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## COVER STORY Susan Wellings

# A boost in confidence

Positive signs are emerging in the new apartment market.

### BUYER TIPS

Research the developer, architect and past projects.

Compare the price with recently completed property nearby. If buying off the plan, buy at today's prices, not tomorrow's.

Understand the plans: room sizes, layout, aspect, views.

Best one-beds are 60-70 sq m (including balcony); best two-beds are 110-125 sq m.

Consider the number already sold. Developer may need 50 to 60 per cent sold to proceed.

Source: Rod Cornish, Macquarie Bank

### LEGAL TIPS

Assess the apartment and the common property.

Ask about budgets, levies, building compliance and certification.

Ask also about long-term contracts and whether the developer is staying on as an owner.

Read the bylaws and other management documents that apply to the strata scheme (they will be in your contract). They are the rules that will be applied to you during your ownership.

Source: Andreones lawyers

**A**fter three years in the doldrums, the new apartment market in NSW is starting to look more promising.

Developers are confident that rising rents will lure investors, interest rates are stable enough to attract first-home buyers and with so many others upscaling and downsizing, the year is looking good.

"But it's still early days," says Dr Stanley Quek, chief executive of developers Frasers Property Australia, which is building the 56-storey Lumiere in the city. "We think the market will recover as it's been in the doldrums so long, but the big question is when. Nobody knows. But it's my instinct that it could happen in the third quarter."

Australian Bureau of Statistics data show the number of apartment approvals in NSW for the year to March 2003 was 27,700. For the year to December, the figure was 15,400, a decrease of 42 per cent.

Attracting investors – that's been the problem. It's been difficult for developers to get projects up and running because of increased land values and higher construction costs. They usually need between 50 and 60 per cent of off-the-plan sales to secure finance or enter a joint-venture equity arrangement.

Yet even independent analysts such as Macquarie Bank's head of property research, Rod Cornish, can see light at the end of the tunnel. "The fundamentals are slowly starting to shift," he says.

"Migration's the strongest it's been for four years, so when you combine that with low supply ... that's why vacancy rates are tight, rents and yields are starting to pick up, but there is still concern about interest rates.

"We think rates are on hold this year, but it's not going to be a fast turnaround for investor demand. Our expectation is for the start of a gradual pick-up in the second half of this year as Sydney's property market stabilises."

Here's just a sample of the thousands of new apartments to be launched this year.



Under construction ... the three four-bedroom apartments at Fairy Bower, Manly, start at \$7 million.



Village life... an artist's impression of Cammeray Square (left), 39 units and shops around a piazza. At Rhodes Waterside, the 95-unit Adina complex (artist's impression, right) has just been released.



## OVER THE WATER

Prices of top-end, quality developments – particularly by the harbour and ocean – have escalated throughout the general slump, which augurs well for this project.

At Manly, a small development of three four-bedroom apartments with 180-degree ocean views is selling off the plan, with completion expected about June.

The ground-floor unit of the building at 92 Bower Street, Fairy Bower, has a private pool, while all feature spacious decks and balconies, and state-of-the-art technology. Prices start at about \$7 million.

Developer Matt Savage says the project came about after he went to a real estate agent looking for a beautiful townhouse in the area. "I was told such a thing didn't exist," he says. "He told me if

I wanted one, I'd have to build one. So I did, right on the edge of the cliff on the water."

An ugly, rundown 1920s two-storey block of flats was pulled down and the building designed by architect Vince Squillace is rising in its place. "Each home has its own floor to make sure they're absolutely private," Savage says. "They're extremely beautiful." (Phone 0404 888 363)

## NEXT AT RHODES

There are already plenty of apartments on the Rhodes peninsula, but stand by for more.

Plans before the Department of Planning are for 140 new homes, including a mix of one-, two- and three-bedroom apartments and terraces, on the foreshore at the northern end of 40 Walker Street. A joint venture between Multiplex and Trafalgar Corporate, the project consists of four