



Acumentis Prestige Property 2020 Report

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In Conversations with Peter Raptis on all things Sydney Prestige Market in 2020.

Peter Raptis is an extremely well-known Prestige Property valuer in the Sydney market with a career spanning over three decades. Least to say, Peter has witnessed some significant property trends especially in his most loved prestige property segment. With a roller coaster of a year that 2020 turned out to be, Peter chats to us about the luxury property market of Sydney through a market overview, market performance in 2020 lens and shares his experiences over the last year, along with some key insights.

For any specific questions related to this segment, please email: peter.raptis@acumentis.com.au





Sydney's Luxury Property Market A Review of 2020

Broad Market Overview

In 1975 one of my favourite bands, Supertramp, released an album called “Crisis? What Crisis?”. The album cover depicts a man wearing sunglasses sitting on a beach chair, under a beach umbrella, whilst he is surrounded by a dystopian looking city. In ways, the property market in 2020 also continued on, oblivious to a pandemic and economic recession, the latter being the first since 1991.

They say hindsight is 20:20 vision, so whilst pundits during 2020 spent the year making forecasts, it's now time to reflect on what actually occurred.

When the pandemic became a reality in early 2020, the usual experts came out of the blocks pretty quickly. I read all the headlines predicting a market correction through to a market collapse. It seemed week after week the forecasts become more dire. It started with a 10% fall prediction, which escalated to 20% and 30%. If that wasn't enough, the predictions rose to 40% and 50%. Not only was I waiting for a 60% prediction; I was waiting for someone to say, “property will be worthless”. As tempting as it was to jump on the “Highway to Hell” bandwagon, I thought to myself, “shut up and keep your ear to the ground”.

As the economy was shut down and many of us were locked up at home, I, like many others hid under my desk waiting for the rumbling collapse of my beloved property market I work in. As the weeks turned into months, nothing happened. Well, nothing that represented a collapse or anywhere near any of the predictions.

As of 14 December 2020, Corelogic data revealed that home prices for the 5 major capital cities in fact rose by 1.2% year to date and 1.9% over the previous 12 months. Meanwhile in the Emerald City of Sydney, home prices rose 2.2% year to date and 3.2% from the previous 12 months.

Week after week real estate agents told me of high demand and a shortage of properties for sale. Auction clearance rates soared back up to around 75% and many suburbs began to shatter their existing record prices. Hang on a minute, I thought the sky was going to fall in, that's what the experts told us – even with the pandemic we were told “to listen to the experts”. Even when the recession was officially announced in September and the looming “fiscal cliff” of late September was approaching, the property market seemed to gain momentum.

Why? Well of course the government pumped stimulus money into the economy, interest rates were further cut, tourism dollars were replaced by local demand as Bunnings couldn't keep up with demand of people renovating their homes. My parents' and grandparents' generation of frugal living had been replaced by younger generations with a different mindset. Spend money and enjoy yourself...and that's exactly what we did. Renovated our houses, bought Mercs, found places in Australia to holiday in. As my old man used to say, “money makes the world go ‘round”.

That said, if you weren't going to the Mercedes dealership, you were probably going to Centrelink. As universities and travel industries made tens of thousands of people redundant, the unemployment rate soared. Despite this, somehow most people seemed to cope, whether it was deep pockets, Job-Keeper, mortgage holidays, tapping into their Super or readjusting their lifestyle. The economic recession that we carefully avoided for decades was finally forced upon us as the government shut down the economy. Despite the doom boosters, the recession was over before we knew it, as the Reserve Bank declared in late October that we were technically out of recession.

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Sydney's Luxury Market

The top end of the property market in Sydney reflected its resilience with more suburb record prices and stronger sale prices than 2019.

Below are the Top 25 House sales for 2020. The record price for 2020 was just short of the record price not only in Sydney but in Australia. The Top 25 is made up of 18 from the Eastern Suburbs, 5 from the Lower North Shore and 2 from the Northern Beaches.

