



THE **EDGE** MALAYSIA ADVERTISING FEATURE | OCTOBER 7, 2024

# TAKING ON THE GLOBAL CITIES

## OF SYDNEY + MELBOURNE

Australia's vibrant and populous Sydney and Melbourne are ranked among the top most liveable cities in the world. Their appeal has led to migration-fuelled population growth, boosting demand for housing. Discover investment opportunities and get market insights into these popular cities in this special report.



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CULTURE, NATURE  
AND MORE



## ZOOMING IN ON SYDNEY + MELBOURNE

Australia has long been synonymous with world-class education and its main cities have consistently ranked among the most liveable in the world. Sydney, the capital city of New South Wales, and Melbourne, the capital city of Victoria, are among some of the best student cities globally and are home to several of the world's top-ranked universities.

Their appeal has led to an influx of foreign students into the cities year in, year out. This, coupled with the cities' livability factor, has boosted population numbers and net overseas migration.

In 2022 to 2023, Melbourne recorded the largest growth in population, up by 167,500 people, followed by Sydney (146,700) compared with other capital cities in the country, according to the Australian Bureau of Statistics. The two are also the biggest cities in Australia with an estimated resident population of 5.45 million in Sydney and 5.2 million in Melbourne, as at June 30, 2023.

All these factors have driven up demand for properties in these cities over the years, resulting in rental vacancies hitting new lows in recent years. It is also worth

noting that the Australian government has set a target for 1.2 million houses to be built in five years to tackle the significant housing shortage.

Leveraging the numerous opportunities both cities have to offer, Malaysia's leading real estate developer S P Setia Bhd has set its sights on developing three prime real estate projects, one in Sydney and two in Melbourne. These developments are covered on Pages 6 to 8.

This special report also provides market analyses and insights by Colliers, Knight Frank and CBRE on Pages 8 to 10.

There is also an article on sustainability in which Karl Fender, co-founder of Fender Katsalidis, and Philip Rowe, director of Cox Architecture talk about how high-rise, high-density living can be a beautiful, enriching experience (see Page 9).

Pages 10 to 12 cover some of the best universities in Sydney and Melbourne as well as some must-visit spots to experience what these two vibrant, dynamic cities have to offer – from sunny beaches to charming, historic quarters and options to wine, dine, chill and, of course, enjoy some coffee!



# STRONG DEMAND FOR HOUSING, DRIVEN BY WORLD-CLASS APPEAL

Australia is well known for world-class education. Two of its biggest cities by population, Sydney and Melbourne, are home to some of the world's top-ranked universities, such as the University of Sydney, the University of New South Wales Sydney, the University of Technology Sydney, the University of Melbourne and RMIT University.

Their appeal has led to an influx of foreign students, driving up demand for properties in the two cities over the years. This factor, coupled with higher construction costs post-Covid and the scarcity of usable land for development, have resulted in a shortage of housing, further pushing up demand and, in turn, property prices and rents. So much so, rental vacancies in these cities have been hitting new lows in recent years.

Colliers International Residential (Victoria) Pty Ltd managing director Tim Storey notes that properties in Melbourne are "hugely undersupplied" at the moment.

"When I say 'undersupplied,' we're seeing rental growth at 10% per annum. In the city, we have zero vacancies. So there is a drastic need for the market to have more supply. There are not a lot of developers who have the confidence to go into the market [due to the pandemic earlier] or the availability of sites," he says.

Developers have to make sure their products fit the right market, he adds. "The challenge is how to do better than what was previously developed, and how to get a better product out there so the market resonates with it. It is also about making sure the building creates its own sense of community."

The same situation is happening in Sydney, where there are limited properties available for rent.

According to Colliers director of project marketing (residential) in Sydney Luke Hayes, students are finding it more difficult to secure a rental property near where they study. "There hasn't been an opportunity, so that's when demand for new homes will probably increase. When we are in a rental crisis, we are seeing increased foreign buyers."

**“**  
In the city (in Melbourne), we have zero vacancies. So there is a drastic need for the market to have more supply.”  
**– TIM STOREY, COLLIERS**



**“**  
Generally, they [foreign buyers] like areas that are well located with regard to transport, social amenities and educational institutions.”  
**– LUKE HAYES, COLLIERS**



### LIMITED SUPPLY UNDERPINS MELBOURNE'S RESIDENTIAL MARKET

Storey notes that Melbourne has the third-biggest student market in the world, behind London and Tokyo. And the number of foreign students has driven population growth in the city, when they decide to stay on for work and eventually become Australian citizens, he adds.

"There are young people who went to university here and are now in professional organisations, and they want to stay in the city. These are the people who come [to study and end up] migrating here as a new population of Australia. This is generally an organic growth," says Storey.

The current house prices in Melbourne remain well above the levels of five years ago as the current supply pipeline is not enough to cater to the demand. Knight Frank Asia-Pacific head of research Christine Li observes that in Greater Melbourne, new apartment price growth has outpaced established stock. "Due to the delays in construction, limited supply continues to underpin the performance of the Melbourne residential market, with 2024 looking at a price increment of 2% following the 4% increase in 2023," she says.

"Average new apartment prices in Greater Melbourne have trended upwards over the past five years. Almost 69,700 units were built during this period, ranging from A\$7,000 (RM20,214) psm to A\$17,000 psm currently"

When it comes to the rental market, CBRE associate director and head of build-to-rent and residential research Craig Godber observes increased rents with the renewed demand from the return of foreign students post-Covid.

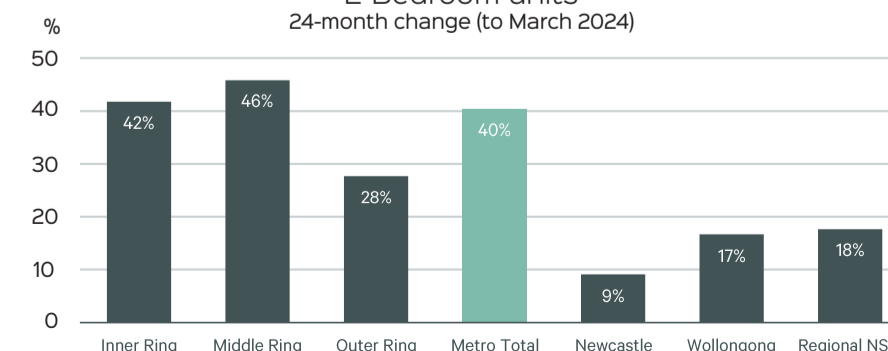
For example, inner city rents have risen by close to 30% over the past year, he says. Properties in the inner city continue to be highly sought after due to various factors, such as public transport options and accessibility to amenities like schools, shops, parks and recreation facilities.

Godber expects Melbourne's apartment delivery to average a little over 12,000 per annum over the period of 2024 to 2026, which is about 25% less than the average of the past seven years.

