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525 High Street. Image courtesy of Goldfields

GOLDFIELDS LOOKS TO STRIKE GOLD WITH TWO MARQUEE PROJECTS

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Melbourne based developer Goldfields has recently launched two premium apartment developments: **Patch** and **525 High Street**.

Located at 243 Queens Parade in Fitzroy North, Patch is a 12-storey building comprises 83 one, two and three-bedroom apartments, a communal terrace on level eight and ground floor retail space. The communal terrace on level eight, includes a 300sqm tree-dotted deck, indoor and outdoor dining facilities, and a communal kitchen/cooking area with views towards the CBD.

525 High Street is a 7-storey building comprising 44 one, two and three-bedroom apartments and two Townhouses designed by JCB Architects, with interiors by Hecker Guthrie. The development is located within Prahran East Village, and has earmarked an independent organic grocer to occupy the ground floor retail space.

After almost a decade as one of the founding partners of Asset1 which has been involved in a range of developments, Marco Gattino created Goldfields during 2010. The move came about from Gattino's desire to establish his own business with a strong focus on developing premium residential projects.

Urban Melbourne recently spoke with Goldfields' Managing Director Marco Gattino regarding the progress and interest in the company's two current projects.

Urban Melbourne: Goldfields acquired Patch from previous owner Wulff Projects selling the site with a permit in place. What attracted you to that particular site and project?

Marco Gattino: One of the attractions for us was to acquire the site on the basis that it had a permit. We made a few adjustments and enhancements to the permitted scheme but certainly having a permit in place allowed us to get traction quite quickly in terms of launching the project. It's fair to say most of the planning risk was taken out of the process and we were overall quite happy with the design of the building and retaining Fieldwork as the architects, who apart from producing the original design, we feel are a good local firm (and were) based in Clifton Hill.

They understand the demographic, they understand the area and I believe they've done a very good job of delivering a very design-focused project that is in keeping with what the area demands.

UM: In addition to the permit for the site, did you identify North Fitzroy as an area with a great deal of investment potential and opportunity?

MG: The whole North Fitzroy/Clifton Hill area was very attractive to us because of its transport linkages, with Patch well-served by tram, but also within walking distance of Rushall and Clifton Hill stations. If you look at the local demographics, a quarter of the population in Fitzroy is aged between 25 and 34.

Public transport becomes very important to that demographic, as is its proximity to the city.

UM: Is it fair to say there's still a degree of resistance to higher density development in areas such as Fitzroy North and Clifton Hill, and did this factor into your decision to acquire the site with a permit already in place?

MG: No doubt. A developer would always welcome a site that has town planning approval in place, for those reasons. Patch sits within a location that's essentially an island site made up of multiple properties.

So Patch is just one part of a larger regeneration of that particular area along Queens Parade, where there will be higher densities which I think will end up creating its own brand and positioning within the market place. I believe over time, as the area evolves, it will be a go to destination and a desirable place for people looking to live in North Fitzroy.

We're one of the first developments to kick off in the area and anyone that buys into Patch is part of a greater, grander evolution of that particular area of North Fitzroy - and that will ultimately help enhance capital values.

UM: When did you go to market with Patch and how have sales progressing thus far? And when are you hoping to commence construction?

MG: At launch weekend we achieved close to 30% in sales and that was just over three weeks ago, and we are now sitting at just a tick over 40%. We had our initial run where it was well promoted and well positioned and now the sales are ticking along. With that in mind we're looking at commencing construction in February next year, with a 14 month build.

UM: Moving onto 525 High Street in Prahran, Goldfields has engaged another quality multi-residential architect in Jackson Clements Burrows. Can you talk a bit about that?

MG: What happened there Laurence is we identified the site over a year ago, and we quickly realised that it was a trophy site that most of the significant players in this space had kept their eyes. We were fortunate enough to acquire the site and so we knew we had to do the site justice which immediately meant using top grade consultants.

So if you think about the demographic and the fact we've been overwhelmed with owner-occupier demand, the spec had to be right. Interiors had to be designed right so Hecker Guthrie came to mind very quickly, as did JCB because we knew the building had to be striking and commensurate to the area.

It's going to be one of the few larger scale 7-storey buildings in that location. We had to do it justice and I believe JCB have done the site justice, so this to us is one of our most exciting built form projects.

One of the challenges with the site was dealing with... there are two real faces to the building being to the north and the south. The northern face is a unique opportunity so far as it's an elevated site which sits above a heritage protected area, so we're talking about unencumbered views to the north and for those who want to be part of the vibrant activity there's the southern face.

But being able to have those views over Prahran and South Yarra towards the city really makes it 525 High unique.

UM: With the shift in the market towards more owner-occupier stock it would seem that projects such as Patch and 525 have been quick to respond to that shift?

MG: I think Patch appeals to both - it offers something for the investor, but also the owner occupier.

Whilst 525 may attract the odd investor it has been primarily set up, positioned and priced for the owner occupier, and it is the perfect location for those living in a home in Armadale, Toorak and Malvern. They're still close to the areas they're familiar with but at the same time 525 High gives them the opportunity to live in something fresh for the next phase of their life.

UM: So is 525 High primarily targeted at downsizers and empty nesters?

MG: Correct. We all know the amount of equity that a lot of these empty nesters now have in their home and the ability to trade down in terms of value, but still live in something they're proud to call home while at the same time generating a cash surpluses.

UM: It is widely reported in the media that there is an oversupply of apartments in the market, but it would appear that there is still very much an appetite for owner occupier product. As a result the quality of the apartment buildings and the apartments themselves seems to have improved from where they were even a couple of years ago. Would that be a fair assessment?

MG: I would say so. The bar is constantly being raised and we are all pushing each other in terms of our outputs to the market, so the level of quality naturally goes up. Equally as important, buyers are becoming a lot more discerning, so in order to achieve the sales rates required to make the projects feasible, you need to deliver certain outcomes.

In response to the notion of "are we in a bubble?" and "is there an oversupply?" there's never an oversupply of well located, well designed and well executed product and that's what 525 High is.

525 High was launched a week ago (at time of interview) and is already 50% sold which is an overwhelming response. In particular there has been huge demand for three bedroom apartments so we've very well placed and very satisfied with the sales, which have exceeded our own expectations even though we knew the site would attract a lot of interest.

We look forward to commencing works early next year.