



## COVER STORY Susan Wellings

# Blast from the past

With their grand foyers and old-world charm, company-title flats are starting to enjoy a revival.



Old gold ... The Astor in the city (top); the foyer of the Macleay Regis in Potts Point (left) and residents leaving Manhattan's 740 Park Avenue, where a penthouse sold for \$US37 million in 2000.

**'They're often quite beautiful, and ... tend to be better managed than most strata buildings.'**

Wayne Priddle, chairman of Mont Clair

**T**he Rockefellers loved it, the Bouviers adored it, and the Chryslers sold their own building to try to get in there.

So if the system of company, or co-operative, title, devised in New York in the 1880s as a way of allowing units in a single building to be separately owned, is good enough for the most lusted-after apartment block on earth - Manhattan's 740 Park Avenue - it's little wonder that many Sydneysiders find it irresistible, too.

None of our company-title buildings boast \$US37 million (\$44.6 million) apartments with 34 rooms, 14 bathrooms and space for 16 live-in staff. But at the same time, some of Sydney's company-title blocks are among the most exquisite and sought-after art-deco buildings in the city.

### EVERYTHING OLD IS NEW AGAIN

"These are real quality buildings," says Wayne Priddle, the chairman of Mont Clair, a seven-storey heritage block on Liverpool Street, Darlinghurst, built in 1937 and revered as a stunning example of the streamlined moderne art-deco form.

"They're often quite beautiful, and I feel these buildings tend to be better managed than most strata buildings. The boards are empowered to make the decisions needed for good management, whereas in strata, they have much less power."

On the Sydney apartment scene, the arrival of strata-title legislation in 1961 gave unit owners, for the first time, title deed to their property. Before that most of the buildings were company title, a system where there's no title in any real estate, but it gives owners a right to occupy an area by virtue of owning a set number of shares in the "company" that owns the building.

There are still many buildings around Sydney that operate under company title, usually older apartment blocks from the 1930s, 1940s and 1950s. Some of the best known are: Mont Clair in Darlinghurst; the Macleay Regis and Franconia in Potts Point; Mewdon, Ashdown and Oceania in Elizabeth Bay; The Astor in the city; Tolar in Summer Hill; Blaxland in Balmain; Appleton in

and are turning them down," says Dean Stell, one of the partners at Yandell Wright Stell, lawyers who specialise in company title.

### WHAT'S THE UPSIDE?

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One of the hurdles for buyers in the past was raising finance – some banks, historically, have been hesitant to lend without title. "That strong bias against them has now gone," says manager Wally Patterson of Dynamic Property Services. "Many banks, like Westpac, the Commonwealth and St George, do now provide financing, although it still might not be quite as generous as for strata. They might offer 90 per cent rather than 95, or 80 instead of 85 per cent."

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Company title is coming gradually back into vogue, although usually as a way of circumventing council restrictions on subdividing new blocks into multiple titles. By introducing company title, strictly speaking, you're not subdividing into different titles – you are simply issuing shares on the one property.

"But some of the councils have caught on now

or the partners at Yandell Wright Stein, lawyers who specialise in company title.

## WHAT'S THE UPSIDE?

The major difference to strata blocks is that, with company title, prospective owners must first be approved by the elected directors of the company, usually residents themselves. In this way, there can be strict control of who buys into a building. Buyers have to front up to an interview with the board, as well as provide references and have their credentials checked to make sure they're suitable and can afford the levies. "It's a way of being able to determine who your neighbours might be," Patterson says. "That can be very popular."

Where tenants are permitted – and they're



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Ornate ... Keri Phillips in Franconia. Photo: Natalie Boog

## STEEPED IN HISTORY

Behind the Gothic wrought-iron gates, the gently glowing gold lettering and the period lanterns of the wood-panelled Franconia apartment building in Potts Point, there's a wealth of history.

When the elegant art-deco block was built in 1930, the live-in caretaker had to wake several times during the night to shovel coal into the basement boiler to make sure all the units had hot water. Today, everyone gets their sleep, the hot water is assured and some of the quirky company-title rules - like having representation on the board according to floor groupings - simply raise a smile.

"Mostly people buy here because they really want to live here," says board chairwoman, Keri Phillips, a journalist on ABC Radio National's *Rear Vision* program.

"They love the sense of history and some of the arcane and peculiar rules. The idea that you have a lot of control with a company-title building also has appeal. As well as the interviews before people come here, you can take people's shares away if someone's disturbing their neighbours, so they have to sell up and go."

The nine-storey, 42-apartment building has a laundry on the roof, and recently had its fire compliance upgrade lovingly completed by Ian Halliday. "People have all got to know each other

often only allowed after the owners have lived there for six months to two years - these too are interviewed to make sure they're suitable.

"With strata, there's often little control over what happens in a building, like having 10 backpackers moving in next door," says Keith Buss, of the company-titled Wintergardens in Kings Cross. "But company title can make their own rules, such as fixing a minimum six-month period for leasing."

When things go wrong, problems are generally more easily, quickly and efficiently solved, too, with the board able to force the sale of someone's shares to get rid of them if they're troublesome or behind with their levies.

Perhaps because of the strictness of management, company-title buildings often have a higher percentage of owner-occupiers, which is an attraction for many.