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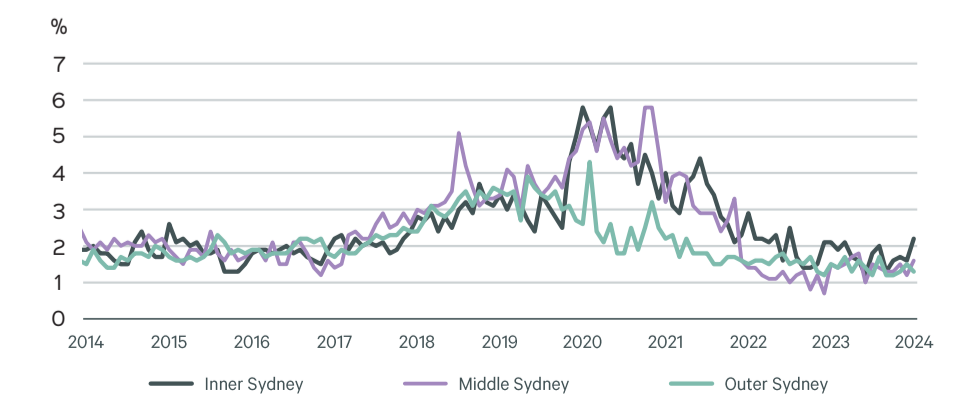


Change in median rent by precinct, New South Wales, 2-Bedroom units 24-month change (to March 2024)

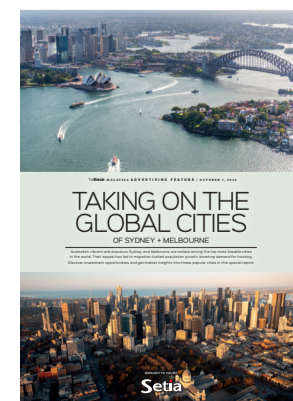


Source: NSW State government; CBRE research

Sydney residential vacancy rate by precinct



Source: REINSW; CBRE Research



EDITOR-IN-CHIEF KATHY FONG  
**CITY & COUNTRY EDITORIAL TEAM** | SENIOR EDITOR E JACQUI CHAN | DEPUTY EDITORS WONG KING WAI, RACHEAL LEE, CHAI YEE HOONG  
 ASSISTANT EDITOR RACHEL CHEW | WRITERS PRIYA DEVAN, CHELSEA J LIM, CHIN WAI LUN  
**ADVERTISING & MARKETING** | CHIEF COMMERCIAL OFFICER SHARON TEH (012) 313 9056 | GENERAL MANAGER FONG LAI KUAN (012) 386 2831  
 ASSISTANT GENERAL MANAGER GREGORY THU (012) 376 0614 | SENIOR MANAGERS GEETHA PERUMAL (016) 250 8640, KENNY LIM (014) 334 2733, SHANNON LEONG (012) 677 5345  
 SENIOR ACCOUNT MANAGERS BRYAN ANG (012) 317 8473, CECILIA TOO (012) 319 7666, GERALDINE LEE (016) 626 9339, SHAFINA SYAHRIH (017) 2814787  
 ACCOUNT MANAGER MEGAN WONG (012) 289 2631 | MANAGER, AD-TRAFFIC NORMA JASMA, EMAIL: advertising@bizedge.com

**CORPORATE** | PUBLISHER & GROUP CEO HO KAY TAT | CHIEF OPERATING OFFICER LIM SHIEW YUEN

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 PHONE (03) 77218000 E-MAIL city.country@bizedge.com

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# RENTS TO REMAIN ON UPWARD TRAJECTORY

**FROM PREVIOUS PAGE**

"This suggests little relief for the tight rental markets in the short term, with rents to rise further, although at a slowing pace. Melbourne is at the forefront of the emerging build-to-rent (BTR) market and while the pipeline will help alleviate some of the housing shortage, it is only a small part of the solution," he says.

"Additional measures, including the designation of priority development areas, streamlined planning approvals and infrastructure investments are crucial to support both detached and higher density development."

Concurring with Godber, Colliers associate director of project marketing Salihah Kamal says the main challenge for the Melbourne property market is the building industry's capacity to deliver housing supply to cater to the robust demand, which is currently constrained by planning restrictions and record-high costs to build.

"While some BTR operators are filling some of this supply, it remains insufficient. Policymakers will need to provide financial and other incentives to assist with the delivery of new dwellings to ensure the housing demand can be catered to. We expect the rental pool to continue to be tight due to strong population growth and a slowdown in new delivery for both houses and apartments," she adds.

Salihah says buyers and tenants in Melbourne in general are typically young, aspirational professionals who want to be in or close to the city, as well as students who have come from abroad to study in Melbourne's educational institutions.

"There is a submarket of buyers who are typically older in age, seeking a prestigious residence to downsize from their large family homes or wanting a city base. There are also astute investors, both local and overseas, who invest in Melbourne properties, given its historically strong rental market performance that is expected to continue given the projected population growth for the city," she adds.

Hotspots for capital appreciation and rental yields in Melbourne, according to Knight Frank's Li, are the new apartments in the middle suburbs of the city, within a radius of 10km to 20km from the central business district.

"Melbourne is consistently ranked Australia's most liveable city and was named the third most liveable city in the world by the Economist Intelligence Unit's Global Liveability Index 2022. It continues to attract immigrants and appeals to students and families. The limited supply in the city over the next three years would be supporting the price growth in both the prime region and the middle suburbs," she adds.

**SYDNEY REAL ESTATE HOT AMONG DIVERSE SPECTRUM OF BUYERS**

In Sydney, a location that is in proximity to educational institutions is among the attractions for foreign buyers, says Colliers' Hayes. "Generally, they [foreign buyers] like areas that are well located with regard to transport, social amenities and educational institutions. These areas include the eastern suburbs where the University of New South Wales Sydney is, such as Randwick, Kensington, Green Square and Bondi Junction. Other areas include St Leonards, North Sydney, Crows Nest and Chatswood."

Colliers International national director of project marketing (residential) Blake Schulze reckons that the foreign buyer market in Sydney has always been strong with consistent demand. "We are finding that over the last three years, the appetite of foreign purchasers has increased. Since Covid, sales [as recorded by the Foreign Investment Review Board] went up to 6% from 3%. In any normal year, Colliers' sales would sit somewhere between 12% and 15%. But we're already seeing 18% year to date [without us] going offshore," he says.

"We're finding that typically for foreign buyers, there is a strong gravitation to quality. They are prepared to pay good prices for high-quality developments. A lot of them are buying to either invest in the short term, to move in or to set up their families here."

The Sydney property market has witnessed a total price growth of 29.7% over the past five years, with landed homes holding the fort with an increase of 43.7% during the pe-



"The high costs involved to transfer property also deter many owners from transacting properties in their portfolio, minimising opportunities for first-time homebuyers and new investors to buy."

