

PERSPECTIVE

# HOT APARTMENTS WHERE THE ACTION IS

Quality counts as more and more Australians choose apartment living.

Story Robert Harley

**D**avid Morris is a one-time banker who has become an expert on apartments. He's had to. His company, Newcastle Strata Services, manages the body corporates of 3000 strata units and he is the president of the Institute of Strata Title Management.

So how does Morris pick a good apartment?

He looks at who developed it, who built it and who manages it. He looks at the location, views and

those who can't afford a house and for many who wish to live close to the city or transport hubs. But increasingly it is a deliberate choice. It's not all driven by necessity, not by a long shot.

In the past decade Australians have bought about 275,000 apartments and the trend will only amplify with strong new evidence of a shift in housing tastes.

The director of the City Futures Research Centre at the University of NSW, Bill Randolph, says the majority of new dwellings in Sydney, Melbourne and Brisbane are expected to be apartments.

"One in four Australians are considering strata living as a lifestyle choice," he says. "And one in two already living in apartments believe they will continue living in

chairman of the community-based Owners Corporation Network, Stephen Goddard.

This also underlines the importance of learning how to choose the best apartment.

New research from *The Australian Financial Review* and property information provider RP Data shows some people who

**'We are no longer a society living in an apartment on a way to somewhere else.'**

Stephen Goddard, Owners Corporation Network

bought in the past decade were better informed than others. In

invest in Benelong on East Circular Quay have made substantial capital gains while many who bought investment products at the southern end of the city took a loss.

Yet some investment products at the southern end of the city, like Castlereagh Tower, outperformed highly regarded towers from the northern end, like Highgate on Stamford on Kent. And the sale recorded in *The Australian Financial Review* building that set the inner-city style for 50 years was at a loss.

The list of apartment towers surveyed is not intended to be comprehensive. It consists of larger, higher-profile projects in CBDs or in key apartment precincts, such as Glenelg in

Not surprisingly the best-performing apartments are in the boom cities of Perth and Brisbane - The Moorings in Fremantle, Westralian Apartments in East Perth, Riparian Plaza in the Brisbane CBD and Freshwater at New Farm.

At the same time, the weaknesses in Sydney and Melbourne partly reflect acquisitions made at the height of the boom in 2003.

According to RP Data, the median capital growth across all the towers surveyed was 3.5 per cent a year and the median hold period was 5 1/2 years.

Significantly the top 10 towers all had median prices of more than \$750,000 - a figure that reflects the strong upward momentum at the top end of the ring market - and all were front or close to waterfront.

Data research director Tim Jess says the best-performing smart towers are usually close to water, the city and amenities.

"And generally they're less than 100 apartments and mostly occupied by owners," he says.

mal space, including a rooftop pool. He paid \$5 million off the plan for it in June 2001 and her \$2.2 million for an apartment on level 22.

The 23 two-level apartments in west tower sold for \$1 million each.

The penthouse in the east tower ever came onto the market would be looking at at least \$1 million," Davidson says.

Davidson says the penthouse would fetch \$1.8 million, but tells prospective buyers they "will have to wait for a long time".

Other owners include County Court chief judge Michael Rozenos and the former chairman of the listed IT group Semtex, Francis Galbally.

Davidson says the three best apartment buildings in St Kilda Road are The Melburnian, the newer Royal Domain Tower and the city's "tower of power", The Domain building, which includes Lloyd Williams, Ken Roche, Lindsay Fox, Roderick Carnegie and Peter Beith among its owners.

Recruitment entrepreneur Bob Biddle owns the double storey penthouse on the west tower, which includes 500 sq m of internal area and 500 sq m of

**'It's six or seven years old yet not dated, but classic and beautifully done.'**

west tower for \$850 a week.

A sub-penthouse sold last year for \$3 million, and two bedroom apartments usually attract about \$1.5 million, or \$12,500 a square metre.

Jenny Gould, who was a sales executive at Mirvac when the building was marketed in the late-1990s and is now a director of The Melburnian Apartment Sales, says the building's architecture is also a selling point.

Smart architects to design the complex, which comprises three apartment buildings and eight three-level terrace houses.

The two 23 level buildings total 179 apartments and the third, a nine level building on St Kilda Road, has just 46 apartments.

