

Empire from ground up

HOW I MADE MY FIRST MILLION

By JIM DICKINS

For a man fast earning the reputation of a party animal, real estate scion Robbie Delmege has some surprisingly down-to-earth passions. "I love office buildings," he said.

"I like to be able to build something. I like the fact you can take a patch of raw dirt and transform it."

Together with his beloved Manly Sea Eagles, the 32-year-old has kindled an eccentric fondness for commercial property since early childhood.

As a five-year-old northern beaches kid Robbie knew he wanted to be a developer, and now he is all grown up, he has some pretty big building plans.

That might seem odd in anyone else but property is in Robbie's blood. His father Max, founder of the family firm Delmege Commercial, is a legend on the so-called "insular peninsula", opening his first real estate office there in 1965 and playing a major role in the area's subsequent rapid expansion.

Max's status increased when the family took a major financial stake in the famously parochial region's rugby league team.

In 2002, Delmege Commercial became both co-owner and major sponsor, helping take the Sea Eagles to within a few tries of this year's premiership.

Robbie, who is Max's second son, claims credit for converting both his older brother Brett, a one-time North Sydney Bears supporter, and his former football-agnostic father to the Sea Eagles cause.

"Now we're all maroon and white through and through," he says, referring to his favourite team's colours.

It is not the least of his things he claims credit for — on behalf of himself and the family — a tendency he seems self-conscious of.

During our conversation in Delmege Commercial's low-key North Sydney boardroom, he pulls himself up when describing the family's rise to prominence in the northern beaches development scene.

"We were able to be at the forefront," he says.

"I don't want to be arrogant and say we dominated."

Still, self-confidence occupies an important place in his hierarchy of key business principles.

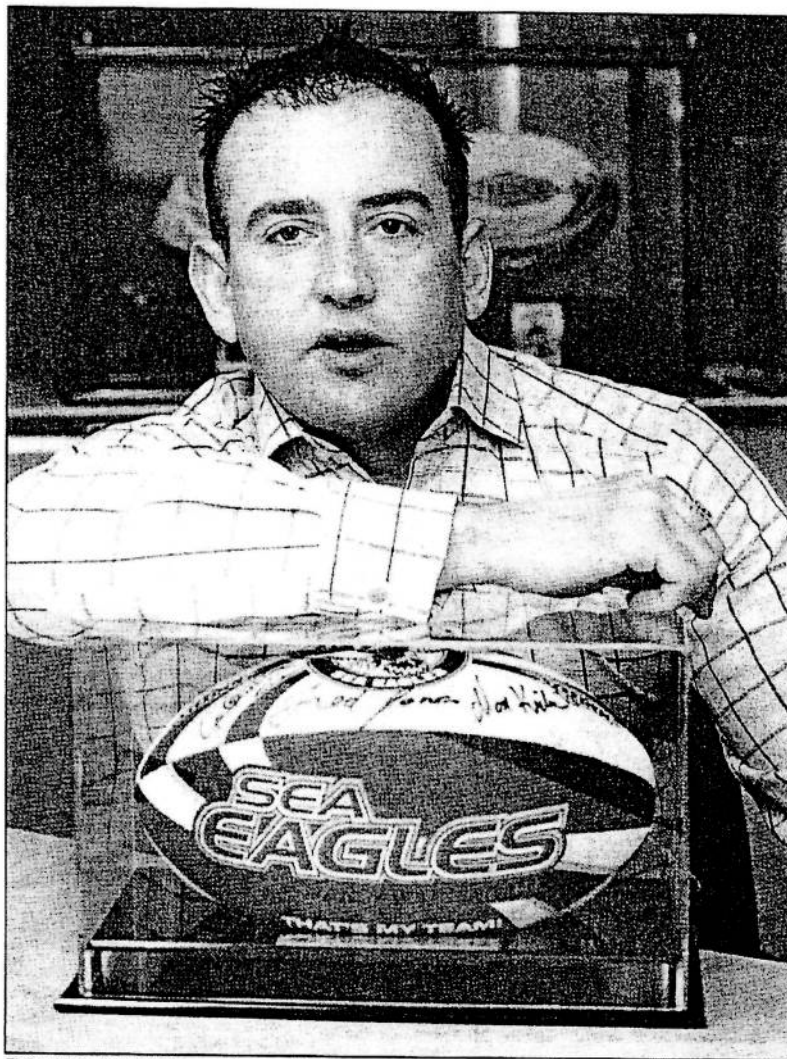
"You've got to believe you will have the vision for something that others won't," he says.