— CHRISTINE LI, KNIGHT FRANK

"Efforts to increase supply across the residential market through infrastructure investment, priority rezoning and fast-tracked home assessments are being offset by planning backlogs, high material costs and labour shortages."

— CRAIG GODBER, CBRE



riod, pushing the current average price to A\$1.6 million, according to Knight Frank's Li.

Meanwhile, apartments have seen a growth of 5.1% over the past five years, to an average price of A\$781,000 currently. "Sydney continues to experience the best capital appreciation for homes located along transport corridors and those located along the Sydney harbour waterfront, which are priced at a premium," she says.

Sydney's luxury property market has performed well over the past five years, where the demand for large prestige apartments is mainly driven by a wider demographic, such as downsizers, overseas buyers, families and professional couples, says Schulze.

"While prestige property may have been the most hotly contested at the end of 2023, where sales [of properties] over A\$3 million have doubled compared with the previous year, we are finding that in each market segment, quality off-the-plan offerings are performing well," he adds.

"Buyers are paying close attention to factors such as apartment size and positioning. They're also increasingly interested in lifestyle elements that extend beyond the development, including the feel of the neighbourhood and community."

Schulze says prices in Sydney's premium market have experienced consistent growth due to a strong housing market and a high proportion of its buyers are downsizing from larger homes to apartments.

Like Melbourne, Sydney is experiencing a shortage of housing, which puts pressure on rental vacancy and property prices.

Li observes that this situation resulted in fewer residential transactions in the past year compared with the year before. "The high costs involved to transfer property also deter many owners from transacting properties in their portfolio, minimising opportunities for first-time homebuyers and new investors to buy," she says.

Meanwhile, Sydney's property market has attracted a broad spectrum of buyers. Schulze observes a shift in demographics that are attracted to off-the-plan developments with a higher proportion of owner-occupiers than before.

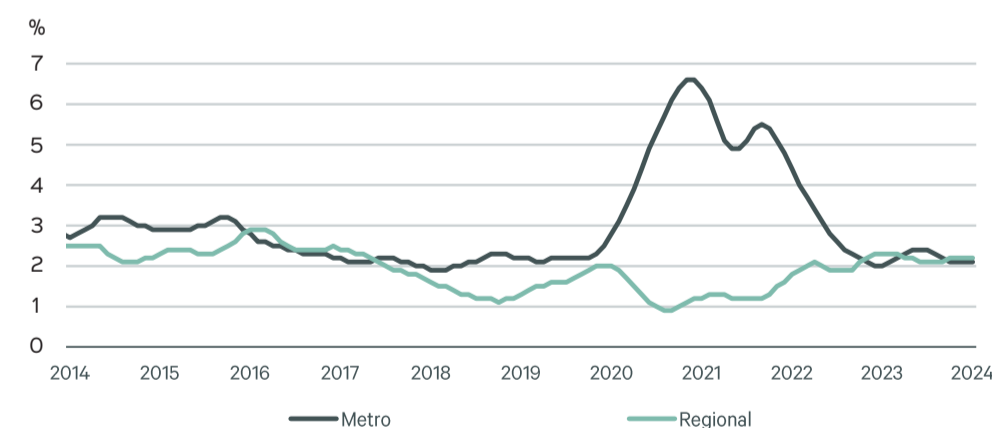
"It is worth noting that the characteristics of first-time homebuyers have changed markedly over the past decade or so. No longer are first-time homebuyers just young people looking for starter properties," he says.

"Our data reveal that almost a quarter of first-time homebuyers are over the age of 35. This means they are often married couples with children coming with very different

property wish lists than traditional first-home buyers. Many want the community aspects of a well-planned project"

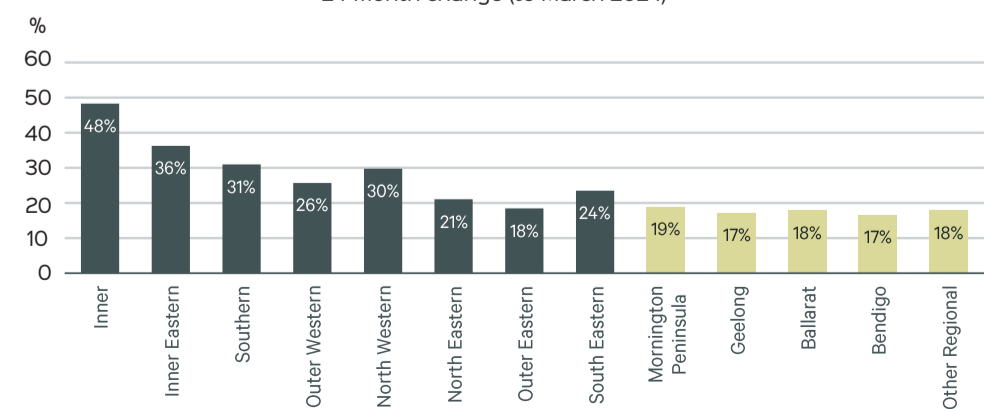
Downsizers are an active group of buyers, and many of them are cash buyers, according to Li. This group of buyers are typically downsizing from a large landed family home to a well-sized apartment close to lifestyle amenities, she says. Apartments with security, privacy and lock-up-and-leave options are especially appealing to them.

Victorian residential vacancy rate (trend)



Source: Victorian department of families, fairness & housing; CBRE Research

Annual change in median rent by precinct, Victoria, 2-bedroom units 24-month change (to March 2024)



Source: Victorian department of families, fairness & housing; CBRE Research



"We're finding that typically for foreign buyers (in Sydney), there is a strong gravitation to quality. They are prepared to pay good prices for high-quality developments."

— BLAKE SCHULZE, COLLIERS



"We expect the rental pool to continue to be tight due to strong population growth and a slowdown in new delivery for both houses and apartments."

— SALIHAH KAMAL, COLLIERS



A different category of downsizers has emerged in the market, says Schulze. "They are at an earlier stage of life, usually still working and seeking a more convenient lifestyle than a house in the suburbs can offer, and enough space to allow their families to come and go."

In terms of rents, Li sees significant rental growth across Sydney due to the mismatch between tenants' demand and housing supply.

"For landed homes, the average weekly rent is currently A\$730, with growth of 12.3% in the past year and total growth of 30.9% in the past five years, achieving an average gross rental yield of 3%. Apartment rents tend to yield a better gross return, with an average of 4.57%, given that weekly rents have risen 17.2% in the past year to stand at A\$680."

Schulze expects the rental market in Sydney to continue being robust this year.

"Recent research shows that Sydney has the highest median rent valuation among capital cities, with a median weekly rent value of A\$1,037.08 for houses and A\$694.61 per week for units. These figures represent a substantial increase of 13.4% and 13.3% year on year respectively."

The housing shortage in Sydney continues to propel rents to new heights, elevating rental yields for property investors.

