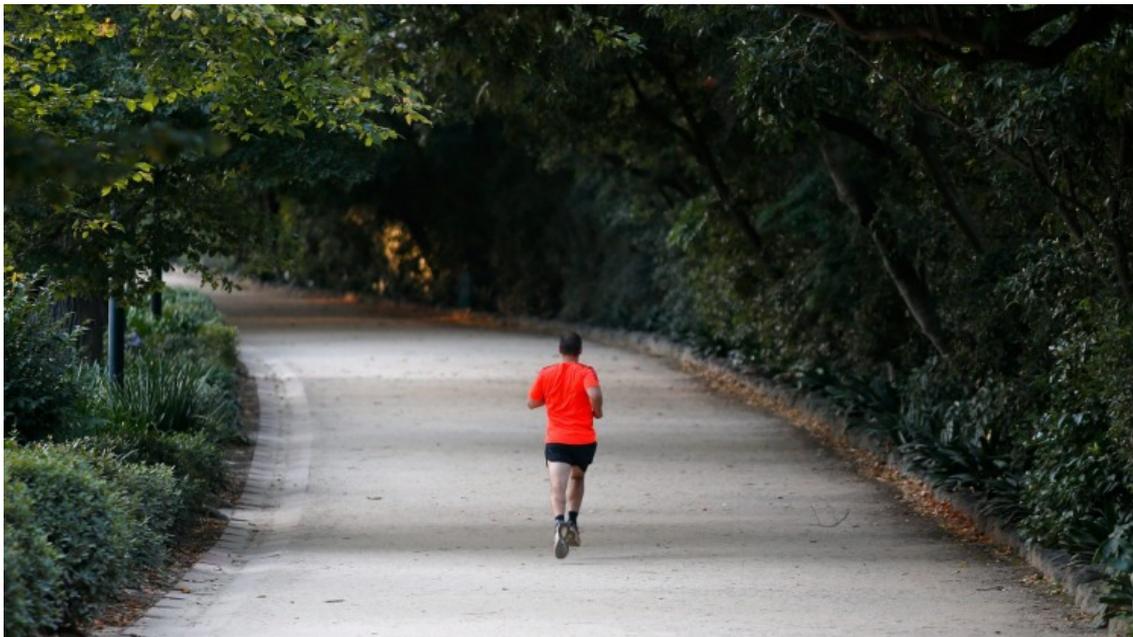


# Melbourne Metro Rail: You want our homes? Show us big dollars

Melbourne home owners affected by the Melbourne Metro Rail tunnel should expect premium compensation from the government for being forced to move in a rising market before they are ready, say property pundits.

Letters have been sent to 21,000 property owners along the nine-kilometre route of the project from South Kensington to South Yarra, warning of possible impact.

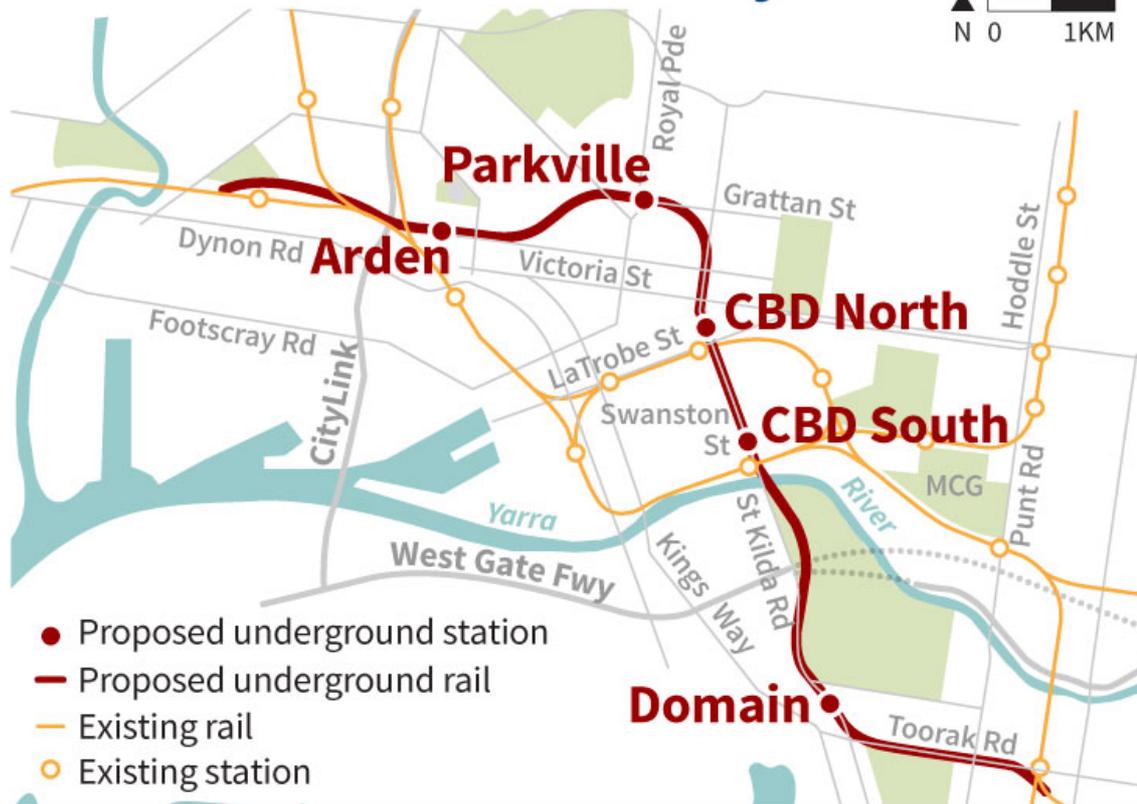
Up to 200 properties are likely to be compulsorily acquired for the mega-rail connection.



