

FINANCIAL REVIEW

SE News
HD **Sydney in the sky with diamonds**
BY Su-Lin Tan
WC 664 words
PD 4 October 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 9
LA English
CY Copyright 2014. Fairfax Media Management Pty Limited.
LP

The city's future tallest **residential** tower, Greenland Centre, is ghetto-proofed.

The marketing pitch promises "a diamond in the sky".

TD

Glossy paraphernalia for Greenland Centre's **apartment** building, to be the tallest **residential** tower in Sydney, promises little expense will be spared in what will amount to a new kind of luxury living.

But will the \$600 million building and its 500 new apartments solve some of Australia's chronic undersupply of housing?

Some believe it may simply turn into another harbourside ghetto where so-called luxury apartments are turned into overcrowded student share-housing, like the fate that has befallen Regis Towers on nearby Pitt Street.

"I look at it and laugh because you cannot get diamonds until level 20 at least," Owners Corporation Network chairman, Stephen Goddard says.

"Sydneyiders and foreign interest are notoriously view-focused.

"So anything below a harbour view cannot be a diamond in the sky! The first 20 levels have the potential to be used as short-term letting which is another expression for hot-bedding.

"The only way to get around this is to enact a cultural shift by building good living spaces and amenities."

In addition to being in the heart of Sydney, the Greenland Centre is in the middle of a vexed debate about a housing bubble and whether Asian investors are fuelling speculative investments.

The **Chinese** government-backed Greenland **Group** is developing the tower as its first **property** footprint in Australia.

It has promised to transform the former Sydney Water **Board** eyesore on the corner of Bathurst and Pitt Street into a high-end city living precinct with a creative community hub, upmarket boutique stores, security and concierge and floor-to-ceiling windows with panoramic views of the harbour.

"By creating dwellings, retail and hotels in the centre we are creating liveability in this city," Greenland **Group**'s chief executive, Sherwood Luo says.

But the University of New South Wales' City Futures Research Centre director Bill Randolph says his centre's research shows taller buildings attract a younger demographic, students and investors and owners from south-east Asia.

"Taller buildings also attract renters who do not necessarily have big incomes," says Randolph.

"But how a building turns out depends also on how it is marketed and who lives in it."

Greenland architects' BVN Donovan Hill principal Phillip Rossington, says Greenland's aspiration is to achieve a **property** of the highest quality with finishes to fit.

"It is not designed for student rental. The **sale** prices suggest it is not going to be cheaply rented out," he says.

"We have a retired couple downsizing out of Darling Point who **purchased** three apartments in the top floors and have asked us to join the three units together."

"The centre's high net worth investors would not want to maximise yield at the expense of the building value."

According to its owners, the 82-storey Greenland Centre, which would eclipse the current tallest **residential** tower Meriton's World Tower on nearby Liverpool Street, has been **sold** to 40 per cent owner occupiers and 60 per cent investors. Prices go from \$528,000 to \$1.8 million.

Another, similar city building, the \$600 million 56-storey Lumière Residences near the Town Hall has 456 units and 55 per cent owner-occupiers and the rest investors.

"Fifty-five per cent is high for owner-occupiers in the city," **property** agent Greencliff sales director David Butt says. If the percentage of owner occupiers is indeed that high, the effectiveness of Greenland's future owners corporation would be critical in ensuring overcrowding is prevented.

"It all comes down to how vigilant the body corporate is, that is, how involved the owners are," says architect and planner Philip Pollard.

And whether the building helps solve Australia's housing shortage or turns into a poor investment, will depend on the next moves to curb housing speculation by the Reserve Bank of Australia.

RE austr : Australia | greenl : Greenland | sydney : Sydney | apacz : Asia Pacific | ausnz :
Australia/Oceania | namz : North America | nswals : New South Wales

PUB Fairfax Media Management Pty Limited

AN Document AFNR000020141003eaa40000e