Says Li, "Sydney is still being challenged by a lower number of homes being built in the coming years, placing pressure on prices. At the same time, there is uncertainty around inflation and future official cash rate movements by the Reserve Bank of Australia. As a result, Knight Frank Research forecasts residential prices to rise by 5% by the end of 2024 and by 6% in 2025, with the likelihood of a further 5% growth in 2026."

She notes that Sydney's residential property market is "currently achieving the highest gross rental yields since before the pandemic, with tight rental vacancy of 1.6% as strong migration continues."

"There is a small number of new homes projected to be built in the coming few years as the cost of construction remains expensive for developers. As a result, rental performance is likely to remain on an upward trajectory in the next few years as higher home values mean less affordability when buying. So, many more Sydney residents will be forced to rent homes for longer."

According to CBRE's Godber, affordability constraints in inner and middle Sydney continue to push first-time homebuyers to the west. Proximity to major roads and public transport and services such as hospitals and universities are key. "The price spread between houses and units suggests that unit stock will continue to become more attractive, again a function of affordability," he says.

"Finally, the emergence of the BTR sector will continue to strengthen as a living alternative. Australia is supporting a growing BTR supply pipeline. Up to 49,000 units have been identified for potential completion by 2028."

In terms of supply, Godber estimates Sydney's apartment delivery will only average 16,000 per annum over the period of 2024 to 2026, well short of the numbers needed to ease vacancy pressures.

"Efforts to increase supply across the residential market through infrastructure investment, priority rezoning and fast-tracked home assessments are being offset by planning backlogs, high material costs and labour shortages," he says.

**SUPPLY NOT KEEPING PACE WITH DEMAND NATIONALLY**

While Australia's recently released migration strategy highlighted measures to rein in the net overseas migration figure, Godber says the three-year projection of 1.135 million until FY2025 translates into demand for about 450,000 new dwellings.

"Adding in demand for natural increase, new dwellings demand over the next three years will likely exceed 600,000. National completions in FY2023 totalled a little under 175,000 houses and units, and it was trending at its lowest level since 2014. Completions peaked at over 220,000 over the year to March 2017 and remained elevated until the end of 2018," he adds.

"With the pipeline slowing further, this suggests new supply will not keep pace with the demand generated, suggesting that the floor to any negative price adjustment will be modest and indicating little relief from the tight rental markets for the near future."

With much housing demand to be met, coupled with the country's strong appeal and fundamentals, Australia's property market continues to offer opportunities and prospects of growth. ■

# ON A GROWTH TRAJECTORY

It is easy to feel at home in Sydney and Melbourne, two of Australia's most vibrant and populous cities that are melting pots of cultures. In fact, they are among the most liveable cities in the world, according to the Economist Intelligence Unit's Global Liveability Ranking.

Their appeal has led to strong net overseas migration intake, boosting population numbers and, in turn, demand for housing. As it is, Australia is facing a national housing undersupply with a vacancy rate of 1.3% as of June, according to CBRE Research's Australian Residential Figures 2Q2024 report. In addition, the Australian government has a target for 1.2 million houses to be built in five years to tackle the significant shortage.

This reaffirms S P Setia Bhd's strategy in expanding its existing footprint and brand presence in the country with two new projects in Melbourne (one in the Central Business District [CBD] and the other in Carlton) and its inaugural foray into the Sydney market (in North Shore's St Leonards).

Its line-up of projects is backed by S P Setia's solid reputation Down Under and six completed projects, all in Melbourne, under its belt. They are Fulton Lane on Franklin Street in the CBD (804 apartment units in two towers; completed in 2015), Parque on St Kilda Road (one block of 332 apartment units; 2016), Maison on Neerim Road in Carnegie (48 apartment units; 2018), Marque on High Street in Prahran (47 apartment units; 2020), Sapphire by the Gardens and Shangri-La Melbourne on Exhibition Street in the CBD (one residential tower of 325 luxury apartments and five-star hotel with approximately 500 keys; 2022) and UNO Melbourne on A'Beckett Street in the CBD (635 apartment units; 2023).

From *City & Country's* visit to the projects in early spring this year, it is evident that they each have something unique to offer, from being strategically situated in the CBD and a stone's throw from the celebrated Queen Victoria Market (Fulton Lane and UNO) to being surrounded by an idyllic private one-acre heritage-protected parkland with 12 elm trees that stood over 150 years (Parque). These are

listed on the National Trust of Australia's register of significant trees.

And then there is Sapphire by the Gardens, which soars 60 storeys from the edge of the Hoddle Grid and with Carlton Gardens, the only World Heritage-listed site in Melbourne at its doorstep. The two-tower skyscraper is the developer's flagship development and will soon be home to Melbourne's first and much-anticipated Shangri-La Hotel.

"We always acquire sites with something special to them and are not run-of-the-mill," says Setia (Melbourne) Development Co Pty Ltd director See Hunt Soon during an interview with *City & Country* in Shangri-La Sydney.

This strategy has proven to work well for the developer since its first project.

"When we came here in 2011 with Fulton Lane, the scale of the development was unheard of in Melbourne, and by a foreign developer at that. We brought it to a level where there's a lot of interest internationally and the project was very successful with the second tower entirely sold off shortly after the first tower was fully sold," he says.

Parque was the developer's second project in Australia. "Again, another successful project that was fully sold. After that, there was a little bit of a property market lull in 2015 and 2016, so we did two small projects, Marque and Maison, where we went to the local market. The projects are fully sold to predominantly local buyers, and from there the locals got to know us, know that we also do boutique projects, and that we understand and cater to their needs."

The developer subsequently acquired the site for Sapphire by the Gardens in 2016. "That is a defining moment for us because it became our largest project in Australia. We're not just building a residential tower but a landmark for not just Melbourne, but Australia. The architecture and design, with the sky bridge connecting both towers, have not been done in Australia," he says.

Designed by Cox Architecture and Fender Katsalidis, Sapphire by the Gardens is an A\$600 million (RM1.72 billion) development with resi-



An artist's impression of Atlas Melbourne, the developer's latest project in Australia located on a prime site on La Trobe Street

Below: Lounge amenity (left) and the Level 72 residential amenity floor

dential and hotel usage atop a nine-storey podium. The twin glass skyscrapers, composed of flowing sinuous sculpted curves connected by an oculus skybridge, have certainly made their lasting impression on Melbourne's city skyline.

According to See, the company was initially looking at building two residential towers for Sapphire by the Gardens. "But the hotel industry was doing quite well at that time and there was a shortage of five-star hotels in Melbourne. So we reached out to Shangri-La and the rest is history.

Sapphire by the Gardens was handed over to its residential buyers in 2022 and the developer also fully completed its most recent project, UNO Melbourne — which is currently 97% sold and 85% occupied — in 2023. "We saw the potential for UNO because it's opposite Fulton Lane. So we know the market there and we know that there's going to be demand," he says.

"Riding on the success of our past projects, our new trajectory is to grow in Australia and we have been looking for land. It is tougher now to find the right piece of land at the right price for the right product, but I think we have bought two very strategic sites in Melbourne and one in Sydney."

