

Study on the Impact on Values for the Loss of Iconic Views of 138 Walker Street, North Sydney by the Proposed Development on 173-179 Walker Street and 11-17 Hampden Street, North Sydney.

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Instructions

Tower & London has been invited by members of the Owners Corporation of Strata Plan no. 89088 to prepare a brief study on the impact on property values to 138 Walker Street, North Sydney known as the “Belvedere” by the proposed new residential development at 173- 179 Walker Street, and incorporating 11-17 Hampden Street, North Sydney known as “East Walker Street, North Sydney”. Specifically, the dwellings in the Belvedere that are subject to loss iconic harbour views.

Overview

The Belvedere is a mixed-use complex of two towers, A and B, the highest being 21 floors, completed in 2015 and comprising approximately 196 residential apartments, two levels of commercial suites on the ground and first floors and four levels of basement parking.

East Walker Street, North Sydney is an amalgamated site for redevelopment; it has been subject to several proposals since 2017. The latest proposal is to construct three buildings on the site comprising 263 dwellings.

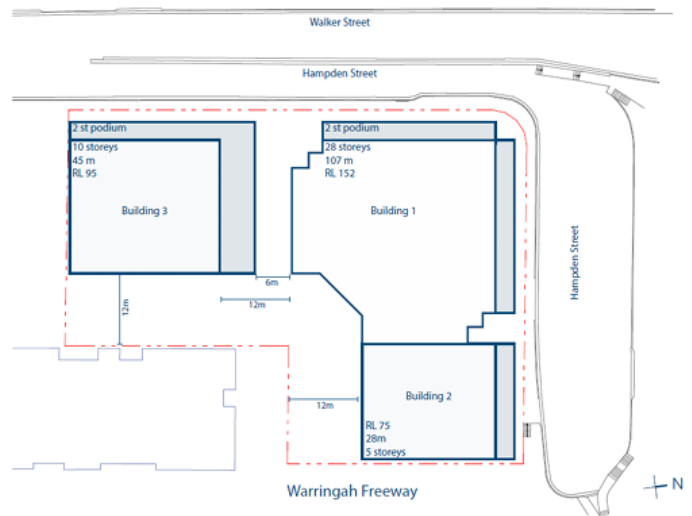
Building 1: “The Tower”, 28 storeys, diagonally opposite the Belvedere.

Building 2: “Hampden St Building”, on the eastern side of building one on Hampden St.

Building 3: “Walker Street Building”, 10 storeys directly opposite the Belvedere.

This report will not assess the viability, suitability nor compliance of the new proposal, only to highlight the proposed envelope of the structures, and how they would affect the outlook and iconic views from specific floors of the Belvedere.

The main objective of this report is to highlight the impact that the height of Building 3 “Walker Street Building” will have on specific dwellings in the Belvedere arriving at a total loss of value across four floors that are impacted the most.



Extracts from Scoping Report prepared by Ethos Urban Pty Limited.

How do Iconic Views Impact Property Values?

Sydney's Lower North Shore has an undulating topography, rising gradually from the harbour, thus properties in many locations, to various degrees, have views of the harbour, some may also have views of the city of Sydney, the harbour bridge and the Opera House.

The prime positions for these iconic views are the localities of Milsons Point and Kirribilli. Properties in these locations attract premium prices, particularly apartments in high-rise buildings in Milsons Point.

Naturally, the further away from the harbour the lesser the attraction due to the views, and therefore less impact on values of properties with views. Whereas Milsons Point's iconic views, attract a premium of up to 50% more than the values of the properties without. While properties further up the Pacific Hwy in St Leonards and beyond might only attract a premium of 10%. This is mainly because iconic views of the harbour are diminished by distance and comprise mostly of glimpses of the harbour amongst district views.

North Sydney on the other hand is just over one kilometre from Milsons Point, it is in a higher topographical position. Views of the harbour are attractive but do not have the same impact on values as those in Milsons Point, because they are slightly diminished and partly obstructed by other buildings; yet they attract higher prices than comparable properties in St Leonards and beyond. Therefore, the impact on values in North Sydney due to loss of iconic views would be in the vicinity of 15%, more or less.



Iconic Views from an apartment at 38 Alfred Street, North Sydney.

How is the Belvedere impacted by the new proposal?

There is a myriad of ways in which the new proposal will impact the majority, if not all, the dwellings in the Belvedere, these range from overshadowing, loss of light, wind tunnelling, loss of privacy and traffic congestion at Walker Street. This report will only focus on the impact of loss of the iconic harbour views only from the floors that will be impacted most by the height of the proposed Building Three.

The lower floors of the Belvedere have no views to lose, as number 88 Berry Street obstructs the views up to level 8; then there is a limited view on level nine, but it's from level 10 up to level 13, that the loss of views is substantial. Higher levels will not be as obstructed by Building Three as much.

There are 10 apartments on each of the above-mentioned four floors, only six apartments are situated at the Walker Street front of the building; described below:

- One large three-bedroom apartment.
- Two large two-bedroom apartments.
- One small two-bedroom apartment.
- Two Studio Apartments.

The above list of apartments on four floors amount to 24 dwellings that are directly and substantially impacted by the loss of views due to the height of the proposed Building Three of the project.



View from unit 1210



Views from unit 1110



Views from unit 1310



Views from unit 1010

The above images were photographed by the writer on 29th July 2024, taken from the same position on every apartment of the large three-bedroom configuration. These are the harbour views that will be lost to every one of the 24 apartments.



Extract from the View and Visual Impact Assessment: The Belvedere, Apartment 1210, Living room - proposed view.

The above photograph illustrates the extent of the impact that Building Three will have on these apartments, which can be taken across the whole front of floors 10 to 13 of the belvedere.

Value reduction on 24 apartments in the Belvedere.

We have estimated the current values for the various configurations; due to time constraints however, no comparable sales are listed. Values are estimated from recent sales and from the writer's extensive empirical experience and market knowledge.

Three-bedroom large apartments are estimated at approximately \$3,000,000. each.

Two-bedroom large apartments are estimated at \$1,800,000 each, two on each floor.

Small two-bedroom apartments are estimated 1.600,000. each.

Studio apartments are estimated at \$800,000, two on each floor.

The current estimated value of the 24 apartments is approximately \$39,200,000.

As outlined above, the various impacts due to loss of views on property values will depend on the distance from the harbour and the quality of the views. Accordingly, we have projected the reduction on values to properties losing their iconic views in North Sydney will be approximately 15%; however, as the view of the subject properties is partly obstructed by an existing building, 171 Walker Street, we have applied 12% in this instance.

Conclusion

The combined value of the 24 apartments on levels 10 to 13 of the Belvedere will be reduced by approximately \$4,704,000 from the current market value, directly as a result of Building Three of the proposed development.

Furthermore, the relevant loss of value outlined above is based on the height of ten floors proposed for Building Three; a reduction of four floors would eliminate the loss of value in this regard; conversely, any increase to the ten floors would add approximately \$1,200,000 of loss to each additional floor.

Tower & London

Tower and London is a property services company specialising in residential properties and property portfolios; services include valuations, sales, property management, design and project management. The company was established in 1993 at Milsons Point by John Y Tower who is a Licenced Real Estate Agent and Property Valuer. Since 2016 the company relocated to a commercial suite in the Belvedere.