

real estate

Melbourne Cup Carnival helps prime property market's price rise

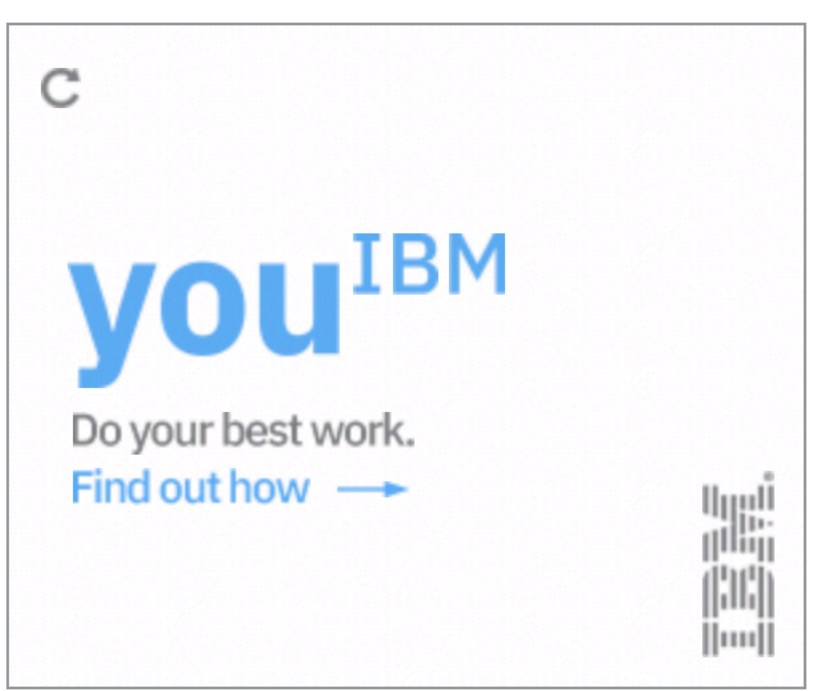
MELBOURNE'S prime residential property market was recently ranked among the world's top 10 fastest growing. And it might have gathered pace for the Melbourne Cup.

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The Melbourne Cup isn't the only trophy contested at this time of year. Picture: Ian Currie Source:News Corp Australia



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MELBOURNE has had the world's elite in town lately for the Spring Racing Carnival.

But they haven't limited themselves to horses, with a few taking the time to look into the city's housing market.

And it's little wonder with Melbourne recently ranked the world's 10th fastest growing prime residential property market by global real estate giant, Knight Frank.

The auction and sporting capital of the world's top end houses gained 9.1 per cent across the past financial year to be ranked 10th fastest in the latest Knight Frank Prime Global Cities Index.

The city has risen from 12th on the list in the firm's Wealth Report released in March, and is outpacing growth in global luminaries like New York and London.

And in Melbourne's leafy east, where most of the top 5 per cent of the city's property market resides, top-end buyers have looked to elite suburbs in two of the city's priciest municipalities — Stonnington and Boroondara.

RT Edgar Hawthorn senior sales consultant Toni El-Helou said he'd shown international buyers through properties over the Spring Racing Carnival, including one from England who made an off-market purchase of more than \$5 million while they were in town.

"The English buyer was down for the Cup," Mr El-Helou said.

"He comes every year and is now looking at moving to Melbourne."

In the same week Mr El-Helou had buyers from China inspecting a historic mansion at 867 Glenferrie Rd, Kew. He said those buyers were viewing the site as a potential wedding reception centre.



Butleigh Wootton at 867 Glenferrie Rd, Kew, has attracted international interest during the Spring Racing Carnival. Source:Supplied

Mr El-Helou said it was the third year in a row he had noticed the international interest, with buyers typically looking at homes above \$5 million.

New research from global real estate brand Knight Frank has revealed the top 5 per cent of Melbourne's properties are gaining value faster than city's including New York and London.

The firm's Australian head of residential research Michelle Ciesielski said Melbourne had risen from a ranking at 12th on the list just six months prior.

"This increased interest can be witnessed at Spring Carnival and other sporting events such as the Australian Open and the International Boat Show."

Knight Frank's Australian head of residential research Michelle Ciesielski said they believed buyer interest in the city had risen since the latest report.

"From our prime buyer inquiries, many are still active and looking to secure a residential property as they become available on the market," Ms Ciesielski said.

"There is still a shortage of prestige homes at the top end of the market. As a result, Sydney and Melbourne still rank quite high for capital growth when compared to other cities around the world."

The market would seem to have backed the claim. Reports emerged in July and August of a new \$40 million record house price set by 18 St Georges Rd, Toorak.



18 St Georges Rd, Toorak, set a record Melbourne house price just below \$40 million. Source:Supplied

She added that the Spring Racing Carnival would also have lured more buyers into town.

"When a city holds an international event with appeal to an ultra-wealthy audience, it's quite common for a ultra-high-net-worth individuals to expand their property portfolio and invest in the city," Ms Ciesielski said.

"Either as a trophy asset, or a convenient second home for when they return the following year to the same event."

High-end developers are also picking up on the appetite for elite residences in the city.

And have had their share of interest around the Spring Racing Carnival.

