

# Keeping up appearances

Improving the look of a building can add significant value to individual apartments, writes **Susan Wellings**.

**T**hinking of selling your apartment? Whether you're planning to put it on the market this spring or next, now is the time to decide how to maximise its value.

For those considering selling now, there's all the de-cluttering, painting, quick renovations and spring cleaning to do (see box). But for those planning to sell in the longer term, there's the biggest opportunity to maximise the price they receive: by improving the look of their entire building, rather than simply their own apartment.

"I think now apartment owners are beginning to realise that updating their building is a good way to maximise the potential value of their own apartment and it's money worth spending," says the president of the Institute of Strata Title Managers, David Ferguson.

"The best example I've seen of that is where apartment owners in a three-storey walk-up in Bronte with small square windows replaced them with floor-to-ceiling glass and added large balconies on the front (on our cover). The price of their units went up threefold [of what they spent on the renovation] as a result."

At that block on Bronte Road, tiny old 3 sq m balconies were demolished and replaced with new, spacious steel balconies last year. "Each case is unique but generally it costs about \$20,000 to

## SPRING SALE TIPS

1. Interview three sales agents and ask them what they think your property is worth.
2. Ask for evidence of recent sales to back this up.
3. Presentation is the key, so consider hiring a stylist. They can also organise hire furniture.
4. Clean the windows.
5. De-clutter because excess possessions can make an apartment look poky.

add a balcony," says Mark Guerreiro, managing director of the company that put them up, J & CG Construction, with architect Michael Stuart. "The value they added was greatly in excess of the cost."

Local real estate agents agree that the value they added was at least three times the money they spent. "It certainly increased the price they could sell at by \$60,000," says Bradfield & Prichard's Michael Rowles. McGrath's Matt Lahood is even more bullish. "Creating that outdoor entertaining area was a great investment and created a real advantage," he says. "It would have added upwards of 10 per cent to 20 per cent on to the value."

But whether it's major changes, or cosmetic alterations, many owners of Sydney's ageing apartment stock



What lies beneath ... Tony Grybowski found a patterned terrazzo floor beneath grungy carpet. Photo: Steven Siewert

## OWNER FLOORED BY PLEASANT SURPRISE HIDING UNDER THE CARPET

When Tony Grybowski bought an apartment in 1938 art deco block The Wroxton on Elizabeth Bay's Roslyn Gardens, old stained beige carpet covered not only the floors but also the walls of the foyer.

Peeling it back one day, he was amazed to find it hid a gorgeously patterned terrazzo floor and lovely old oak panelling on the walls.

"The building had been

refurbished in the '70s and, at the time, that was considered chi-chi and chic," Grybowski, who's 44 and works for the Australia Council for the Arts, says. "Apart from anything else, you can't have combustible fabrics in common areas!"

It took a couple of years but finally owners agreed to higher levies for three years to raise the funds to consult with heritage architects and

restore the building to its former glory. Ten years ago, the 34 apartments across seven levels were priced at \$100,000-\$200,000. Now, they're \$600,000-\$700,000.

"Prices have much, much more than doubled," Grybowski says. "The key to success is having an active committee that can put in a bit of time to make sure a building reaches its full potential."

are now taking steps to improve and update their blocks. It can be a tricky process - if the work is structural they have to persuade at least 75 per cent of owners to agree to the proposed changes to common property, or just 51 per cent if non-structural. Then they must either invest money from the sinking fund, raise a special levy or take out a strata loan to pay for the works.

"It might be hard, especially when some owners are on fixed incomes," says Paul Duggan, the chairman of the executive committee at another building in Bronte, at 2 Pacific Street. It's just about to start on a

major upgrade program, too. "But it will increase the intrinsic value of the building for owners and make it more attractive for others to buy in."

At the moment, one two-bedroom unit in the 35-unit, five-storey building is being sold for \$1.7 million-plus through agents GoodyerDonnelley Real Estate but Duggan is confident prices will go up after the work is completed. "On a very conservative estimate, they'll rise between 12 and 18 per cent," he says. "Older buildings may have a lot of charm but within the envelope there's a lot of scope for improvement and to add value."

Another building embarking on an extensive renovation is The Carlisle at 105 Campbell Street, Surry Hills. Owners feel the converted 1920s hat factory isn't realising its full potential. Works to the 140-unit, eight-level block include an overhaul by an interior designer, refurbishing the foyer, new carpets and colour schemes, and upgrading the intercom system.

"We have a \$50-million asset so any increase in value will be worthwhile for both owner-occupiers and in terms of attracting higher rents," chairman Chris Brooke says.