

COVER STORY

on top and continuing their rise

Demand for Sydney's top penthouses means they sell quickly, at a premium, in any market. By **Nathan Vass**

A lack of quality penthouses is keeping the Sydney prestige apartment market buoyant, despite the current market correction for middle- and lower-end stock.

Leading agents say there are probably fewer than 20 genuine penthouses in all of Sydney. And the owners don't hand them over easily, despite growing demand.

A lot of people are visiting

"A lot of people are visiting Sydney from overseas and saying wow, this place is great. I want to buy a penthouse here with harbour views," said EPS Property Search chief executive Patrick Bright. "But these properties are not easy to find and they are almost never transacted publicly or advertised. When I get a client who wants a penthouse, I have to create the deal. You have to try to convince owners that it's worth their while to sell. So if you get hold of one, they are very valuable."

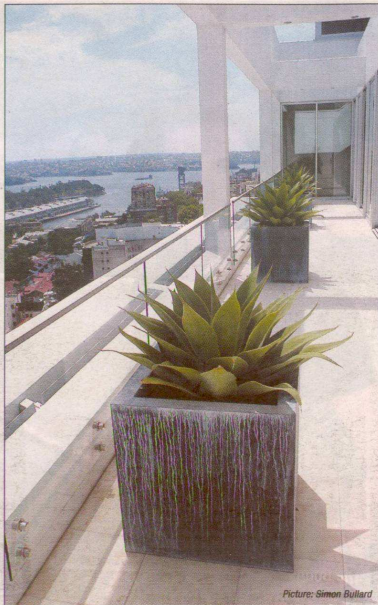
Cramer Property Group principal Earl Cramer said the classic New York-style penthouse took up the entire top floor of an apartment building and had lots of open space.

"There are quite a few around in Kings Cross and Potts Point that look like a house sitting

top performing penthouses

Horizon – \$10 million
Top Of The Town – \$8.5 million
Bennelong – \$8 million
Renzo Piano – \$6.75 million

Quay West – \$6.2 million
The Cove – \$6 million
The Bond – \$5 million
Manhattan – \$4 million



Picture: Simon Bullard

on top of the building. But over the years, the penthouse has come to refer to any of the apartments on the top floor," Mr Cramer said.

Some of Sydney's finest apartment buildings include more than one penthouse. The Engelen Moore-designed Altair in Kings Cross, which won three prizes in the 2001 World Architecture awards, including best apartment building, has two penthouses, as does Manhattan in Elizabeth Bay.

"But Horizon (Darlinghurst), Top of the Town (Darlinghurst) and the Bond apartments (Millers Point) have true penthouses, which take up the whole floor," Mr Cramer said.

"You really want to see some outdoor area for those in the \$6-\$10 million price bracket."

The 15-storey Dakota apartments to be built opposite Hyde

Park will feature a \$10-million, two-level 294sq m penthouse.

Rod Smart, sales manager Century 21 Property Group Double Bay, said: "The Dakota apartments receive almost double the amount of Internet hits compared to other properties we have at half the price."

At this level we receive many offshore enquiries, especially places with a high concentration of expats, including Saudi Arabia, Hong Kong, Singapore, Europe and select US cities.

"While we have a strong domestic economy, we would anticipate a relatively swift sale for property of this standard in sought-after locations." Prestige Homes of Australia CEO Ken Jacobs said the best apartment was not necessarily the penthouse anymore.

"I sold three of the four apartments at La Corniche in

McMahons Point and the most expensive one was not on the top floor because everyone in the building had an outstanding view," Mr Jacobs said.

view to a thrill

Patrick Bright agreed that the view was all important for penthouse buyers.

"If you get a penthouse buyer, view is number one with them," Mr Bright said. "Then they are looking for space and an outdoor area. And, if you can get them, two-storey penthouses where the bedrooms are separate from the rest of the place are popular."

Mr Bright said while many penthouses boasted breathtaking views, some developers, surprisingly, cut corners when it came to fittings. "Sometimes, you walk into one of these penthouses and

you're knocked out by the view. And then you see the taps look cheap, or the benches are only average. But if the view is good enough, these buyers will buy the place anyway and spend \$50,000 getting the interior the way they want it to look," Mr Bright said.

One of Sydney's premier penthouse views is from the 75th floor of the new World Square. The bad news is developer Harry Triguboff is said to be keeping that one for himself, as well as the top third of the building for \$400-a-night serviced apartments.

But breathtaking skyscraper views aren't the only criteria when it comes to prestige apartment buyers. Broadcaster John Laws paid \$15 million for his apartment at the Woolloomooloo's Finger Wharf, and actor Russell Crowe – who's

Top Of The Town: The Darlinghurst penthouse (left and main picture) sold for \$8.5 million



place is on the third of the complex's five floors – paid \$14 million. Reports that British tycoon Richard Branson had topped both by spending \$16 million for a unit in the Harry Seidler-designed Cove, at The Rocks, were later denied.

"Finger Wharf is a great example of star power – you get a couple of big names in a complex and it generates enormous interest," Bright said of the development, where Delta Goodrem spent \$1.3 million earlier this year for a three-bedroom unit.

"The Finger Wharf is also unique for an apartment set-up because it offers mooring," he said.

empty nests

Ken Jacobs said buying a penthouse was an emotional

purchase. "They want the best apartment. That's usually the penthouse, so that's what they want," he said.

"These people don't want land, they want the view and they want to be free of the maintenance issues you have with a big home on a big block."

"People will often be going from magnificent properties to an apartment penthouse because it better suits their lifestyle at this stage of their lives."

"They want to travel a lot, so they want to be able to lock it up and forget about it for months at a time."

"I know one of Sydney's best apartments – sorry, no names – is empty 11 months of the year."

Mr Jacobs achieved four of the top five apartment sales

in Australia two years ago and he said these premium buyers had strong ideas about what they wanted.

"The one that I sold to Russell Crowe at the Finger Wharf was a record-breaking sale for an apartment and it wasn't a penthouse – but it was also 1000 square metres," he said.

top of the block

Earl Cramer said the shortage of penthouses in Sydney and growing demand for them meant they rose in value at a greater rate than their little brother and sister apartments in the same building complex.

"A penthouse is worth big money for just being a penthouse. It's like being top of the range in the building," Mr Jacobs said. "The

penthouse at the Horizon was sold to a Tasmanian businessman for \$10 million and its value is going up quite rapidly.

"There is potential for the value of a penthouse to rise at a much faster rate than the rest of the apartments in the building. There is simply a scarcity of these places and there isn't much development coming up that will have penthouses."

"The property slowdown has affected apartments at the bottom end of the market, but not the quality apartments that are well located. People who are looking to buy a luxury apartment property know that they have to take into consideration when the prestige property will be available again."