Residents who could lose their enviable views of the Tan might find that nothing in Melbourne compares, says one agent.

Photo: Darrian Traynor

# Melbourne Metro Rail Project



“This is East West Link mark two,” buyers agency Secret Agent founder Paul Osborne said.

Mr Osborne recommended home owners make sure valuations were carried out in the context of the market prior to the announcement because “properties in the target zone will be impacted immediately”.

Rob Elsom, Hocking Stuart director, said the close-knit community of North Melbourne, many of whose residents have lived in the area for decades, would be outraged if the government forced their hand to sell.

“Absolutely they will want compensation and they deserve compensation,” he said. “I imagine there will be lots of letters to the government.”

North Melbourne and South Yarra – the other suburb slated for compulsory acquisition – have experienced significant price growth in recent years, with [South Yarra the fastest growing postcode in Melbourne](#). House prices grew in the blue chip suburb by 48.9 per cent over the past financial year.

Mr Elsom says those unfortunate few who will have their homes acquired by the government will expect the same sorts of premiums and stamp duty discounts offered to home owners affected by the kiboshed East West Link project.

For those that escape compulsory acquisition, Woodards Director Jason Sharpe said the project would “put a cloud over those particular pockets of real estate” as it did with the East West Link.

“The area around there certainly saw some challenging market conditions for people when they were trying to sell in a market that was in general terms tracking quite well,” he said.

“Anything that’s close to an acquisitions area is certainly affected by uncertainty, and uncertainty is the greatest cause for people to hold back when it comes to a property purchase.”

Mr Elsom added that until plans were finalised it was almost impossible to value them, "They almost don't have a value for a short time," he said.

But he said the eventual result would give a massive benefit to property prices and urged homebuyers to put up with the "short term pain" of a potential ten-year construction process.

The uncertainty for home owners comes as Lord Mayor Robert Doyle on Tuesday predicted the rail project would offer "remarkable opportunities" for businesses on Swanston Street because of a dramatic increase in foot traffic.

Mr Doyle has also revealed he will be lobbying his Liberal colleagues in Canberra in an attempt to secure funding for the \$11 billion project, which he said was vital not only for Victoria but for the nation.

"We also have to get down here as soon as possible Jamie Briggs, the new minister for cities and the built environment, to explain to him that this remarkable project certainly is an important public transport project. It is very important that that minister understands metro."

Mr Briggs, who was assistant infrastructure minister in the Abbott government, has long claimed that the project is not sufficiently progressed to be funded by the Commonwealth, dismissing it as "just an idea".

But Mr Doyle this week said he believed there was a strong case for the project. And despite concerns about the medium-term impact on businesses on Swanston Street, Mr Doyle said the project would enliven the area, which would be flanked by stations at either end, with no cars or trams.

"Traders understand that footfall is everything," he said. "You put two huge stations in this precinct in city north and city south and think about that footfall.

"It's why a building just across the road from us over here was expected to sell recently for \$10 million, and sold in excess of \$16 million. So property owners understand the importance of what this project will do for their businesses."

Speaking in China, where he is leading a trade mission, Premier Daniel Andrews said the number of homes that would be acquired was "still being worked through".

"We will treat everybody respectfully, everybody fairly," Mr Andrews said.

Asked when residents would find out if their homes were under threat, Mr Andrews said people should know by the end of the year.

Law firm Slater and Gordon urged the state government to move quickly and identify which properties they wanted to acquire to avoid creating uncertainty.

Practice group leader of compulsory acquisition Roger Batrouney said a "shadow had been cast" over some areas and homeowners could be paralysed if they weren't informed as soon as possible.

"We've got relatively vague lines on a Melways but until they get down to saying which properties are in and which are out there will be a lot of anxiety," he said.