TOP 25 HOUSE SALES FOR 2020

Rank	Street Address	Suburb	Sale Price	Sale Date
1	Wolseley Road Point Piper	Point Piper	\$95,000,000	September
2	Wunulla Road Point Piper	Point Piper	\$51,000,000	Apr-20
*3	Wolseley Rd Point Piper	Point Piper	\$36,000,000	Dec-20
4	Coolong Road Vaucluse	Vaucluse	\$34,000,000	Aug-20
5	Billyard Ave Elizabeth Bay	Elizabeth Bay	\$33,000,000	May-20
6	The Crescent Vaucluse	Vaucluse	\$32,500,000	Jan-20
7	Lindsay Avenue Darling Point	Darling Point	\$32,000,000	Mar-20
8	Vaucluse Road Vaucluse	Rose Bay	\$30,000,000	Sep-20
*9	Rose Bay Avenue Rose Bay	Rose Bay	\$29,000,000	Jun-20
10	Vaucluse Rd Vaucluse	Vaucluse	\$24,600,000	Sep-20
11	Prince Alfred Pde Newport	Newport	\$24,500,000	Jun-20
12	Ocean Rd Palm Beach	Palm Beach	\$24,000,000	Feb-20
13	Bennett Avenue Darling Point	Darling Point	\$22,650,000	Jul-20
14	Victoria Rd Bellevue Hill	Bellevue Hill	\$22,000,000	Jul-20
15	Ruby St Mosman	Mosman	\$22,000,000	Feb-20
*16	Burran Avenue Mosman	Mosman	\$21,800,000	Dec-20
17	Plunkett Road Mosman	Mosman	\$20,000,000	Aug-20
18	Wentworth Street Point Piper	Point Piper	\$19,500,000	Feb-20
19	Baden Rd Kurraba Point	Kurraba Point	\$19,500,000	Aug-20
20	Shellbank Parade Cremorne	Cremorne	\$19,100,000	Apr-20
21	Trelawney St Woollahra	Woollahra	\$18,500,000	Mar-20
22	Chamberlain Road Rose Bay	Rose Bay	\$18,000,000	Jun-20
23	Eastbourne Road Darling Point	Darling Point	\$18,000,000	Jul-20
24	Gardyne Street Bronte	Bronte	\$17,900,000	Jul-20
25	New South Head Road Vaucluse	Vaucluse	\$17,500,000	Oct-20

Total Price \$702,050,000

Median Price \$22,650,000

* Subject to settlement. Unconfirmed sale.

Source: Corelogic, Property Observer, Domain

Prices highlighted are Suburb Records

2019 / 2020 Comparison

Below is a comparison of 2020 against 2019

The Top sale in 2020 was \$55M above the top spot for 2019. Whilst the lowest price in the Top 25 in 2019 was \$14,300,000 it climbed to \$17,500,000 in 2020.

Also interesting was the shift in the Median House Price from \$18,000,000 in 2019 to \$22,650,000 in 2020 for the Top 25, reflecting an increase of 26%. The total sale price in 2019 was \$523,573,000 and \$702,050,000 in 2020, reflecting an increase of 34%.

TOP 25 HOUSE SALES FOR 2020

TOP 25 HOUSE SALES FOR 2019

Rank	Suburb	Sale Price	Sale Price	Suburb	Rank
1	Point Piper	\$95,000,000	\$40,000,000	Point Piper	1
2	Point Piper	\$51,000,000	\$36,500,000	Vaucluse	2
*3	Point Piper	\$36,000,000	\$34,000,000	Potts Point	3
4	Vaucluse	\$34,000,000	\$32,500,000	Vaucluse	4
5	Elizabeth Bay	\$33,000,000	\$23,560,000	Rose Bay	5
6	Vaucluse	\$32,500,000	\$22,600,000	Rose Bay	6
7	Darling Point	\$32,000,000	\$22,000,000	Point Piper	7
8	Rose Bay	\$30,000,000	\$21,800,000	Point Piper	8
*9	Rose Bay	\$29,000,000	\$20,500,000	Palm Beach	9
10	Vaucluse	\$24,600,000	\$20,000,000	Mosman	10
11	Newport	\$24,500,000	\$19,000,000	Cremorne	11
12	Palm Beach	\$24,000,000	\$18,000,000	Darling Point	12
13	Darling Point	\$22,650,000	\$18,000,000	Darling Point	13
14	Bellevue Hill	\$22,000,000	\$18,000,000	Rose Bay	14
15	Mosman	\$22,000,000	\$17,500,000	Manly	15
*16	Mosman	\$21,800,000	\$17,250,000	Bellevue Hill	16
17	Mosman	\$20,000,000	\$16,988,000	Lavender Bay	17
18	Point Piper	\$19,500,000	\$16,800,000	Bronte	18
19	Kurraba Point	\$19,500,000	\$16,800,000	Watsons Bay	19
20	Cremorne	\$19,100,000	\$16,500,000	Tamarama	20
21	Woollahra	\$18,500,000	\$15,875,000	Mosman	21
22	Rose Bay	\$18,000,000	\$15,750,000	Bellevue Hill	22
23	Darling Point	\$18,000,000	\$15,500,000	Rose Bay	23
24	Bronte	\$17,900,000	\$15,250,000	Manly	24
25	Vaucluse	\$17,500,000	\$15,100,000	Vaucluse	25

Total Price	\$702,050,000	\$525,773,000
Median Price	\$22,650,000	\$18,000,000

* Subject to settlement. Unconfirmed sale.