## ATLAS MELBOURNE: A PREMIUM OFFERING IN A PRIME LOCATION

Located on 383 La Trobe Street in Melbourne CBD is S P Setia's latest launch, Atlas Melbourne — a 73-storey mixed-use development comprising one residential tower with 839 apartments atop a podium that houses ground and first floor retail, foyer space and residential amenities.

See says the project's location is both special and central. "It's quite unique because we have Sapphire by the Gardens [which sits on the corner of Exhibition Street and La Trobe Street] on one end and Atlas on the other end. We are pretty much anchoring La Trobe Street on both ends with Melbourne Central right in the middle of it. So we are really very strategically located."

The project, which occupies 2,850 sq m of prime land, holds promise as it is located a short walk from Flagstaff Gardens, Queen Victoria Market, Melbourne Central Shopping Centre, State Library of Victoria, Emporium Shopping Centre, RMIT University, Bourke Street Mall and Chinatown.

There are also tram and bus stops just outside the property, with Melbourne Central railway station and Flagstaff station just a short walking distance



“We always acquire sites with something special to them and are not run-of-the-mill.”  
— SEE



Atlas Melbourne's podium houses ground and first floor retail, foyer space and residential amenities



Sapphire by the Gardens on Exhibition Street will soon be home to Melbourne's first and much-anticipated Shangri-La Hotel. All 325 apartments in the residential tower are fully sold.

away. Its location also enjoys easy access to highways.

Launched on Oct 5, Atlas Melbourne offers 839 freehold residential apartments ranging from studios (29.2 to 40.2 sq m) and one- to three-bedders (50.1 to 195.2 sq m) to sub-penthouses (211 to 444.1 sq m) and a penthouse unit (349.5 sq m). Selling prices range from AU\$410,000 to AU\$12.8 million.

Atlas Melbourne is the ideal property for owner occupiers, young families and couples, investors, downsizers and foreign buyers who frequently visit Melbourne, says See. "Because there hasn't been anything launched in the Melbourne CBD market for some time, we are optimistic that this project will do well with the smaller studio apartments catering to investors and the larger built-ups to owner-occupiers.

"There are plenty of cash buyers out there, especially for apartments under half a million dollars. We believe that people are looking to enter the market. So with a good product offering and a very good entry point, we will have a very strong market demand for Atlas," he adds.

There are five main levels of facilities planned at Atlas Melbourne. On Level 8 are lifestyle facilities such as a lap pool, splash pool, gym, H2O Bar, spa, sauna room, steam room, wellness lounge, treatment room, outdoor lounge and outdoor barbecue/dining, whereas Levels 42 and 43 will house premium lifestyle facilities like a work hub, residents lounge, cinema, private dining, billiard table and pocket parks.

There will also be exclusive premium sky club facilities on Levels 71 and 72, such as a wine cellar, bar and private dining as well as dining rooms.

On the ground level, the development will link La Trobe Street to Sampson Lane and Little Lonsdale Street with the retail streetscape designed for food and beverage outlets, a digital gallery and a centralised sculpture plaza that is open to natural light from above.

With construction set to start in 2Q next year, Atlas Melbourne will be developed in stages with the final stage to be completed by mid-2029.

"We believe that the timing is right to launch Atlas Melbourne because of the housing undersupply, and we feel that the interest rates will soften eventually by the time we hit the market and go to construction next year," he says.

Atlas Melbourne is designed by renowned architecture firms Fender Katsalidis and Cox Architecture, the same architects for Sapphire by the Gardens. Fender Katsalidis has also previously worked on the developer's Fulton Lane, Parque, Marque and Maison projects.

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# MAKING INROADS INTO THE SYDNEY MARKET

FROM PAGE 7

## CARLTON SITE: RIPE FOR DEVELOPMENT WITH PLACEMAKING POTENTIAL

Carlton, well-known for the Italian restaurants and cafes on Lygon Street (also known as Melbourne's Little Italy), is a popular inner-city suburb for university students to live in and where S P Setia's other Melbourne project is situated.

The site, measuring 6,480 sq m on 185-195 Queensberry Street and 46-78 Bouverie Street, is just slightly north of Melbourne CBD, according to See.

"We bought this land because it sits across from RMIT University and The University of Melbourne. It's within a university precinct and like an extension of the CBD as the Queen Victoria Market is a short distance away. The area will also be served by the new Metro Tunnel line that will be operational early next year, so we believe this sizable piece of land is ripe for development."

He says the company is currently looking for the right partner for this project, which will tentatively comprise three towers of residential apartments and purpose-built student accommodation as well as the biggest and first full-line supermarket in the city.

"Because the site is so strategic and hasn't been developed for a long time, we feel that the local council is waiting for someone to do something great there. We have a good track record here, so I think the council is waiting for us to pitch something that will bring value to the site and the city."

According to See, the site is the ideal backdrop for placemaking. "We plan to have the biggest full-line supermarket, either a Coles or Woolworths, to cater to the CBD market as well as the Carlton and Fitzroy areas. This is because we have the space and the ability to do this. There will also be a lot of F&B to cater to the student market, which has a lot of spending power."

While the developer expects to obtain planning approval for this project over the next nine months, it already has tentative plans drawn. See highlights that the project will be developed in stages, with the first phase being a purpose-built student accommodation tower.

"There's a huge demand for student accommodation because we are in the middle of the university precinct. And in Australia, student accommodation is very sought after due to the strong student intake and reputable universities here."

He adds that staging the development would allow the developer to stay ahead in the event of market changes, at the same time enhancing the property's value. "The beauty of this site is that we can stage it, which drives the value up because that's the nature of development. Staging it also allows us to revisit our plans and do something else if the market changes."

"Regardless, the demand will always be there because of its strategic location," he adds.



Above: Parque on St Kilda Road comprises 329 apartment units surrounded by an acre of private heritage-protected parkland with 12 elm trees that have stood over 150 years



Right: The developer's first project in Australia, Fulton Lane on Franklin Street is a fully integrated mixed-use development situated in the heart of Melbourne CBD with 804 apartments in two residential towers and podiums atop a vibrant retail component

Below: UNO Melbourne is a 65-storey landmark residential development located in the bustling end of Melbourne CBD close to Queen Victoria Market and major universities



## FIRST FORAY INTO SYDNEY

On the back of its successful track record in Melbourne, S P Setia has made significant inroads into the Sydney market with its latest acquisition of a 1,374 sq m site at 20 Atchison Street in the coveted suburb of St Leonards on the North Shore.

See says the developer had been in and out of Sydney for a few years trying to identify the right site. "After much due diligence, we ended up with this site because it's very close to the CBD, it's a corner location, it's on top of a hill and it's between two train stations (Crows Nest and St Leonards). With the new metro line, it will take you two stops to Barangaroo in the CBD from the Crows Nest station, which is a short walk from the site."