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"There's Bates Smart's exterior design and Mirvac spent a lot of

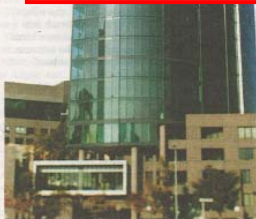
was completed in mid-2002, according to RP Data.

Angela Davidson, the director of Melbourne Central Real Estate, says the reason is simple:

"It has a position opposite the Shrine of Remembrance and the Kings Domain gardens, and it's the closest premium building in

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Ann capri grow The Melb best 7.5% 2008 Photo Dav



ADELAIDE

Welcome to the palindrome of pricing power

Perth Development	Suburb	Address	No Of Resales	Median annualised cap growth(%)	Median hold period (yrs)
• The Moorings	Nth Fremantle	1 Corkhill Street	2	29.3	3.5
• Westralian Apartments	East Perth	54 Terrace Road	28	19.4	2.2
• The Raffles	Applecross	70 Canning Bch Rd	9	12.0	3.1
• Panorama	East Perth	42 Terrace Road	18	11.1	4.3
• Kingsview	West Perth	41 Mount Street	1	6.4	6.6
• 29 Trafalgar Street	East Perth	29 Trafalgar Street	61	4.3	2.9

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High rise gains

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"Also, those with an early entry and a good location will outperform it. So, back to the drawing board. Which apartment resale? The expert consultation of far

"It still comes a location, location and security," says NSW director, Michael Matanik. "Buyers... also owners corporations do a thorough view. The right developer too, and Mirvac in Apartments and I tip the lists."

Overseas pro Michael Matanik is waterfront address views, good design management. Design recommendations include expanded from existing kitchens and separate laundry facilities nearby. And check out wants to stay in Matanik recommends every five apart

The Moorings apartments with its boat pens that line the banks of the *Swan River* at North Fremantle, shows how the resources boom has transformed Western Australia. The roaring economy has delivered significant wealth to many, who in turn have splashed out on luxury apartments, flash cars and big boats. While Perth's property market has cooled this year, demand for premium, property remains solid.

Last year it helped push the median apartment price at The Moorings up 29 per cent, delivering owners the best capital growth in a recent *Australian Financial Review* survey of apartments across Australia.

Other apartment buildings to perform well included The Raffles in Applecross, and Westralian Apartments and Panorama Apartments in East Perth.

The strong price growth recorded for The Moorings did not take into account the \$8.25 million sale of one of the penthouses late last year to entrepreneur Haniff Kassim, which set a new Perth record and is due to settle on Wednesday.

The sale gave the penthouse's previous owner, property developer Paul Simpson, a 126 percent gain on the \$3.65 million he spent buying the then un-lived-in apartment in 2005. Others who have bought in The Moorings include the Corruption and Crime Commission's parliamentary inspector, Malcolm

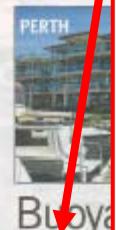
McCusker. QC, who paid \$1.8 million in 2003, and Paladin Energy company secretary and boating enthusiast Gillian Swaby. A Lift Capital client who hit the headlines when Merrill Lynch sold the bulk of her shareholding in the uranium producer, Swaby bought there for \$3.8 million in June last year. She is suing Merrill Lynch in the Federal Court of Australia in a bid to regain her shareholding.

Property developers John Simpson and Terry Prindiville automotive parts retailer Ray Della-Polina and John Ahem, whose family owned the Ahern department stores - sold to David Jones about eight years ago - also own apartments in The Moorings.

The Moorings comprises 46 apartments across three low-rise buildings. Each apartment has individual lift access rather than entry from a lobby and residents have access to a tennis court, 25 metre swimming pool, gymnasium and function room.

At 1 Corkhill Street in North Fremantle, The Moorings is in a prime position to benefit from a shortage of boat pens following the surge in boat sales in WA. Every apartment has access to boat pens that line the foreshore.

Acton Dalkeith director Chris Hutchison says the boat pens and the tranquility are good selling points. The Moorings was developed by The Lester Group in the late 1990s. First residents moved in during 2000.



**PERTH**  
Buyer  
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