

# 'I suppose I overpaid': no gain a pain for unit seller

## How it sold

Michael Bleby

We speak to the team behind last week's most intriguing property sale.

**The property:** A three-bedroom, three-bathroom, three-car park penthouse apartment at 1710/45 Duncan Street, West End, Queensland. Sold after auction for \$1,620,000.

**Who was the agent/agency?** Luke O'Kelly, Ray White West End. Vendor declined to be identified.

**How long was this on the market?** [O'Kelly] Six weeks.

**Why did this one sell?** [O'Kelly] Because we auctioned it. [Vendor] Good value.

**Was it overpriced?** [O'Kelly] No. [Vendor] The fact that I was looking for \$1.7 million and got \$1.62 million - it's only worth what someone will pay for it.

**What did you think it would go for?** [O'Kelly] \$1.7 million. [Vendor] I thought I'd get \$1.7 million.

**What was surprising about it?**

[Vendor] I would have had no problems achieving \$1.7 million if I'd put it on the market before Christmas. I read about lots of expats coming back to Australia ... because of the virus. I [thought] I could be lucky with getting a good price with so many professionals coming back ... I do think coronavirus has knocked the gloss off it.

[O'Kelly] We ended up getting a premium price for the property. The market in West End hasn't changed as a result of COVID-19 - \$1.62 million is a great outcome, if we're talking COVID-19 or not. West End is a market that hasn't seen capital growth for the past 10 years.

[Vendor] I flew across in 2014, fell in love with it and bought it. When I first saw it, I thought: "This is it. I've died and gone to heaven ...". Coming from Ireland, everything is more enclosed because of the weather, whereas in Brisbane everything is outdoors. The flow continued out onto the balcony.



The three-bedroom, three-bathroom, three-car park penthouse apartment at 1710/45 Duncan Street, in Brisbane's West End, sold after auction for \$1,620,000.

I paid \$1.7 million. It was expensive, but one of the bonuses of coming from Europe was the currency was stronger.

[O'Kelly] As a location to live, you can't beat the lifestyle and the proximity to the city, but as an investment, if you were to put the money anywhere else, arguably his investment of \$1.7 million would be worth substantially more.

There is a lot of industrial and commercial space on Montague Road. There are another 2500 apartments that will go up over time. When you have new stock coming onto the market continually, it's very difficult to get capital growth.

**But you said you thought the market was strong enough to pay \$1.7 million?**

[O'Kelly] I do. I also think that \$80k was within the margin of error. When you look at West End more generally, it is rare to find a seller that makes a significant amount of money in apartments. The one-bed [apartment] market is the hardest, where people are losing 10 to 15 per cent of their purchase price in resales. The bigger the apartment, the more they're holding their value, because there's fewer of them.

[Vendor] So many apartments have gone up in West End, I suppose I overpaid, but the other penthouse apartment that's similar to mine hasn't got an extra bathroom. They paid the same as I did at the time. There's a few people that have overpaid. It's one of those things. I've made some money from property in the past. You've got to take it on the chin.

**Was the buyer a returned expat?**

[Vendor] No. That whole idea went pear-shaped. It was the opposite. It was a couple who are looking at going overseas for a couple of years. They were looking at selling where they're living, but keeping a foothold in the West End. On all fronts I was completely wrong!

**Do you reckon we'll see another result like this: a) next week b) next year c) next cycle d) never?**

[O'Kelly] c) Next cycle. This first half year is the opportunity - it has been the time to sell. The second half of 2020 is going to be a lot tougher market. It is going to be a while before we see sales results of this calibre.

[Vendor] On my bloody luck it'll be an expat coming next week with lots of Aussie dollars and he'll pay a premium!

# Central Equity, Failli family selling greenfield sites

Larry Schlessinger

The post-COVID-19 appetite for greenfield residential sites in Melbourne's west will be tested with more than \$200 million of shovel-ready land offered to the market by developer Central Equity and beef producers the Failli family.

Fully developed, the sites could yield almost 3000 housing lots, with an end value approaching \$1 billion.

At 1071 Sayers Road, in Tarneit, Central Equity, one of Australia's biggest private residential developers has abandoned plans to develop the 77-hectare Waterbird Estate itself and is looking to sell it.

The approved site comes with a first stage permit for 870 lots as well as three super lots suitable for medium-density development or mixed use.

It is one of two Tarneit development sites Central Equity bought a few years ago when the western growth corridor was booming and greenfield land selling at more than \$1 million a hectare. The first of these sites became Central Equity's 1600-lot Newgate Estate, home to one of Melbourne's largest display home villages.

Central Equity manager of land development Paul Moller said development of Waterbird has not begun.

"Central Equity is now recycling capital through divestment of the Waterbird property," he said. "This will create opportunities to balance its develop-

ment portfolio, with planned strategic purchases in Melbourne's north and south-eastern growth corridors.

"Central Equity will continue to develop a substantial land parcel in Tarneit, while building a pipeline in complementary growth corridors."

**Biggin & Scott Land's Andrew Egan** and Rudy Kelemen of Kelemen Commercial have been appointed to market Waterbird via a tender process closing on June 18.

Twenty kilometres north, at 1066 Taylors Road, Plumpton, the Failli family, founders of Westside Meats, are selling 93 hectares of their Parwan Valley farm holding.

The site, within the approved Plumpton precinct structure plan (PSP), has the potential to generate 1500 lots, a convenience centre, community facility and a school site once a permit is obtained. An invitation-only expressions of interest campaign is being handled by Cushman & Wakefield's Peter Sagar and Paul Callanan on behalf of the landowners.

Mr Sagar said major developers such as Stockland, Lendlease, Frasers, Satterley and Dahua as well as major funds, private developers and syndicates were likely to express interest.

"If purchasers take a medium-term view of the market they are likely to pursue this opportunity given the rarity of scale, its location, PSP-approved status and ability to generate short term earnings," Mr Sagar said.



The Failli family produce prime beef and lamb at their Parwan Valley farm.

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<b>m<sup>2</sup></b> Building Area 2,245m <sup>2</sup>	<b>WALE</b> National tenants	<b>\$</b> 11 year* WALE \$161,000 pa net income	<b>m<sup>2</sup></b> Site Area 6,599m <sup>2</sup>	<b>40,000*</b> Exposure to 40,000* cars daily	<b>Location</b> Located in one of Australia's Fastest Growing Areas	<b>\$</b> Excellent depreciation benefits	Paul McGlynn 0438 413 490
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## Far East ready at Bourke Street

pandemic, we're making sure priority projects are delivered more efficiently and fast-tracked where appropriate," Mr Wynne said.

Some of the projects approved had a familiar ring to them. Charter Hall's \$290 million Lonsdale Street development, approved early in 2018 as a standard office tower, required a planning amendment for modifications to suit the needs of its anchor tenant, the Australian Federal Police, and to create a new laneway connecting Lonsdale and Little Lonsdale streets.

Preliminary site works have already started at 140 Lonsdale Street and practical completion is due in October 2022, Charter Hall said.

Riverlee's \$500 million Northbank project at 731-739 Flinders Street in Docklands, given approval in 2018 for a hotel and residential component, has been awaiting a further planning amendment and was one of the projects Mr Wynne gave a green light.

China-backed developer Poly's 1000 La Trobe Street, work on which began last July, received approval to change its internal layout, facade and to include a childcare centre and gym.



An artist's impression of Far East's Melbourne skyscraper.