Prices in Red are Suburb Record Prices

Source: Corelogic, Property Observer, Domain



A number of suburbs enjoyed new record house prices during 2020. Some of these include:

• Elizabeth Bay	\$33,000,000	• Clovelly	\$12,850,000
• Newport	\$24,500,000	• Lindfield	\$12,000,000
• Kurraba Point	\$19,500,000	• Blakehurst	\$10,650,000
• Cremorne	\$19,100,000	• Gladesville	\$10,250,000
• Woollahra	\$18,500,000	• Terrey Hills	\$10,000,000
• Bronte	\$17,900,000	• Pymble	\$9,875,000
• Centennial Park	\$16,500,000	• Castlecrag	\$9,500,000
• Warrawee	\$15,000,000		

Top 25 House Prices Sydney

In 2020, only 3 new sales cracked the Top 25 highest house sales in Sydney. The top 11 places remained unchanged from the previous year. Of the Top 25 sales, Point Piper leads the way with 15 places (50%), followed by Vaucluse with 8 (31%) and 1 (4%) each at Rose Bay, Bellevue Hill, Double Bay and Potts Point.

TOP 25 HOUSE PRICES FOR SYDNEY AS AT 1 JANUARY 2021

Rank	Street Address	Suburb	Sale Price	Sale Date
1	560 New South Head Road	Point Piper	\$100,000,000	26-Sep-18
2	92 Wolseley Road	Point Piper	\$95,000,000	1-Sep-20
3	550-550A New South Head Road	Point Piper	\$71,000,000	28-Apr-17
*4	40 Wentworth Road	Vaucluse	\$70,000,000	1-Jun-15
5	40 The Crescent	Vaucluse	\$65,250,000	15-Dec-17
6	54-46 Wunulla Road	Point Piper	\$61,800,000	16-Nov-16
7	3 Wingadal Place	Point Piper	\$60,660,000	22-Nov-16
8	13-13A Coolong Road	Vaucluse	\$60,000,000	19-Apr-16
9	2 Ginahgulla Road	Bellevue Hill	\$58,000,000	27-Aug-18
10	54-46 Wunulla Road	Point Piper	\$52,000,000	28-Mar-13
11	6-8 Queens Avenue	Vaucluse	\$52,000,000	30-Dec-15
12	64 Wunulla Road	Point Piper	\$51,000,000	20-Apr-20
13	6-8 Carrara Road	Vaucluse	\$47,800,000	23-Sep-16
*14	19 Bayview Hill Road	Rose Bay	\$45,000,000	4-Apr-18
15	98-100 Wolseley Road	Point Piper	\$44,000,000	23-Dec-10
16	50 Wolseley Road	Point Piper	\$40,000,000	16-Sep-19
17	1 Wentworth Place	Point Piper	\$39,900,000	20-May-15
18	16 Longworth Avenue	Point Piper	\$39,000,000	8-Dec-17
19	63-67 Wolseley Road	Point Piper	\$39,000,000	8-May-15
20	9 Coolong Road	Vaucluse	\$38,800,000	23-Nov-18
21	11A Gladswood Gardens	Double Bay	\$38,000,000	8-Apr-15
22	112 Wolseley Road	Point Piper	\$37,000,000	10-Jun-14
23	2 Fisher Avenue	Vaucluse	\$36,500,000	20-Sep-19
24	110 Wolseley Road	Point Piper	\$36,000,000	13-Oct-17
25	9 Coolong Road	Vaucluse	\$36,000,000	20-Dec-15
26	152 Wolseley Road	Point Piper	\$36,000,000	1-Dec-20

* Subject to settlement. Unconfirmed sale.

Suburbs highlighted are 2020 sales

Source: Corelogic, Property Observer, Domain

Local Government Area Breakdown

The Table below is an overview of the Local Government Areas (LGA's) that predominate the luxury house market across Sydney. Of the 16 LGA's, 7 recorded a record price in 2020, those are highlighted in gold.