Offering 200 one- to three-bedroom apartments at entry prices of around A\$1 million or A\$22,000 per sq m, the 20 Atchison St project will cater largely to local and first-home buyers.

"Given the real estate prices in Sydney, getting into the property market is important for first-home buyers. Choice products in Sydney CBD are limited, unless one can afford places like Barangaroo, and affordability is a big thing here because of the undersupply," he says.

"So naturally, with this price point and unbeatable location, we believe this project will attract a ready pool of buyers. Also, the top floors of the property would get views of the Sydney Opera House and Sydney Harbour Bridge — the iconic city view, basically. And that will sell on its own."

The one- to two-bedders will have built-ups of around 50 to 80 sq m while the three-bedders will measure around 120 to 130 sq m.

"For the one- to two-bedders, we're looking at couples, established professionals looking to enter the market as well as investors, whereas the three-bedders will cater well to downsizers from areas like Chatswood, St Leonards or Double Bay," he says.

"Investors in Sydney are savvy. They know a good product when they see one, and we believe our project is positioned to provide comfortable returns for them. Currently, gross yields in the area are hitting about 5.5 to 6%, which is quite good."

With all the right fundamentals, 20 Atchison St is poised to do well, says See. "Sydney is a beautiful city with world-class infrastructure. You can't go wrong buying a property here. So now it's time to get the product, design and the best outcome for this site."

The Sydney project is slated for launch in the second half of 2025.

## DEVELOPING AND DELIVERING A HUGE PIPELINE

The real estate markets of Sydney and Melbourne present numerous opportunities for S P Setia to contribute to the real estate landscape in Australia and address the housing shortfall.

"We're coming to a cycle where housing undersupply is no longer a narrative; it's actually real and it's hitting most people quite hard," says See. "While some people can still find decent houses an hour away from the CBDs, not everyone can afford landed property. So I think there's a change in sentiment especially from the next generation of buyers who want to live closer to the city and where they work rather than travel far, and apartments are the way to go."

"Also, I believe smaller apartments such as studios measuring 30 to 35 sq m are an attractive entry point for those looking to own their first home or enter the property market."

Meanwhile, selecting the right sites continues to be the strategy the developer will employ in its expansionary direction in Australia. "We need to identify the right location and the right market, because at the end of the day, it's the location that sells the product."

With pipeline projects worth AU\$2.5 billion, not including the Shangri-La hotel in Melbourne, the developer will be kept busy over the next few years. "It's a huge pipeline, more than what we've done in the past. So going forward, we are going to focus on developing and delivering these new developments," says See.

"Plus, I have a hotel to finish!"

# THE BEAUTY OF HIGH-DENSITY LIVING

We had the pleasure of strolling through the lush lawns of Carlton Gardens, a Unesco World Heritage Site, in the cool Melbourne spring to get to Sapphire by the Gardens — a stunning 60-storey twin skyscrapers developed by S P Setia Bhd — before having a chat on the topic of sustainability with the building's architects Fender Katsalidis co-founder Karl Fender and Cox Architecture director Philip Rowe, who were joined by Setia (Melbourne) Development Co Pty Ltd director See Hunt Soon, at the luxurious sky lounge on Level 46 of the residential tower.

"As a starting point, we're on a beautiful world heritage stage. So, the starting conversation about sustainability is about how we engage with and value landscape," says Rowe, referring to the design concept for Sapphire by the Gardens, which has the World Heritage-listed gardens as its backdrop.

"And so the idea of drawing that landscape up into the building, particularly at ground level and into the podiums — and we've created gardens among that — and bringing part of the garden to the canopy height was a fundamental starting piece for us."

Located at the corner of Exhibition Street and La Trobe Street, the sculptural building with its iconic skybridge has become a landmark in Melbourne since its completion in September 2022. Sapphire by the Gardens will be home to the city's first Shangri-La hotel, which will occupy one of the property's towers. The towers are linked by the skybridge on Level 46.

"Sapphire by the Gardens has an amazing address in the Central Business District. It is a destination. And the skybridge will be an absolutely new destination for Melbourne," says Rowe.

The property's iconic built form is in fact an expression of its functionality. The architects designed the structure as two petals, hence two towers, to reduce the impact of wind on the building by allowing the air to flow through the towers.

"We then linked the two built forms to create a structural piece that is effectively a beam, which reduced the concrete and steel requirements by 50%. In essence, we're doing more with less, focusing on using less concrete and steel, and creating a curvi-



linear form that is related to the landscape."

Sustainability is also about appropriate land use, says Fender. "Australia was born on the premise of suburbs that could sprawl forever. Here we have half an acre that houses 325 apartments, or say a thousand people. A thousand people living out on the plains of suburbia would occupy a lot of acres. And with that comes commuting, the traffic, roads and infrastructure," he observes.

"So, there is something fundamental about high-rise, high-density living ... and blending it with mixed use, you've actually got a community that's enriched by people travelling, people on holiday, people doing business ... and with all the functions and facilities of a hotel."

There is a symbiotic amenity, Rowe chimes in. "This is a necessity, for Melbourne particularly, because we're five million people heading towards eight, and depending on where we go. The reality is that in Australia, we've been brought up in a quarter acre block and everyone can own their own house in scale, but the world is changing. Other cities in the past around the world have done it much better than we have, and we're just learning."

The affable pair share their belief that high-rise, high-density living can be an enriching and sustainable way to live. "High-density, high-rise is not evil. On the contrary, it's a very, very rich, beautiful way of living," says Fender.

From left: Rowe, See and Fender

Sapphire by the Gardens' 60-storey twin skyscrapers and iconic skybridge have become a landmark in Melbourne since its completion in September 2022

"I think our challenge is always: how do we create attractive communities in the sky? Community spaces for people to come together, like dining spaces or space to watch a movie together, as well as amenities that focus on health, wellness and well-being in general at a community level, are really key to sustainability," Rowe points out.

Another layer of sustainability that the development possesses is that it enhances the value of the land it sits on. "This half an acre was almost worthless because underneath it is a rail and cables. So part of the sustainability of this development is the way it is built on a very difficult piece of land, and with density and engineering that accomplished stability in the structure. That's quite a remarkable achievement," he says.

Sapphire by the Gardens is powered by green energy, says See. "For this building and our other development, UNO Melbourne in the CDB, we signed up with Origin Energy to provide green energy, which is generated from solar, wind and hydro power. We negotiated for the same rates as using non-green energy.

"Sapphire by the Gardens complies with Australia's Green Star rating system and we have been independently certified with a five-star rating. Going further to get the rating would cost a lot, and that cost would be passed down to buyers and we didn't want that. At the same time, we want to build something sustainable so owners can live in a comfortable building and don't need to pay a lot in [utility] bills."

Citing the vision of Ross Harding of Finding Infinity, the architects hope that we can one day get to a point where buildings can become energy producers and give back to the cities.

