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**Author:** Simon Johanson

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## Frontier spirit moves northern CBD from the fringe to the fore

Investors are driving a development surge on Melbourne's northern CBD fringe, where the number of apartments built is expected to almost double over the next three years.

Completed apartments in the CBD North between La Trobe, Victoria and William streets are expected to grow by 79 per cent between 2010-11 and 2013-14, according to property analysts **Charter Keck Cramer**.

"All FTS (first-time sales) in 2010-11 within the CBD north related to apartments within buildings considered to be investor-oriented projects", **CKC** said in a report commissioned by property developer Ubertas Group.

It showed the northern triangle of the city opposite Melbourne's court precinct and Flagstaff Gardens was growing in popularity, tripling in development size.

Apartment sales reached a record 1235 in the year to June, three times the annual average rate since 2001.

Under current levels of construction, the number of completed apartments in the precinct will rise by 4488 by June 2014. Another 1022 dwellings would be added if other "more likely" projects get off the ground, the report found.

Ubertas Group Chairman Albert Dadon said that 10 years ago the potential of the area was largely unrecognised. "That side of the city was underdeveloped. Now it has the attention of everyone," Mr Dadon said.

Ubertas has a 580-apartment tower under construction on William Street, and will launch a second consisting of 165 upmarket serviced apartments, he said.

Despite the recent rapid development – CBD north accounted 20 percent of the central city's total releases in the year to June 2011 – the growth spurt had not resulted in a legacy of unsold apartments, the report found.

Since the first half of 2008, the level of unsold apartments in the area has been falling.

The area had an "overhand" of 34 unsold apartments in the first half of this year, **CKC** found. "Despite the negative net absorption, the number of FTS has increased in line with releases which is representative of a relatively good market balance," it said.

Mr Dadon attributed the continuing growth to Asian investors. "We're lucky here in Melbourne that we've got strong overseas demand."