
Yarra Valley

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GLASS HALF FULL

Optimists highlight how the region has gone from strength to strength, while the sub-\$5m market has slowed

Prestige property and wine – seemingly a match made in heaven – are proving just that in Victoria’s Yarra Valley where a buzz of buyer interest, strong values and impressive sales are occurring against a backdrop of broader industry and economic challenges.

Values started climbing about eight years ago, says Langley & Co Advisors director Stephen Strachan, after offshore interest surged and the region began to be recognised internationally for its pinot noir and chardonnay. It has gone from strength to strength ever since.

“There’s been quite a strong increase across a range of different segments in the Yarra Valley. Housing has been strong, broad acre farming very strong and wine even, up until a couple of years ago, was very strong,” he says. “There’s been an easing in values nationally for several reasons but not in the Yarra Valley.”

“The quality of the land and its productive capability is one thing but we’re also seeing a strong emphasis among buyers on regions that have infrastructure in place, that has accommodation and restaurants and proximity to a major capital city. That proximity to Melbourne is a significant advantage to the Yarra Valley.”

Last month, Acuity Development Group snapped up the Yarra Valley’s only sealed runway, Coldstream Aerodrome, and the adjacent Sunny Meadows Farm, which combined are 151ha, for \$24m.

Marketed through Castran Real Estate’s John Castran, the listing and subsequent sale attracted significant attention, with Acuity revealing extensive plans to invest approximately \$300m upgrading the aerodrome and developing a tourism offering with an initial 120 rooms.

Acuity Development Group director Melissa Fisher says she and her investors believe the Yarra Valley has a strong future with plenty of potential growth.

“There’s demand, desire, there’s the space for it. If you create the right experiences and the right developments, you play a big part in that future strength and potential of an area,” she says.

“It’s never just a build it and they will come scenario. There’s an amount of work behind the scenes to establish what works, why it works, what the needs are, and not just localised, but expanded, to ensure that what is built, what is brought to an area, suits the area.”

Having grown up at Lake Eildon – just 180km northeast of Yarra Valley – Fisher, who is a qualified pilot – has long been familiar with the area and is looking forward to supporting and collaborating with other local businesses.

“With great development collaboration, there’s massive potential, which is great for a region





View Hill House and Denton Wines at Tarrawarra is listed with Kay & Burton and Langley & Co Advisors; below, this Upper Yarra property at Owens Rd, plus Lone Star Creek Vineyard, is under offer with the same agents

economically. It's great for locals, it brings new businesses, it opens new jobs. And it brings new people to come and visit," she says.

IPN Valuers Yarra Valley owner and specialist valuer Ben Rose says that, like many markets, the Yarra Valley operates at two speeds, with the sub \$5m price bracket impacted by increasing interest rates and the rising cost of living.

"This market has slowed considerably with vendors not listing, unless they have to, as they don't want to experience a drop in value, whether real or perceived,

and buyers finding it difficult to get finance owing to lower loan-to-value ratios in the regional areas," Rose says.

"The higher price bracket, over \$5m, has slowed in the past few months as owners consolidate their position in a somewhat uncertain financial market."

The market is moving slowly, he says, as buyers know there is no rush to purchase, particularly on high-quality assets where they are being scrupulous in their due diligence.

Properties that tick all the boxes continue to sell well, while less desirable properties are struggling to move, particularly if price expectations are too high.

"Prices increased dramatically over the past four years, however these increases have now slowed, but many vendors still believe the market is increasing at rapid rates and have set their expectations high," Rose says. High-end listings include Lone Star Vineyard and View Hill House – which is owned by architect John Denton, and his winery, Denton Wines – for sale with Langley & Co Advisors in conjunction with Kay & Burton's Tom Barr Smith.

View Hill House, on Old Healesville Rd, Tarrawarra, is a striking Corten block oblong set into the crest of 60ha, with a shiny black box set atop at a right angle. Below it are almost 360-degree views of the Yarra Valley and 21.37ha of pinot noir and chardonnay vines among other varietals.

While the property has attracted significant interest, Strachan says part of the challenge is to find a buyer who values the whole package.

"We know that house on that property is exceptional, so to extract the best value we need to find a party that values all of it and that house. Our marketing campaign has been designed around that," he says. "It's quite a large property, it's commercial, it's got a brand associated with it, so it's not the sort of thing you'd take on lightly. You must have a clear strategy to take it on."

