

FEATURE ■ 120 Years of Property: 1900-1910



# TURN-OF-THE-CENTURY TREASURES

To celebrate *Australian Property Investor* hitting the grand old age of 18, here's the first in a new series looking back over 120 years of property in Australia. In our first instalment, concentrating on the decade 1900-1910, decorative flourishes and varying materials are the order of the day. **ANGELA YOUNG**



**MEMORY LANE**  
Tap or click the button to see to see Kevin Turner chatting to Richard Read about property from the 1900s

'Clydesdale', in Kelvin Grove, Brisbane, was built in 1900

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**N**ow that we can legally imbibe some celebratory champagne and pat ourselves on the back for serving Australia's growing community of property investors so successfully for 18 whole years, the API team is feeling a little nostalgic, hence our trip down Memory Lane beginning right at the turn of the 20th century. So, what was the world of residential property like in those days? And what can the remnants that survive today offer the investor of 2015?

### ■ THE WAY IT WAS

First things first, there's no doubt things would've played out a little differently all those years ago, so what did buying a house entail in the first decade of the 1900s?

According to expert Richard Reed, chair in property and real estate at Deakin Business School, the biggest difference was that in the late-Victorian/early-Edwardian era there simply weren't that many established urban areas, as Australia was still predominantly rural based.

"The large majority (more than 90 per cent) of housing constructed in 1900 was constructed on land that was previously undeveloped and converted from rural land," he says.

"A typical purchaser therefore sought to purchase vacant land and then they determined what type of housing they'd construct." This, of course, contrasts with today's emphasis on higher density living and the redevelopment of existing homes in the vast urban sprawl of modern Australia.

Another significant contrast is that many homeowners were able to afford a new house on just one wage, i.e. the traditional predominantly male wage-earning household.

"There was a lot of financial assistance from the government (at varying levels), which was assisting families to enter homeownership," Reed says. "This included very low interest rate loans.

"It wasn't until the deregulation of the finance industry (until the late 20th century) that other lenders (eg. building societies, credit unions) entered the market and were able to lend for housing purposes. Even then, their rates weren't as competitive as the major banks, which had cornered the mortgage lending market.

"In the 1900s there were very few taxes in comparison to today," Reed adds. "For

example, there was no widespread land tax and also capital gains tax didn't exist." What a great time to be an investor!

Buildings-wise, this was a decade producing some truly beautiful properties, with myriad decorative flourishes – a carry-over from the Victorian era – everywhere you looked.

Some of the elements that typify a house from the period, according to property expert Peter Koulizos, are stone construction, timber floors, plastered walls, fireplaces and generally much higher and more ornate ceilings.

When our South Australian case study couple (see investor snapshot on page 34), owner-occupiers Alison and Martin, purchased their stunning 1900-built home in Dulwich, those high ceilings were definitely a part of the appeal.

"It's the traditional floorboards, the wide entrance hall, the beautiful stone structure of the house out the front, and the big bedrooms with tall ceilings, that's what I like," Alison says. "I love modern houses but they quite often have lower ceilings, and I just like that sense of space."

There are other quirks, too.

"Many of [the houses] had cellars, because that was before refrigeration," Koulizos says.

Of course, styles differed across the country.

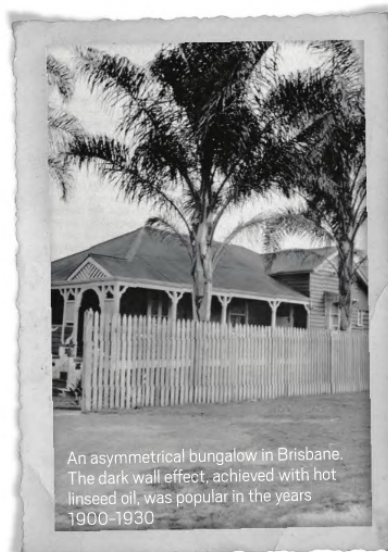
### OWNING A 1900s PROPERTY

#### PROS

- ▶ Location – these older properties are often relatively close to city centres.
- ▶ Demand for restored property.
- ▶ Scarcity/low supply – they're not making any more, and lots of them are disappearing (being demolished).
- ▶ Often larger plots than houses are built on today.
- ▶ Great deal of character and aesthetic appeal to broad range of people.

#### CONS

- ▶ Size of home – many older properties were only two-bedroom.
- ▶ No ensuites.
- ▶ Ongoing maintenance issues due to age.
- ▶ Design can limit potential for renovations (as can materials used).
- ▶ Heritage listing can seriously impede use and renovation of a property.
- ▶ Dated and/or dysfunctional systems, such as electricity and plumbing.



An asymmetrical bungalow in Brisbane. The dark wall effect, achieved with hot linseed oil, was popular in the years 1900-1930.

"In Queensland, most of them were timber, but we're still talking about larger rooms, higher ceilings."

Naming conventions meant that the styles of different areas were also called different things.

"For us in South Australia it was villas and cottages, in Sydney Federation-style homes," Koulizos says.

"Houses were typically in a 'Federation style,' Reed explains, "and this was where the first true Australian type of housing evolved from.

"Up until this point in time, the design and construction of housing was either relatively temporary or was taken from overseas."

As an example, in the capital cities "kit homes" could be found, which were imported from overseas. The design of pre-1900 homes also often included very steep roofs so the snow didn't accumulate on the roof, despite the fact that it doesn't snow in Australian capital cities very often.

