

APARTMENTS
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THE PROPERTY GUIDE

Bed in the clouds

Who's buying into
Australia's tallest towers

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COVER STORY Julia Nekich

The mile high club

Remaining stock
World Tower

Sydney. Studios from \$340,000, two-beds from \$680,000, three-beds from \$1.15m-1.46m. Levies: \$821-\$2200 per quarter. Contact: 0410 524 244

Q1

Surfers Paradise. Two-beds from \$850,000, three-beds from \$1.25m-\$3.55m. Levies: \$696-\$5280pa. Contact: 1800 992 992

Vision

Brisbane. One-bed from \$355,000, two-beds from \$499,000, three-beds from \$870,000-\$3.25m, four-beds from \$2.35m-\$3.78m. Levies: not yet available. Contact: 1800 556 196

Eureka Tower

Melbourne. Two-beds from \$595,000, three-beds from \$1.07m. Levies: \$750 to \$6250pa. Contact: 0416 317 158

Lumiere

Sydney. Studios from \$370,000, two-beds from \$698,000, three-beds from \$1.34m, penthouses \$2.6-\$6m. Levies: \$752 to \$2900pa (penthouse). Contact: 1300 857 057

The childless and well-heeled are buying into Australia's mega high-rise.

High-rise living is being redefined by "mega" high-rise – a term that can be attached to a handful of residential towers sprouting up in Sydney, Melbourne, Brisbane and the Gold Coast. At up to 92 storeys, these inner-city developments are dwarfing surrounding buildings and producing "vertical villages" in areas where space is at a premium.

Offering every desirable facility, tight security and enviable views, they're becoming a major status symbol for investors and owner-occupiers alike, who have been snapping them up.

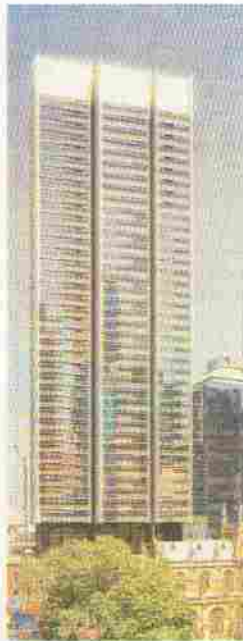
An agent selling Q1 in Surfers Paradise, currently the world's tallest residential tower, says: "We went on the market four weeks after September 11, and 80 per cent of the units sold within the first few months."

In Sydney, there is World Tower in the southern CBD, a 79-storey, 234-metre development completed last year. It is 93 per cent sold. Another is the Norman Foster-designed, 59-level Lumiere @ Regent Place (which includes a building of serviced apartments) beside Hoyts at George and Bathurst streets, due for completion in 2008. Some 150 of the first 228 apartments have sold.

In Melbourne, there is Eureka Tower, a whopping 92 storeys and 300 metres above



Eureka... at 92 storeys it's vying for top-dog status.



Heaven up here... (from left) Vision in Brisbane, Q1 in Surfers Paradise and Lumiere in Sydney.

ground level. Eureka has been vying with Q1 (at 80 storeys and 327 metres) for the title of tallest tower. It is 80 per cent sold and almost complete.

Vision, Brisbane's latest mega high-rise, was launched in Sydney recently as apartments became available for sale off the plan. At the event, demographer Bernard Salt said Brisbane had been arguably the fastest-growing city in the world in recent years and was home to 20 of Australia's 200 wealthiest people. "So it's time for an iconic building," he said.

Vision will have 79 storeys stretching 287 metres high and is due for completion in 2010. In Brisbane's Gardens domain, it will command views of the city and Moreton Bay, and those residents at the top end will be able to see as far as the Sunshine Coast and the Gold Coast. It offers 380 luxury apartments in myriad configurations and styles, resort-style facilities, and commercial and retail spaces – even a two-level observation deck.

Associate Professor Bruce Judd, deputy director of the City Futures Research Centre in the Faculty of the Built Environment, University of NSW, says the increase in mega high-rise is inevitable.

"Sydney is a global city and has attracted lots of people from overseas. Other cities, like Melbourne and Brisbane, are more aspirational – the 'mine's bigger than yours' game is a symbol of this aspiration. The thing is these prestige, landmark buildings do put places on the map. Visitors can go to the observation deck and say, 'I've been to the tallest building in Melbourne'."

"They are attracting buyers who get some value out of that status – either as residents or investors," Judd says. "They're the urbanites – yuppies, SINKS, DENKS and the wealthier end of the empty-nester market. In the downtown developments, they are usually affluent, highly mobile and childless. Investors, in particular, prefer these buildings."

