

120
YEARS
OF PROPERTY
1970-1980



THE AGE OF EXPERIMENTATION

The 1970s was a period of great social change that would have long-term ramifications for housing and society in general. **NICOLA MCDUGALL**

As an ethical journalist, I have to disclose that not only was I born in the 1970s, but I still mostly love everything about that decade – the clothing (flares in particular); paisley shirts, ties and wallpaper; shagpile carpet; the raucous devil-may-care parties; and the progression of women.

Apart from a few notable architecture examples, however, such as the Sydney Opera House, not many people would say they love 1970s property with the same level of passion.

It seems a strange paradox that while society was undergoing almost unprecedented change, its housing styles remained relatively dull – at least on the outside.

But even while exteriors were mostly boring brown brick, the '70s inspired a raft of property alterations that, in hindsight, were the beginnings of modern Australian architecture.

■ THE ERA

The start of the decade saw Australia and many other nations still deeply entrenched in the Vietnam War. The last Aussies withdrew in the early '70s, but by the time the conflict came to an end in 1975 some 50,000 had served.

According to the New South Wales RSL, the Vietnam War was the cause of the greatest social and political dissent in Australia since the conscription referendums of the First World War.

Many draft resisters, conscientious objectors and protesters were fined or jailed, while soldiers met a hostile reception on their return home.

The early '70s was also the time of significant change in the status of women in society.

The revolutionary contraceptive pill had been available in Australia since the 1960s but it was expensive and mostly only available to married women.

In 1972, however, the Women's Electoral Lobby put pressure on the newly-elected Whitlam government to modernise the country's approach to contraception and the Prime Minister obliged.

In his first 10 days in office, Whitlam removed the luxury tax on all contraceptives and put the pill on the National Health Scheme list. These two measures reduced its price to a dollar a month.

Demographer and KPMG partner Bernard Salt says Australia also became more multicultural, which would have an impact on housing styles in the years ahead.

"Australia, in the middle of the 1970s, was barely 15 million people, about 10 million-odd less than it is today," Salt tells API.

"There were no Vietnamese migrants, much less Chinese or Indian at that stage. There were Greek and Italian but they were really living in enclaves, like Marrickville in Sydney and Carlton in Melbourne – all very fashionable hipster places today but back then they were migrant battler places.

"Australia was a very different world. We weren't anywhere near as cosmopolitan, trade with Japan was only just starting to open up and we were

“There was no supporting information. You didn't know whether to go up or down in price.”

JOHN LINDEMAN

FEMINISM AND HOUSING

It might seem like a weird construct but the increase in the number of women in the workforce from the 1970s was to have a profound impact on housing design.

During the decade, not only were women liberated through the contraceptive pill, but feminist tomes such as *The Female Eunuch*, published in 1970, and *The Fear of Flying* in 1974, saw a significant shift in the role of women in society.

Not only were women having fewer children, more went back to work and started to forge careers of their own.

Demographer Bernard Salt says the '70s saw a significant societal shift for both women and children.

"The way we've lived really pivoted, I think, in the 1970s.

"The change was another income... women started to go back to work, so you had two incomes and you could have a second bathroom," he says.

"When women went back to work you had more money to spend, you had marble and double bedrooms and bathrooms and so forth, and you'd think, well, how do you showcase wealth and prosperity in a house with two incomes?"

The rise of al fresco areas as well as the kitchen/living room becoming a more focal point of the home were major design innovations at the time.

There was also a move to more space generally, and the kids were the beneficiary of such a change.

"Families in the 1950s and 1960s – there would be four, if not six, kids per household with one income earner. Today it's two at best," Salt says.

"In the 1970s the numbers were plummeting. It was then that kids started to get their own bedroom.

"In the '50s and '60s they'd be bunk beds – the boys in one, the girls in the other – but by the '70s, kids started to get privacy and teenage accoutrements such as record players.

"There was a sense of privacy and space that started to emerge that simply wasn't there in previous decades.

"The '70s is the pivot between an Anglo housing style that could probably trace back to the Depression and the First World War, just with new iterations along the way. After the '70s we really started to evolve a new, unique, Mediterranean/Australian housing style."

quite insular, Anglo – our cities hadn't really evolved and our housing style was still linked back to that post-war style."