So it was a time for Australia to forge its architectural identity, but that doesn't mean the British influences died out. A popular style in the state of Victoria was the grand Queen Anne style of home, distinctive for its deep red brick, terracotta ornaments, large chimneys and towers, and stained glass in the windows.

Preferred materials for housing at this time varied immensely across the continent.

"Generally they used building materials that were handy," Koulizos says. "For example in Adelaide, we built houses back then with a lot of sandstone, because we've got sandstone surrounding our metropolitan area... in Melbourne there's more blue stone or granite.

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**INVESTOR SNAPSHOT**

## Charmed life

Melbourne-based emergency medicine doctor Chris already had a modern townhouse in his portfolio, but was keen to invest in something a little more characterful.

"I specifically wanted to get a period home just for the sheer charm of them," he explains. "I'm not from Melbourne, I'm from Tasmania originally. I've lived all over Australia but mainly in the northern parts, in Darwin and Queensland, and the style of houses there... they're not the most attractive. They're more functional, designed to withstand floods and crazy weather, and nasty animals!

"Then I came to Melbourne and there are these beautiful period homes, so that's what sparked my interest."

Melbourne buyers' agent Cate Bakos, whose writing about the suburbs of Yarraville, Footscray and Seddon Chris had read, helped him locate the right one – a two-bedroom Victorian cottage in Yarraville, which he bought for \$689,000 at the end of 2014.

"It's got a modern renovation on the inside, but with lots of the old charm still present," he explains.

While he was only ever going to rent the property out, it was still important that the house met Chris's own, personal expectations.

"I'm a doctor and I work on the opposite side of the city," he says. "I'm just all about work life balance, so I live close to where I work, but if at some point I was to work in the western suburbs, I would definitely live there – it's beautiful."

Not that he didn't undertake the appropriate due diligence.

"I tried to number-crunch as well – it's essentially what looks good on paper, with cash flow. But in the back of my mind, whenever I'm buying, I always have to imagine it – is this something I could live in?"

Finding tenants for the property was no

**Name:** Chris Garwood  
**Invests:** Melbourne  
**Lives:** St Kilda  
**Properties:** 3  
**Strategy:** Buy and hold.



problem: "It wasn't too difficult at all, no. It's nice and neat and concise inside, it's got a little backyard that's north facing.

"It's the charm of that whole area (there are a lot of properties very similar in that area, you see) and convenience to the city. It ticks all the boxes of a good property, in terms of close to schools and parks and the CBD and all the rest of it."

Chris is sure that the rent he can charge for his cottage – currently \$530 a week – is higher than that for a similarly sized, modern abode.

"Definitely. When people want to move to Melbourne, and all the ideals of living in Melbourne, I think that it [character/age] probably helps and contributes to a premium price in rent, for sure.

"I think period homes themselves have a charm that probably outstays new, modern homes," he says, adding that that was a major contributor to his decision to buy: "As investment, that was part of the reason. Not just because of the appeal [to me], I just knew they'd probably hold their value a little better than a modern property."

Listing the elements of the property that appeal to him – "the typical fireplace in the bedrooms, the wooden floors throughout, it's got that nice aesthetic from the front, it's right on the pavement essentially, nice tall ceilings, nice courtyard, all those nice finishings within the house, the archways..." – Chris is not naive to the potential maintenance issues.

"The thing that stands out for a lot of period homes is the stumping issues," he says.

"It's the waving of the floorboards, with these really old homes; the stumps that are holding the place up eventually obviously have wear and tear issues, and then you get this kind of waving of the floor.

"Mine's very very mild but that's a cost I looked at, too, and that was the main issue from the building inspection.

"Mine doesn't need to be restumped for the moment, but that's something in the future that would have to be considered."

Nevertheless, Chris is extremely happy with his investment. So happy that he's currently on the lookout for another.

"I'm looking to buy – I've just got pre-approval and I want to buy another period home."

"It depended what you could get your hands on."

Reed agrees: "The variations are largely driven by the unique characteristics of the local area. Climate is a large influence in such a vast country, where the upper half of the country is looking for a cooler house in winter although the priority for housing in southern Australia is for warmer housing in winter. Therefore the housing in the south usually places the emphasis on design and construction for warm housing, such as constructed out of brick with a (now dis-used) fireplace.

"In the north it's common to have a wooden house on stilts or piers so it can be cooled in the summer."

Interestingly, gas log fires had already started to make an appearance in the cooler states by this time. According to Ian Evans in his book *The Complete Australian Old House Catalogue*, "gas log fires are not a new invention, as many people assume, but have been around since at least 1900. They're designed to fit neatly into the baskets of register grates". Also popular, he says, were tiles, particularly tessellated, and large scale use of pressed metal in design – metal ceilings, wall panelling, cornices and ceiling roses.

"Wear and tear, rust and overpainting are common problems which require attention" when it comes to metal fixtures and fittings, especially outside, Evans explains.

For house style, Reed says, another strong influence was the wealth in the local town or city, i.e. the gold mining cities had housing constructed to a very high standard while the mining towns had relatively generic worker accommodation.

### ■ STREET APPEAL

With their impressive wrought iron fretwork, fantastic flourishes and attention to detail, there's no doubt properties from this era appeal to a lot of people – but do they make a good investment? Put simply, yes, they generally do.

When it comes time to sell a period property, Koulizos points out, there'll be stacks of people at the auction.

"That's the key, it's the character. But on top of that, it's the bigger bedrooms, the timber floorboards, the better insulation (because the walls are generally thicker) – they're built better than houses are now.



Chris's characterful Yarraville investment property