"He boils it down to water, waste and energy and how we can harness these resources. Every building has the potential to put power back into the grid and turn waste into water. So, buildings can become useful," says Fender.

"In some way that is happening in Australia. We have more photovoltaics on our roofs than anywhere else in the world per capita," says Rowe.

"Ultimately, if buildings can give back, we can have a very sustainable environment. When towers of 50, 60, 70 or 100 storeys become energy producers, no one will need to pay for power. And when that happens, we only need to manage sewerage and waste."

Fender Katsalidis and Cox Architecture are currently working together on the developer's upcoming project Atlas Melbourne, where they will be creating another sustainable "suburb in the sky".



# A DESTINATION FOR EDUCATION

Australia has long been a top destination for higher education, with nine of its universities among the top 100 in the QS World University Rankings 2024. Leading the way is the University of Melbourne at No 13, followed by the University of Sydney at No 18 and the University of New South Wales (UNSW Sydney) at No 19. Melbourne and Sydney also rank as prime student cities, coming in at No 4 and No 7 respectively, in the QS Best Student Cities 2024. QS, or Quacquarelli Symonds, is a globally recognised higher education analyst that ranks universities worldwide.

According to the Australian Department of Education, there were 717,587 international students enrolled in the country's institutions between January and May 2024. Australia's multicultural society, natural beauty, high quality of life and relatively affordable cost of living — especially compared with cities like London — make the country a highly appealing option for students from around the world.

Let's take a closer look at some of Australia's top universities.



## University of Melbourne

Founded in 1853, the University of Melbourne is one of Australia's oldest and most prestigious institutions. It offers a wide range of undergraduate and postgraduate programmes, including law, business, engineering, arts, medicine and sciences.

Renowned for its top-ranked law school, the university also excels in business education, blending theoretical knowledge with practical experiences through industry integration programmes. It is home to key research institutes like the Walter and Eliza Hall Institute of Medical Research and the Melbourne Institute of Applied Economic and Social Research.

The university has over 8,000 academic and professional staff supporting around 65,000 students, including 30,000 international students from more than 130 countries. Notable alumni include Nobel Prize winner Elizabeth Blackburn, former Australian prime minister Julia Gillard and actress Cate Blanchett.

Its main campus in Parkville, just north of Melbourne's city centre, features a picturesque mix of historic sandstone buildings, lush green lawns and cutting-edge facilities, combining tradition with modern innovation.

QS World University Rankings 2024: **13**  
 QS World University Rankings by Subject 2024: **9**



## University of Sydney

Established in 1850, the University of Sydney is Australia's first university, founded on principles of religious tolerance and academic merit. In 1881, it became one of the first universities in the world to admit female students.

Offering more than 400 areas of study, including a range of professional and specialist degrees, the university serves more than 80,000 students and is supported by 9,400 academic and professional staff. It is a top institution for veterinary science and is home to Australia's highest-ranked MBA programmes, Master of International Business and Master of Management.

The main campus, located in Camperdown, Sydney, is known for its iconic Quadrangle Building, which features Gothic Revival architecture and sandstone construction. Notable alumni include architect Philip Cox, former Australian prime minister Tony Abbott and actress Rose Byrne.

QS World University Rankings 2024: **18**  
 QS World University Rankings by Subject 2024: **4**

## RMIT University

Founded in 1887 as the Working Men's College, RMIT University (previously known as the Royal Melbourne Institute of Technology) began with the motto "*Perita manus, mens excolta*", meaning "a skilled hand, a cultivated mind". Today, it is a global university specialising in design, technology and enterprise.

The university is renowned for its design and art programmes, ranking at No 18 in the QS World University Rankings by Subject 2024, and is the top-ranked design school in Australia. It also excels in architecture/built environment and communications and media studies, ranked No 18 and No 45 respectively.

Offering 102 postgraduate programmes and 83 undergraduate programmes, RMIT University serves more than 90,000 students, including international students from 194 countries. Notable alumni include portrait artist Vincent Fantauzzo, filmmaker James Wan and author Rosalie Ham.

The main campus is situated in the heart of Melbourne's central business district, making it one of the most urban campuses in Australia. It features a mix of historic and contemporary architecture, with heritage-listed buildings like Building 1 (Francis Ormond Building) alongside modern landmarks such as the Swanston Academic Building and the RMIT Design Hub.

QS World University Rankings 2024: **123**  
 QS World University Rankings by Subject 2024: **18**



## University of New South Wales Sydney

Founded in 1949, UNSW Sydney has been recognised as Australia's "Most Employable University" by *The Australian Financial Review* for the fifth time in 2024, thanks to the highest number of students making the Top100 Future Leaders list.

According to QS, UNSW Sydney graduates have the third-highest rate of full-time employment and the highest salaries among Australia's Group of Eight (Go8) universities. In the QS World University Rankings 2024, the university jumped 26 places to rank at No 19. It is No 1 in Australia for international research network and No 25 globally for employment outcomes. The university is a pioneer in interdisciplinary research on topics such as inequality and climate change.

The Kensington campus spans 38ha and is known for its modern infrastructure, state-of-the-art facilities and green spaces. With over 7,230 staff and more than 63,000 students, including 16,000 international students, UNSW Sydney is a major player in global academia. Notable alumni include former prime minister Scott Morrison, architect Glenn Murcutt and John Deeble, the architect of Medicare Australia.

QS World University Rankings 2024: **19**  
 QS World University Rankings by Subject 2024: **9**



E. JACQUI CHAN/THE EDGE

Sydney Opera House

# A MELTING POT OF CULTURE, NATURE AND MORE

Colloquially referred to as the Land Down Under due to its position in the southern hemisphere, Australia is rich in natural resources, including fertile agricultural land and valuable minerals. Its breathtaking landscapes, unique wildlife, vibrant cities and multicultural society attract countless visitors, students and new residents each year.

Sydney and Melbourne, Australia's two largest and most famous cities, are home to over 5.4 million and 5.2 million people, respectively. Both cities offer diverse and dynamic experiences, appealing to residents and travellers alike. Below are some must-visit spots to experience the best of what these cities have to offer.

## SUNNY BEACHES AND A SURFERS' PARADISE

Bondi Beach in Sydney's eastern suburbs is iconic, with its sweeping 1km crescent of golden sand and crystal-clear waters. A favourite among surfers, tourists and locals, the beach is bordered by a lively strip of cafés, restaurants and shops, making it the perfect place to unwind and enjoy its vibrant atmosphere.

For a more relaxed experience, head to Manly Beach, located on Sydney's northern shore. Known locally as "seven miles from Sydney and a thousand miles from care", Manly offers a more laid-back vibe. Its 2km stretch of sand runs from South Steyne to North Steyne and Queenscliff, each offering unique surf spots. The submerged reef at Queenscliff creates waves coveted by expert surfers.