Property Power Partners director John Lindeman was a young married man in the '70s and was renovating his second property. He remembers the market being a very different place to what it is today.

"The main difference was the lack of information that was out there about the market, about how you could work out what properties were worth and about property investment generally," he says.

"We had no idea and we just accepted the agent's [advice]. We were in the hands of what we hoped were experts.

"There was no supporting information. You didn't know whether to go up or down in price, because you didn't have any of that sort of information. It wasn't available."

1970S STYLE

It's highly unlikely that anyone would ever drive past a '70s house or block of units now and instantly fall in love with it. That's because they were kind of bland.

But what they did have was a new type of interior.

New migrants were starting to question the architecture of Aussie housing, which was predominantly modelled on European styling that wasn't overfully practical for their new, Antipodean climate.

"By the 1970s, the Greeks and Italians were saying, 'What the hell are you Australians doing indoors like you live in London? You have a Mediterranean climate. Your houses should be in and out,'" Salt says.

"Let's dump tea. Let's drink coffee. Let's invent something called 'al fresco'."

Then there's the "good room".

It seems that in previous years, Australians kept one singular room in the house that was "good". It was where you received visitors and was kept in a pristine condition – always.

"Up until the '70s, there was a good room, which was a hangover from the parlour," Salt says.

"In the good room there'd be a sofa, there might be a silver teapot, it was where you showcased the wealth and prosperity of the household.

"Edna Everidge has plastic covering across her good-room couch or sofa.

"In the days when mothers were at home, you had a show room, a good



Seventies properties have a style all their own

room, and visitors never actually came past any other part of the house.

"You'd have tea in the good room. Kids weren't allowed there.

"By the '70s, the concept still existed, but today it's vastly different. There's no good room – every room is good.

"Visitors don't come to the parlour, they go to the kitchen/family room and wealth and prosperity is showcased in that room."

The wonderfully [that may be just my opinion] flamboyant fashions of the day meant that while the exterior was mostly benign, the interiors often spoke colourful volumes.

Shagpile carpet was a must, as was slate flooring, window tinting, breakfast bars and flashy wallpaper. There was even something called "a conversation pit" [see page 35] where people talked and probably drank a lot, too.

Two incomes also meant the advent of two-car garages.

Lindeman remembers the internal styling of the day, which was over the top but also remarkably practical, it seems.

"You bought carpet tiled so you could lay the carpet yourself.

"You bought it in squares and just put it down one square next to the other and, because it was shag, you couldn't tell,"

he says.

“Seventies properties are reliably ugly. It’s the bricks and mortar bank account.”

BRYCE HOLDAWAY

"If you had a big party and someone knocked over a glass of wine, you just took out that tile and put another one in its place.

"You always made sure you had a few extra so it lasted.

"That was the fashion, and chocolate brown walls and the wallpaper.

"It was a very flamboyant way to live."

INVESTMENT APPEAL

What 1970s real estate may lose in outside appeal, it makes up for in renovation potential and location in today's market.

Empower Wealth partner and co-host of *Location Location Location Australia* Bryce Holdaway thinks property from this period is a winner even if it's a little "ugly".

"It's like the Picnic advertisement, where it's deliciously ugly," he says.

"Seventies [properties] are reliably

ugly. It's the bricks and mortar bank account.

"They're not going to win any beauty contests but where it matters, in the valuation stakes and the bank lending you money so you can build a portfolio... they punch above their weight."

When it comes to location, '70s houses were often built in middle-ring suburbs as our cities expanded.

Back then, the usual block size was more than 600 square metres, which makes this type of property now very desirable to modern-day investors.

Deakin University's professor of property and real estate, Richard Reed, says '70s properties are solid investment options.

"As the cities have expanded, a '70s house is a good investment," he says.

"Initially, the way property typically works is two-thirds of the investment is in the house and one-third is in the land,

A BRIEF HISTORY – THE 1970S

1970

- ▶ The Beatles break up
- ▶ Computer floppy disks introduced
- ▶ Palestinian group hijacks five planes.