"You tend to have people there who understand the building and how it works," says Greg McKinley of Richardson & Wrench, Elizabeth Bay. "As a result, you have a lot of like-minded people go in and can have great harmony in a building."

Company-title units tend to be a little cheaper than others, too. Since they're usually older, they tend not to have expensive common facilities such as pools, gardens, gyms and onsite parking, and often people are a little shy about not owning title, so they don't command such big prices.

"But company-title buildings often feel much more like a community," says block manager Fay McDonald. "If there's an older person, people will look out for them, and you'll often find people have lived in the same place for 40 years."

## IS THERE A DOWNSIDE?

The drawback of creating that community is that some people might find it invasive to be interviewed for their suitability to buy an apartment. Doubtless, some sales founder because of that reluctance.

It can also be difficult, at times, to find answers to questions that in strata can be easily found in the bylaws, in strata title legislation or by asking the NSW Office of Fair Trading, which oversees the sector.

"With company title, it's just the articles of association that lays down the rules, and often there's nothing in there, especially when they've been laid down in the 1920s, that deals with a lot of modern issues, like noise and smoking," Stell says. "The Corporations Act, under which company title falls, wasn't really designed to look

## COMPANY TITLE BUYS Peter Bartlett



**POTTS POINT**  
63/117 MACLEAY STREET  
**\$259,000**

It looks a bit, er, ah, authentic, but this 30 sq m art-deco studio apartment is on the sixth floor of the 1938 classic Cahors building. The 72-unit block has intercom security and a pale-blue-tiled entrance and opulent foyer. The common area has Opera House and Harbour Bridge views. The unit has timber floors and high ceilings, an updated gas kitchen and an original bathroom. **Company-title levy** \$788 pq (includes rates, admin and sinking fund). **Inspect** Sat, 1.15-1.45pm. **Agent** Vantage, 0417 389 438.

More photos@domain.com.au



**ELIZABETH BAY**  
5/23A BILLYARD AVENUE  
**\$350,000+**

This ground-floor unit in a secure 25-unit, three-level, art-deco (1930s) block is generous at 55 sq m. It has been renovated and overlooks the landscaped grounds. Features include a foyer with coat cupboard, a built-in bar, study nook, open-plan living-dining, updated gas kitchen with dishwasher, updated bathroom and the harbourside location. **Company-title levy** \$914 pq (includes water and hot water). **Inspect** Sat and Thu, 11-11.45am. **Agent** Richardson & Wrench Elizabeth Bay, 8356 2700. **Auction** May 2.

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**KIRRIBILLI**  
5/59 UPPER PITT STREET  
**\$339,000**

This 55 sq m one-bedder is at street entry level in a well-maintained 1926 art-deco block of 21 (known as The Deckchair). It has a massive north-facing balcony.



**CHATSWOOD**  
7/832 PACIFIC HIGHWAY  
**\$520,000**

OK, the road's busy but this 118 sq m three-bedder is at the rear of the 1950s low-rise block of 23 and gets a great outlook over the landscaped grounds. More photos@domain.com.au

people come here, you can take people's snafus away if someone's disturbing their neighbours, so they have to sell up and go."

The nine-storey, 42-apartment building has a laundry on the roof, and recently had its fire compliance upgrade lovingly completed by Ian Halliday. "People have all got to know each other over the years," says Phillips, who's lived there for four. "Company title works very well for us."

A renovated two-bedroom unit on the fifth floor in Franconia goes to auction on May 2 with a price expectation of \$600,000-\$650,000, through Richardson & Wrench Elizabeth Bay. Last year, a three-bedroom apartment on the eighth floor sold for \$760,000.

With company title, it's just the articles of association that lays down the rules, and often there's nothing in there, especially when they've been laid down in the 1920s, that deals with a lot of modern issues, like noise and smoking," Stell says. "The Corporations Act, under which company title falls, wasn't really designed to look after residential premises."

As a result, major disputes can end up in the Supreme Court since that is the arbiter. Mewdon, for instance, has been embroiled in a three-year court battle over work that one resident wants to do to their apartment.

"Because it's company law, you're looking at very complicated legislation," Mewdon chairman David Poltorak says.

### KIRRIBILLI 5/59 UPPER PITT STREET \$339,000

This 55 sq m one-bedder is at street entry level in a well-maintained 1926 art-deco block of 21 (known as The Rockfort). It has a sunroom or study, polished timber floors, high ornate ceilings and an internal laundry. It's in a great position close to the village shops and transport. The company-title levy includes water rates and funding for the fire compliance upgrade that is under way. **Company-title levy** \$1139 p/q. **Inspect Sat, 12.30-1.15pm.** **Agent** Ray White Neutral Bay Mosman, 9953 7333. **More photos@domain.com.au**

### CHATSWOOD 7/832 PACIFIC HIGHWAY \$520,000

OK, the road's busy but this 118 sq m three-bedder is at the rear of the 1950s low-rise block of 23 and gets green district views from its elevated ground-floor position. The open-plan living-dining opens to a good-sized balcony, the kitchen is "retro" but big and bright with heaps of cupboards. There are a 16 sq m lock-up garage, an entry foyer and it's close to the bustling Chatswood shops and transport. **Company-title levy** \$699 p/q. **Inspect Sat, 10-10.30am.** **Agent** McGrath, 0425 241 525. **More photos@domain.com.au**



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