

# Domain

## Soft Dollar Likely to Bring Back Expatriates

March 5, 2014 Carolyn Boyd



Five offers: Belle Property Mosman agent Tim Foote sold this five-bedroom home at 35 Carrington Avenue, Mosman, in December for \$11 million.

There's no shortage of buyers on the lower north shore and many want to demolish '50s and '60s properties to build bigger, more modern homes, or renovate older Californian bungalows.

"There are buyers everywhere looking," says Rawa Norman, of Ray White Northbridge.

In the leafy Willoughby area, Norman says, "We're getting fantastic prices, crazy prices." Many of Norman's buyers are of Chinese background who want to build afresh, and even buyers doing up older properties are splurging. "People are spending up to \$700,000 on renovations to put an extra storey on," says Norman.

Artarmon, which recorded 9.8 per cent growth in house prices last year and 7.3 per cent in units, has been particularly popular thanks to the reputation of its local school.

Dr Andrew Wilson, chief economist for Australian Property Monitors, says values have been pushed up from the bottom. He says the lower north shore had been an underperformer over the past few years as “prestige property has been in the doldrums in Sydney”.

Things could be looking up at the premium end though: \$3 million-plus properties began to sell towards the end of last year, says Richard Harding of LJ Hooker Mosman. “It started after the election . . . and finished strongly in October, November, December,” says Harding. “I don’t think there were price rises, there was just more stock turning over.”

Most buyers of premium properties have been locals trading up, although Harding expects that may change slightly in 2014. “With the Australian dollar softening, there could be more expat buyers coming back in,” he says.

Tim Foote, of Belle Property Mosman and Neutral Bay, says 2013 delivered record November and December periods for his agency. “The final quarter was particularly strong right across the board,” he says.

Foote sold a five-bedroom home with north-facing deepwater frontage at 35 Carrington Avenue in December for \$11 million. “We had five offers on that,” he says. “To get that level of genuine buying and the desire to purchase at that price point was pretty strong.”

There could be more growth to come, says buyers agent Lisa Bradley, of Finders Keepers. “Mosman price growth still has some catching up to do and should see stronger recovery this year, particularly around the \$2 million to \$3 million range.” Other strong performers in 2014 are likely to be Cremorne, Naremburn and Greenwich, says Bradley.

Foote is predicting more premium property will come on the market now that owners “are seeing that the market is good”.

In North Sydney, a raft of new apartments will help breathe life into the heart of the precinct, says Duncan Grady, principal of Raine & Horne North Sydney. Grady estimates that in the North Sydney hub there are nearly 1000 apartments under construction, or in the pipeline.

Grady says buyer interest has been exceptional, with all projects nearly fully sold before completion.

Raine & Horne chief Angus Raine says the lower north shore apartment market enjoyed a bullish 2013. “We expect this momentum to carry into 2014 with growth between 6 and 10 per cent,” he says.

In St Leonards, Raine says first timers are still making their presence felt because of low interest rates. “It’s still possible to acquire a modern studio apartment in St Leonards for \$400,000, which is within the budgets of first-time buyers,” he says. They face competition from investors who can rent such properties out for \$450 a week.