1971

- ▶ John Gorton resigns as Prime Minister
- ▶ VCRs introduced.

1972

- ▶ Pocket calculators introduced
- ▶ Terrorists attack at the Olympic Games in Munich
- ▶ Watergate scandal begins.

1973

- ▶ Sydney Opera House opens
- ▶ Roe vs. Wade legalises abortion in the US
- ▶ US pulls out of Vietnam.

1974

- ▶ Cyclone Tracy hits Darwin
- ▶ Patty Hearst kidnapped
- ▶ US President Nixon resigns.

1975

- ▶ Arthur Ashe first black man to win Wimbledon
- ▶ Cambodian genocide begins
- ▶ Microsoft founded.

1976

- ▶ Apple Computer founded
- ▶ Aboriginal Land (NT) Bill introduced into Parliament
- ▶ *Muppet Show* premieres.

1977

- ▶ Elvis dies
- ▶ Granville train disaster kills 83 people
- ▶ *Star Wars* released.

1978

- ▶ First test-tube baby born
- ▶ John Paul II becomes Pope
- ▶ First Sydney gay and lesbian mardi gras.

1979

- ▶ Margaret Thatcher elected Prime Minister of Great Britain
- ▶ Mother Teresa awarded the Nobel Peace Prize
- ▶ Sony introduces the walkman.

INVESTOR SNAPSHOT

A '70s strategy

Brisbane investor Noel Herbert has long understood the capital growth potential of 1970s properties.

He's negotiating to buy his third piece of real estate from that era (this time as part of a property unit trust) because of its land size, general industry zoning and development potential.

The property, located in Manly West on Brisbane's bayside about 16 kilometres east of the CBD, will be the first purchase for the trust, with long-term plans to develop it into supported accommodation. The trust paid \$462,500 for the three-bedroom house on 607 square metres.

Noel's own home is also from the '70s, as is a one-bedroom unit in Nundah about eight kilometres northeast of the city.

"Properties from the '70s just make good investment sense to me," he says.

"With houses from that era, they generally are on good sized blocks often with the potential to develop down the track.

"The units are also usually located in the inner-city and are much larger than newer product, plus they can often be given a quick cosmetic renovation to bring them up to modern standards as well as increase your returns."

The more desirable locations of 1970s units also means that rental yields are often higher, he says, while holding costs are reduced given the historically lower body corporate fees.

The new purchase will be the start of the trust's long-term goal of providing accommodation for people with disabilities and the homeless via a connected non-profit organisation.

"I've worked in social justice for many years and believe that as a society we need to do more to empower the most marginalised in our community," Noel says.

"The Manly West property is currently tenanted but eventually our aim is to develop it, as well as purchase neighbouring and other sites, so that we can provide affordable housing for those who need it most.

"Property has provided a good life for my family and I think it's the right thing to do to give back as much as I can."



Name: Noel Herbert
Lives: Holland Park, Qld
Invests: Holland Park, Nundah, Deception Bay, South Brisbane, Manly West, Qld
Properties: 5
Strategy: Buy, develop and hold.

growth] than the '90s and onwards apartments. I've thought about that a lot. The conclusion I've come to, from doing hundreds and hundreds and hundreds of apartments, is that both the investor and the owner-occupier value what's on offer in '70s apartments – and that's low body corporate, size and lifestyle drivers.

"Think about driving down in South Yarra, Prahran or Yarraville... or inner-western Sydney and parts of Brisbane.

"You're largely in markets where the owner-occupier appeal is so incredibly good that people aspire to live in these suburbs because of the lifestyle on offer... A lot of people can't afford [inner-city] houses so they're quite happy to compromise and still be two blocks away from the train and their favourite cafe and live in a '70s flat.

"As an investor, location is paramount and then we can add value from '70s bones that we go and put 2016 makeovers in it and that's the best of both worlds."

RENOVATION UPSIDE

While there's certainly demand for retro houses from the '60s and '70s in original condition, many investors see past the paisley and understand its renovation potential.

Houses and units from the '70s usually offer larger floor plans, which are ripe for a profitable makeover.

Lindeman says for maximum return, investors need to modernise property from this era.