A number of apartments in many of these

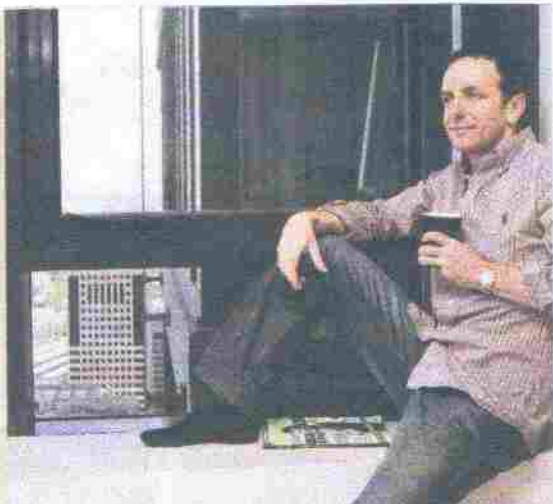
'WE GET 180-DEGREE VIEWS'

Glenn Marin (right) had never lived in an apartment. But in November 2003 he signed a lease for a unit on level 29 of World Tower with his partner, Catherine, and he hasn't looked back.

Three weeks ago he bought into the development: a 140 sq m two-bedder on level 57.

"I work on Pitt Street and love the fact that I don't have to commute. Plus there's tight security, a shopping centre below and the gym, which I always use," says Marin (pictured), a marketing manager for a health and nutrition company.

He decided to buy an apartment in World Tower because "we got used to the area and the community and we were reminded every day of the hassles others have commuting to work. We save nearly \$1000 a month on petrol, tolls, parking and other car expenses. We bought on level 57 purely for the views. We get 180-degree views, from Centrepoint Tower, across the harbour and ocean, all the way to the airport."



Marin paid \$915,000 for the apartment. Strata levies are \$1700 a quarter.

buildings, including in World Tower, Q1 and Lumiere (usually at the lower prices), are serviced. "So they become de facto hotel rooms competing directly with the hotel market," Judd says.

VERTICAL COMMUNITIES

Frasers Property Group, developers of Lumiere @ Regent Place, call it "Australia's first vertical village".

"Residents will have everything there that they can find in a horizontal village like Paddington," says Dr Stanley Quek, the company's CEO.

"Delis, retail shops, indoor-outdoor pools, theatrettes, a dance studio, spas and saunas, a two-level function area, and Club Lumiere - a gym such as Fitness First. There is also a variety of units - as varied as in a horizontal village."

But the presence of facilities doesn't guarantee residents will use them, says Judd. He also points out that high numbers of tenants make it difficult to form strong communities. "There's a lot of churn," he says. "How can you form communities when you have a high turnover rate?"

Daniel Grollo, managing director of Grocon, which is building Vision and is also the developer of Eureka, says it's difficult to calculate the exact percentage of investors or owner-occupiers in Eureka because of the high turnover.

"But I'd say 40 per cent of buyers [in Eureka] are investors, because the apartments have been very strong on leasing. These towers have a few ingredients that provide a point of difference: they're well located and are high quality, iconic buildings, so they hold their value."

Vision's sales manager, Deborah Provost, says

investors tend to buy the lower-priced apartments: "People don't want to be paying \$2 million for an investment property."

WHAT PRICE THE VIEWS?

These towers offer killer views. A two-bedder on level 57 of World Tower fetches \$915,000, while the same apartment is an extra \$165,000 on level 58. Another level up, and you're paying \$1.2 million.

In Q1, a 160 sq m apartment on level three is \$650,000. The same apartment on level 54 is more than double the price, at \$1.4 million. From level 55 up the remaining apartments are priced between \$1.25 million and \$3.55 million.

However, apartments on higher floors can take longer to sell, perhaps because of the steeper prices. Q1 has 19 apartments for sale above level 54, and just five below that. Its "sky homes" - 247 sq m apartments from level 61 - have about 250-degree views of the beach, ocean and city.

WIND FACTOR

"In high-rises, balconies and outdoor gardens are quite useless because of the wind factor," Quek says. But good design can overcome it. The mega high-rises offer glass-enclosed rooms with windows that can open out or slide up. "Lumiere has indoor, fully enclosed loggias that can be opened by glass sliders for air and wind. The majority of them are the length of the living rooms," Quek says. Enclosing balconies improves views from the street. "A lot of balconies have cheap outdoor furniture and are used as storage. Lumiere will look very simple and modern - all clad in glass."