning zones announced last year had restricted the land available for development, so the supply shortfall was likely to grow. "That's going to culminate over

the next two or three years in a shortage of stock," Mr Castran said.

Besser & Co chief executive Dion Besser said as land prices soared, new apartments were generally getting smaller.

The higher cost of land increased the pressure to fit more apartments in a block, Mr Besser said.

"People are getting better at using smaller spaces," he said.

A development planned for 154 Chapel St, St Kilda, was one example, where the balconies were being built as winter gardens that could be fully enclosed in cold weather to extend the living space.

Mr Besser said buyers were also getting creative to get the larger spaces they wanted.

"What I'm selling quite a lot of at the moment is connecting two apartments together," he said.

Some buyers were choosing to purchase two smaller apartments off the plan, then design one large apartment in that space, he said.

Downsizers who had cashed in on high prices for their family homes were the key market for these combined apartment sales.

Stellar agent James Cirelli said the popularity of McKinnon Secondary College was bringing new buyers to Bentleigh and McKinnon.

He said Stellar's apartments were larger than average, so attracted mostly owner occupiers.

New project Leigh on Bent St, Bentleigh, would offer a mix of spacious two-bedroom and three-bedroom properties to families looking to buy in the school zone.

The Edge Development Group is aiming to corner a new market with its latest Brighton project.

Fresh on the heels of converting the iconic Beaumaris hotel into 66 contemporary residences, the

group is targeting a younger demographic.

The New Bay project, on the corner of New and Bay streets, is designed to appeal to a young crowd, with 32 New York-style apartments.

Developer Cieran Kayes said the properties would be edgier with industrial touches such as polished concrete floors.

The price point, starting at \$750,000 for two-bedroom designs, was a more affordable option than the suburb's established housing.

"You have to provide an alternative for younger people to stay in the area," Mr Kayes said.



Stellar's new Leigh project in Bent St, Bentleigh.



20 Jun 2015
Herald Sun, Melbourne

Author: Nicole Engwirda • Section: Real Estate • Article type : News Item
Audience : 362,399 • Page: 17 • Printed Size: 432.00cm² • Market: VIC
Country: Australia • ASR: AUD 21,479 • Words: 499 • Item ID: 421728536

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Page 2 of 2



The stylish apartment project at 154 Chapel St, St Kilda.