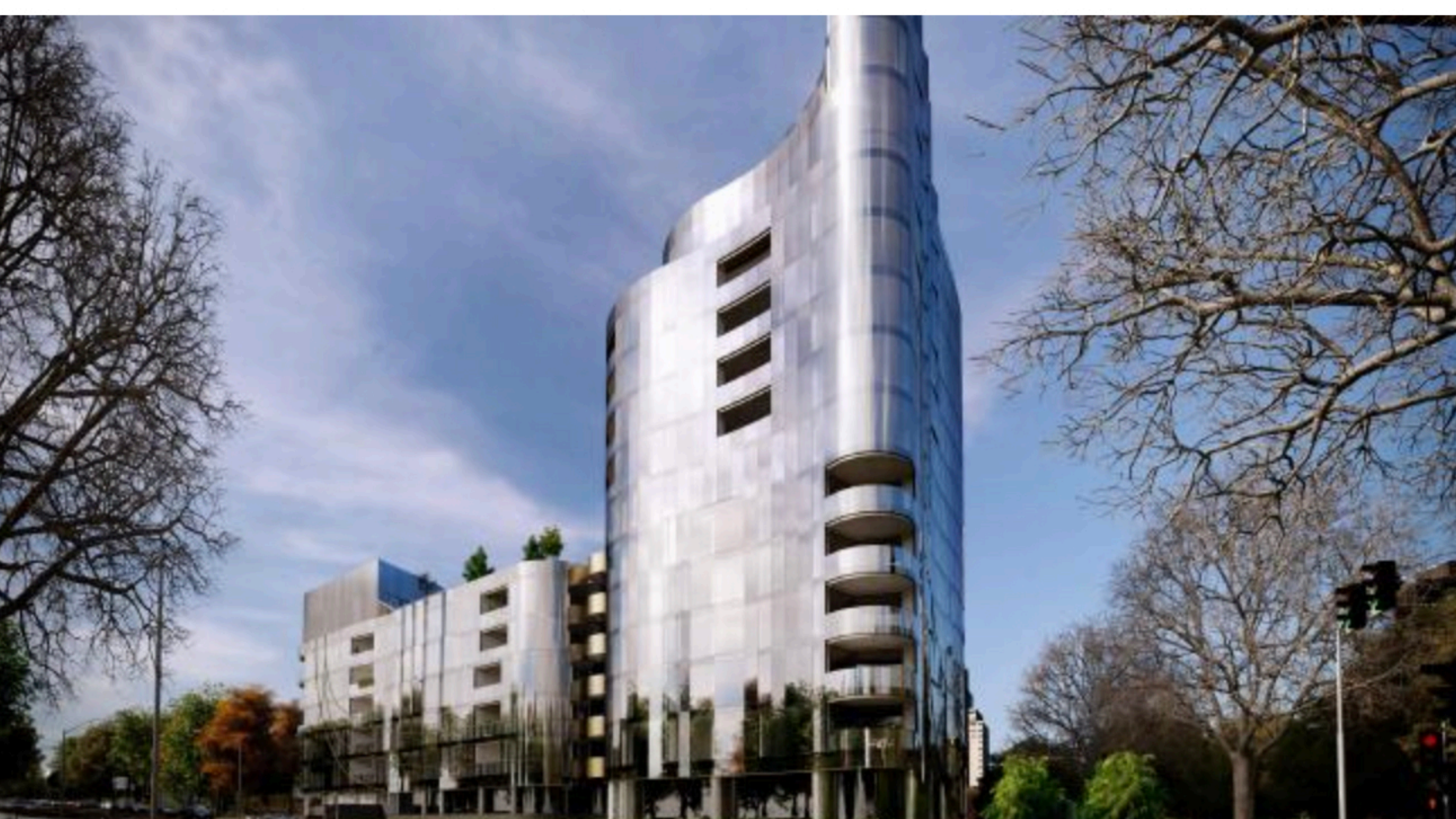
Devitt Property Group director Kane Devitt said the building group had been receiving plenty of interest in their recently announced project, The Muse.

Mr Devitt said the quality of developments was lifting in response to the city's growing esteem as a top-end destination.

The Muse, an ultra-luxurious apartment complex at 409 St Kilda Rd, Melbourne, has prices starting at \$3 million and rising to an eye-watering \$40 million.

Within that range, price brackets will run from \$3 million to \$5 million, move up to an \$8 million to \$10 million band, before going beyond even those figures to prices above \$16 million. The penthouse has been estimated at beyond \$40 million.

"This is where we are headed," Mr Devitt said. "I think there is a market there, and early indications are showing that our research is correct."



An artist's impression of The Muse at 409 St Kilda Rd, Melbourne. Source:Supplied

Despite the high prices expected, there's not much to be said about what the building will feature, according to Mr Devitt.

Privacy is a given, but at this level rather than a list of colour schemes and shortlist of materials, the buyers are looking for blank spaces they can fill.

"When someone comes in and is spending the money they are, they are going to want to bring what they have in their home now to the new home," Mr Devitt said.

"It really is about what they want. They are well travelled and they will go overseas to six-star hotels, and expect the same when they come home."

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