LGA ANALYSIS: 2020 HIGHEST PRICE V LGA RECORD PRICE

LGA	2020 Highest Price	Suburb	LGA Record Price	Suburb
Woollahra	\$95,000,000	Point Piper	\$100,000,000	Point Piper
Northern Beaches	\$24,500,000	Newport	\$24,500,000	Newport
Mosman	\$22,000,000	Mosman	\$25,000,000	Mosman
North Sydney	\$19,500,000	Kurraba Point	\$19,500,000	Kurraba Point
Waverley	\$17,900,000	Bronte	\$17,900,000	Bronte
Sydney	\$16,500,000	Centennial Park	\$34,000,000	Potts Point
Ku RingGai	\$15,000,000	Warrawee	\$15,000,000	Warrawee
Hunters Hill	\$15,000,000	Woolwich	\$21,180,000	Woolwich
Randwick	\$12,850,000	Clovelly	\$12,850,000	Clovelly
Canada Bay	\$12,100,000	Drummoyne	\$12,200,000	Drummoyne
Georges River	\$10,650,000	Blakehurst	\$10,650,000	Blakehurst
Willoughby	\$9,500,000	Castlecrag	\$21,000,000	Northbridge
Lane Cove	\$8,200,000	Longueville	\$11,880,000	Longueville
Sutherland	\$7,750,000	Cronulla	\$10,860,000	Kangaroo Point
Inner West	\$6,350,000	Birchgrove	\$14,250,000	Birchgrove
Strathfield	\$6,305,000	Strathfield	\$8,800,000	Strathfield

* Subject to settlement. Unconfirmed sale.

Source: Corelogic, Property Observer, Domain

Luxury Apartment Market

Whilst the broader apartment market hung on by its fingernails during 2020, the luxury market continued to reflect strong prices. The lower end of the market suffered from investors bailing as rental returns were savaged. Significant rental reductions occurred in areas south of the Sydney CBD. Other areas like Macquarie Park also struggled as university students were nowhere to be seen. The market wasn't helped by more stock on the market as projects were finally completed.

Below are the sales in Sydney above \$10,000,000, excluding any unconfirmed "off the plan" sales.

The \$20,000,000 sale in Pyrmont was a whopping \$8,000,000 above the previous record in the building and suburb. In addition, it reflected a near tripling in value from its \$6,968,000 sale price in July 2008.

In similar style, the \$12,100,000 Bondi Beach previously sold for \$8,300,000 in February 2017 whilst Lavender Bay previously sold for \$5,600,000 in March 2013, reflecting an almost doubling in value in 7 years. Mmmh... who said property prices don't double every 7 years? I think it was me.

LUXURY APARTMENT SALES ABOVE \$10,000,000 IN 2020

107/56-56 Pirrama Road	Pyrmont	\$20,000,000	06-Nov-20
2/124 Wolseley Road	Point Piper	\$13,025,000	10-Oct-20
1401/61-69 Macquarie Street	Sydney	\$12,625,000	02-Oct-20
504/180-186 Campbell Parade	Bondi Beach	\$12,100,000	24-Aug-20
201/26 Cremorne Road	Cremorne Point	\$11,000,000	04-May-20
2/9-11 Waiwera Street	Lavender Bay	\$11,000,000	15-Apr-20
11-15 Guilfoyle Avenue	Double Bay	\$10,260,000	01-Dec-20



Conclusion

Despite the challenges of 2020, the luxury market has performed far better than expected. Historically, an economic recession often resulted in the luxury market experiencing a strong price correction. For now, that rule no longer applies and it may be gone for good. Why? Well, it seems the rich are becoming richer and therefore wealth is a lot deeper than it used to be. Gone are the days of Christopher Skase and Alan Bond where money was lent on reputation. Lenders along with APRA have created a far more robust financial system.

In addition, the traditional investment classes of Cash, Fixed Interest, Property & Equities are now reduced to two classes as Cash and Fixed Interest for many are pointless. The stock market is anybody's guess whereas quality real estate is limited in supply but strong in demand.

I always like to question conventional wisdom, to see if it still holds true or not. It's often stated, "Buy real estate, God isn't making any more". Well, that's partly true, God may have retired from real estate ventures but there are plenty of developers making plenty more real estate. All you need to do is look around and see the high-rise developments and the land subdivisions on the city fringes. So, I conclude by saying, buy real estate, buy as much as you can BUT make sure you buy well. Don't buy for the sake of it, do your due diligence, stick to the fundamentals and real estate will be an excellent investment for you.

decision certainty



For more information relating to Sydney's Prestige Property
market, please contact

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