

FINANCIAL REVIEW

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HD **Great estates**
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Property Wealthy families are buying out the neighbours to create vast, Gatsby-style compounds, write Samantha Hutchinson and Michael Bleby.

The Great Gatsby premier at the Cannes Film Festival coincided with the release to market of a bundle of properties along the French Riviera. Included in the historic hilltop estates and seaside villas was Villa Picolette, the seven-bedroom mansion in which writer F Scott Fitzgerald and his wife Zelda lived while he dreamt up his famous novel, and Villa La Pausa, Coco Chanel's former mansion overlooking Cap Martin.

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Months later, Australia is experiencing a similar resurgence in the listing of the grand estates – the sprawling compounds made up vast aggregations of land across multiple lots, paving the way for houses for all family members, surrounded by grass tennis courts, pools and other resort-style delights redolent of Gatsby era extravagance.

The listing of Australia's most iconic estates including John B Fairfax's Point Piper **estate** Elaine, and the Joye family's Georgian manor Barford in Bellevue Hill, have focused attention on large land aggregations on the market's uppermost rungs. But quietly a whole **group** of younger, wealthy individuals have emerged who are building new family estates and have their eyes on the house next door.

Property developer Lang Walker's long-time family **estate** Millthorpe on the waterfront in Sydney's Hunters Hill recently became larger when his daughter bought a two-storey home on a neighbouring block, allowing access to the family home, waterfront and amenities including a jetty, swimming pool and sprawling gardens.

The low-key **transaction** was not unique in the quiet **residential** peninsular which is as famous for its sandstone architecture as it is for its high-profile residents with a penchant for landbanking. **Estate** building in Hunters Hill is gathering pace. Further down Crescent Street, the Moufarrige family of Servcorp managed office network owns two properties in the street with a combined value of \$9.2 million.

Around the corner on Viret Street, **Chinese** businessman Leo Zhang spent more than \$5 million amassing every **apartment** in the block, and is understood to be in negotiations to **purchase** a thin strip of public land connecting the block to the waterfront, reported to be worth more than \$650,000 to complete the waterfront compound.

"It's tightly held. There are some streets you walk down and realise every house in the street is owned by one of about eight families," an agent familiar with the area says.

Agents in Melbourne and Perth have the same stories of single families snapping up adjoining blocks in a street in the hope of creating an **estate** in which multiple generations can live.

Transport magnate Lindsay Fox is well-known for his compound spanning three properties on the corner of Irving Road and Albany Street in Toorak, two of which are believed to be permanently vacant.

A house in Albany Road next-door to Fox's friend and associate Solomon Lew was bulldozed after being bought for \$4.8 million in 1992, with speculation that Lew wanted to build a tennis court on the block that instead houses a free-standing carport.

Elsewhere in Melbourne, Sussan **Group** chief executive Naomi Milgrom is battling local council and neighbours in her plans to demolish two heritage-protected Edwardian houses backing onto her mansion in bayside Melbourne. A hearing on the proposed plans is due to take place at the end of March.

Large, compound-style homes haven't always been popular, according to Dyson Austin valuer Simon Feilich.

"Buyers went through this phase after the GFC when huge homes and conspicuous consumption was frowned upon ... and people know that having that much land is a huge statement," he says.

But improving confidence and higher levels of turnover on the **property** is in some cases, persuading buyers to look to the house next door.

Feilich reports a rise in the number of enquiries for aggregations, and from buyers eager to **buy** an adjoining **property**. Melbourne-based buyers' agent David Morrell has also noticed a rise in enquiry levels for opportunities to create compounds.

And in a variation on the theme, the number of **apartment** amalgamations is rising, particularly in Sydney and Melbourne.

"It's not an investment. People just want the large **estate**; they don't want to throw away money, but they're not expecting super natural returns," Feilich says.

Sydney-based agent William Bridges agrees. "The logical **buy** for many places is your next-door neighbour," he says.

The Eastern-suburbs former jockey and **property** stalwart has approached Westfield owner Frank Lowy in past weeks to see if he was interested in buying the house next door to him on Wolseley Road in Sydney's Point Piper that had just listed. Lowy declined.

But for some agents, an aggregation is risky. "There's examples where the owners have amalgamated a couple of blocks, and really they've really marginalised themselves," Perth agent Chris Shellabear said.

"The market going forward for these types of properties, especially if you know you'll want to sell it at a particular point in time, can be tough."

The 4045 square metre Mosman **Park** home of Sharon Creasy, the retired wife of English-born prospector Mark Creasy, will be the next compound-style **estate** to test demand for great estates.

The resort-style home with a pool, tennis court and gardens so large it is described as having its own "micro-climate" was launched to the market in an international campaign in December with \$30 to \$40 million hopes. "It suited our needs at the time," Creasy says.

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