In Melbourne, St Kilda Beach is a popular destination for soaking up the sun and enjoying the sea. Whether you're taking a stroll along the beach or diving into the ocean, the area also boasts a range of restaurants, cafés and bars. A little further along the coast, you'll find the famous Brighton bathing boxes, 82 brightly coloured structures on Dendy Street Beach. They were

built over a century ago to accommodate the modesty of their time.

## SOMETHING FOR EVERYONE

The Rocks, an historic and charming district in Sydney, is a wonderful place to explore. As one of the city's oldest neighbourhoods, it's home to Cadman's Cottage, the oldest surviving building in Sydney, built in 1816.

Every weekend, The Rocks Market comes alive, offering a vibrant mix of local crafts and street food. For those interested in history, the Rocks Discovery Museum is a must-visit. Housed in three buildings dating back to 1844, it offers insights into the area's rich past.

Food lovers will find plenty of choices in The Rocks. For steak enthusiasts, 6Head is a prime destination, situated on the waterfront with stunning views of the Sydney Opera House. If you're in the mood for tea and scones, The Tea Cosy is the place to go. This quirky café, nestled in a heritage building, offers freshly baked Devonshire scones, finger sandwiches and tea, all served in a cosy, knit-filled atmosphere. With baskets of yarn on hand, you can even try your hand at



CHAI YEE HOONG/THE EDGE

The Rocks



CHAI YEE HOONG/THE EDGE

The Tea Cosy

knitting while enjoying your meal.

From The Rocks, take a leisurely stroll to Sydney Harbour, where you'll find the Museum of Contemporary Art Australia (MCA). The museum features an ever-evolving collection of over 4,500 works, including many from Aboriginal and Torres Strait Islander artists.

Just a short walk from the MCA is the world-renowned Sydney Opera House. Considered a masterpiece of 20th-century architecture, its sail-like design glows against the Sydney Harbour backdrop. Originally designed by Danish architect Jørn Utzon and later completed by Australian architect Peter Hall, the Opera House opened in 1973 and hosts a wide range of performances year-round.

Meanwhile, no trip to Melbourne is complete without a visit to Queen Victoria Market (QVM). Opened on March 20, 1878, this historic market has seen a vibrant history as a livestock market, wholesale produce hub and even a former cemetery. Today, it offers an eclectic mix of goods, from books and jewellery to fresh seafood and deli treats.

For a bite to eat, head to The Borek Shop in the market's Dairy Produce Hall, where you

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E. JACQUI CHAN/THE EDGE

Brighton bathing boxes



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can indulge in freshly made *borek* — a type of savoury pastry popular in the Balkans, Middle East and Central Asia. Whether you choose the spinach and cheese *borek* or opt for the heartier spicy lamb and veggie variety, you'll find the flavours satisfying.

If coffee is your thing, Market Lane Coffee in the same hall is a great spot. Its beans rotate with the seasons, ensuring a consistently excellent brew. For those with a sweet tooth, don't miss the iconic American Doughnut Kitchen, serving hot jam doughnuts from a food truck since 1950. The queue is often long, but the wait is worth it.

For the freshest seafood and quality cuts of meat, head to the Meat and Fish Hall. You can even grab a freshly shucked tray of oysters to enjoy on the spot.

**WINE, DINE AND CHILL**

If you are looking for a relaxing day out in Sydney, head to Watsons Bay, a picturesque seaside suburb. You can reach Watsons Bay with a scenic 20-minute ferry ride from Circular Quay in Sydney Harbour, or by car, though the drive will take longer.

Situated in Sydney's eastern outskirts, Watsons Bay offers stunning views of both the city skyline and the Pacific coastline. Relax by the shore, where gentle waves lap against the sandy beach, or enjoy a picnic in the nearby park. Just a short walk away, you'll find The Gap, a dramatic cliff face that towers above the crashing turquoise waves of the Pacific Ocean. The panoramic views from here, stretching across the ocean and coastline, are truly breathtaking.

Watsons Bay is also famous for its seafood, and Doyle's on the Beach is the perfect place to indulge. Opened in 1885, this iconic restaurant sits right on the shoreline, offering diners a beautiful view of the city in the distance and sailboats in the foreground. Known for its fish and chips, Doyle's gives you the option to choose from various fillets, such as flathead or whiting, served with its signature chilli plum sauce. The menu also includes a variety of fresh seafood, from oysters to lobster. After dinner, you can relax with a drink at Doyle's Garden Bar, where live music plays every weekend.

If rolling vineyards, stunning landscapes and gourmet experiences are your thing, head to the Yarra Valley, less than an hour's drive from Melbourne's city centre. As one of Australia's premier wine regions, it boasts over 80 wineries and a winemaking history that spans nearly 180 years.

Many wineries in the region offer wine tastings, cellar-door experiences and dining options with scenic views of the vineyards and surrounding mountains. One notable stop is St Hubert's, established in 1862 as one of the first wineries in the area. Its beautifully designed cellar door offers wine tastings paired with local cheeses



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Watsons Bay



E. JACQUI CHANTHE EDGE

The Gap



Queen Victoria Market



CHAI YEE HOON THE EDGE

Lune Croissanterie



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Left: Chadstone shopping centre

Below: Yarra Valley

and charcuterie. St Hubert's also features Quarters, a restaurant known for its pasta, steaks and especially its mouth-watering wood-fired pizzas.

For gin enthusiasts, Four Pillars Distillery is a must-visit. Since its founding in 2013, it has won the title of the world's leading gin producer three times at the International Wine and Spirits Competition. Highlights include the limited-edition Bloody Shiraz Gin 2024 and the Fresh Yuzu Gin.

Yarra Valley offers more than just wine. It's a food lover's paradise, with artisan chocolatiers, cheese producers and farm-to-table restaurants. Visitors can also take a hot air balloon ride at sunrise to admire the beautiful landscapes or explore Healesville Sanctuary to get up close with native Australian wildlife.

**THIS AND THAT**

If you love croissants, you will love Lune Croissanterie. Nestled at the corner of Russell Street and Flinders Lane in Melbourne, Lune focuses on one thing — croissants. Picture biting into a perfectly layered, buttery croissant — crisp and golden on the outside; soft, airy and chewy on the inside. For a uniquely Australian twist, try its Vegemite and Cheese croissant.

For something sweet, Koko Black, an Australian chocolatier, offers a handmade selection of 260 varieties, from pralines to truffles. It has 15 locations across Australia. If you are in Melbourne, visit its very first store in the Royal Arcade and have yourself a steaming cup of decadent hot chocolate served with pralines of your choice.

And if shopping is on your list, Chadstone — The Fashion Capital is the place to be. Australia's largest shopping centre boasts over 500 brands, from high-end names like Gucci, Hermes, Versace, and Dior to local designers like Bec & Bridge and Rebecca Vallance. With over 90 dining options, you can easily spend a day indulging in both fashion and food.

These are just a few highlights of what Melbourne and Sydney have to offer. No matter how you spend your time in these cities, you're sure to leave with unforgettable memories. **E**

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