"They look dated. You walk into a '70s house and they've got the exposed beams and the slate tiles on the floor and in the kitchen," he says.

"Straight away you can tell [it's 1970s]."

but as the property ages and becomes less valuable, the land component rises.

"If you can buy a '70s house that is subdividable into two or three units, that's a good option.

"Seventies houses were unique – they weren't the mass-produced houses we'd seen since the war."

However, Reed points out that houses from this decade have been popular for many years, so finding one in original condition may be tricky.

"There aren't that many '70s houses around because in later generations they wanted to extend them.

"To find an original, unique '70s house would have added value because of its originality. Most of the houses would have been modified severely or extended," he says.

"It was probably the last decade when it was standard to have a 24-perch or quarter-acre block.

"It was the last era where you could subdivide rural land into housing lots."

For Holdaway, while land size is a big winner for investors buying 1970s houses, his number one investment option for units is always those from

this decade. That's because they're often located in inner-city areas and are medium-density.

"The 1970s is right in the sweet spot for us," he says.

"We buy more '70s-style flats. I prefer '70s flats over all other styles of apartments.

"Every property we buy, we back-test its performance and time and time again the '70s flats do better [in terms of capital



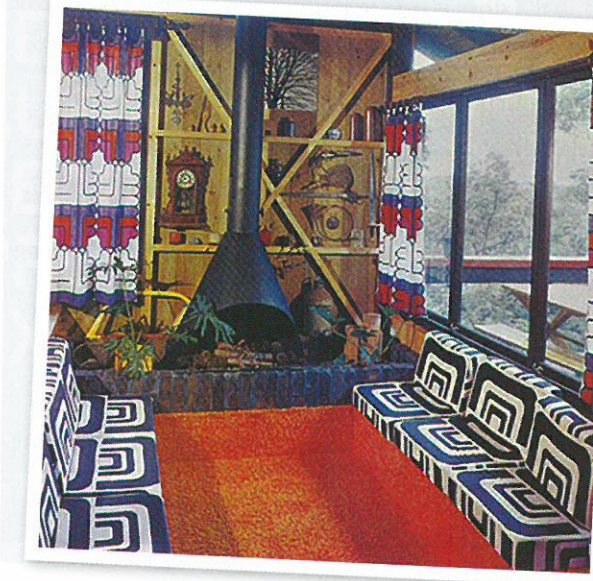
Not a mass-produced style

CONVERSATION PITS

A conversation pit was "a sunken area where you lounged around on shagpile carpet", according to demographer Bernard Salt.

"Shagpile carpet and conversation pits were, in fact, experiments. It was an age of experimentation.

"The conversation pit hasn't survived the 1970s – it died a horrible death in about 1979, along with shagpile carpet – but without all that experimentation, you couldn't get to the elegant, cosmopolitan styling of modern housing today."



"Of course, the shagpile carpet's long gone, but you can't remove the slate tiles, they're forever.

"What I've noticed is that places where they're like that, people have come in and ripped all of that out.

"You had doors everywhere and now people knock out the doors and have this free-flowing effect... more open..."

While Holdaway prefers to invest in '70s units, he says either housing style can offer renovation upside for investors.

"They're the proven performers in a lot of locations for making old new again.

"If it's a flat, it's a quick update. If it's a house – rendering, gardens, redoing internally, redesign floor plans to get better flow to make it more al fresco. I see lots of upsides."

He says there are four ways investors can profit from a '70s renovation: improving value from the reno; increasing rental yield; creating depreciation from the reno; and stamp duty savings from doing all the hard work yourself but only paying stamp duty on the cost of the original property.

"Property built in the '70s can be summed up as a renovator's dream," he says.

"The locations are superior, older fit-outs internally, which means you can go through and add value largely through upgrading comforts, energy-efficiency, adding space and because it had a lot of disconnect from the kitchen to the living areas back in the '70s, which were more for the al fresco/Mediterranean living now.

"A lot of the renovations are trying to reconfigure floor plans so they flow a bit more indoor/outdoor.

"They're not diamonds in the rough or a scarce asset like period homes, but they just have good solid bones." **API**