Promoted last year to chief executive of Delmege Commercial, Robbie now controls a large part of the \$350 million empire.

"Basically I'm making all the decisions but my father provides consultancy to me," Robbie says.

One of the biggest so far has been his decision to begin preliminary design work for a huge office development on the site of his current headquarters, prompted by changes to North Sydney Council's planning laws, due next year.

While not exactly raw dirt, the project would undoubtedly trans-



Flying high: Robbie Delmege, who says he's maroon and white through and through

form its unprepossessing site — currently occupied by the firm's two, nondescript 1970s-era concrete office blocks.

It would see a 40,000sq m "prestige" office tower rise more than 195m above Mount St. enough to make it North Sydney CBD's tallest for at least 30 years, according to Robbie's reckoning.

What better symbol of their

form Manly Leagues Club, again for rowdy behaviour.

Then, just last month, he had his licence suspended for 12 months and was fined \$2000 after admitting to driving three times over the legal alcohol limit.

While only intending to re-park his car close by, when stopped by police in North Sydney, Robbie is contrite about the blunder.

"We have nice cars and nice homes but we don't have boats or farms or anything like that."

He does admit to a weakness for "anything with an engine", though, resulting in both a Porsche and an Aston Martin, not to mention his Harley Davidson.

For the record it was the Porsche he was driving when pulled over by police — not that he'll be

◀ We have nice cars and nice homes but we don't have boats or farms ▶

self-confidence? This self-confidence has obviously helped him step out from his father's considerable shadow with impressive speed and assurance.

And, while Robbie seems anxious not to appear brash, perhaps it also contributed to a series of embarrassing public misdemeanours recently.

First, in July, he was expelled from a private box at Parramatta Stadium for alleged rowdy behaviour during a game.

Two weeks later he was expelled a second time. This time

"It's something that I'm extremely disappointed about," he says. "I had consumed a large deal that day and obviously wasn't thinking straight."

In a character reference tendered during Robbie's hearing, Max said the "heavy responsibility" he placed on his son may have been partly to blame.

For his part, Robbie says both he and his family live a largely "conservative" lifestyle, focused on their various charity projects and avoiding conspicuous displays of wealth.

driving it for a while, of course.

While not a large man, Robbie's direct manner gives him the air of one of the footballers he so admires, albeit one unusually articulate about the intricacies of commercial property.

He clearly relishes their company, socialising with members of the Manly team, and proud to offer them both investment opportunities and advice through Delmege Commercial.

Nevertheless, Robbie says he never actually wanted to be one of them.

GOLDEN RULES

ROBBIE DELMEGE

Company: Delmege Commercial
Established: 1965
Staff: 16
Turnover: \$2m plus

1. Work ethic and morals. Be the first into the office in the morning and the last to leave

2. Customer service. Make clients' needs your main priority

3. Self confidence and self belief. Believe you have the vision to see something that others won't

4. Goal setting and monitoring. Achieve your goals and the rewards will follow

5. Recruitment and team building — you won't succeed without the right people

Playing junior rugby league was enough to make it clear he wouldn't make it as a professional.

Characteristically, that didn't dent his confidence for a moment.

"I'm a realist — I knew I didn't have the skills but I also knew my abilities lay in property."

Accordingly, he finished a straightforward formal education with Year 12 at Pittwater High, moving directly into the industry with a rival firm, Chesterton International.

It was during his five years there he estimates he made his first million, thanks to a series of successful plays.

Maybe it was also about this time he hit upon his secret strategy, which he says is all about "structure".

"Structuring in property is very, very important — at times it can be more important than the price," he says.

By way of example, he cites a case in which a carefully structured deal saw him secure a delayed settlement for a property he had agreed to purchase for the \$1.2 million, then well above the market value.

When the settlement finally fell due, two-and-a-half years later, the building was worth \$2.8 million and Robbie had already found a buyer.

Structure, and an astute reading of the market, had made him \$1.6 million without ever having to meet the finance costs.

Money aside, there's no denying Robbie's boyish love of big buildings.

He seems genuinely excited when I ask him about his favourite skyscrapers.

"That's a great question!" he enthuses. "A cracking question!"

For the property buffs out there, his top towers are: the Sears building in Chicago, the Burj Al Arab in Dubai and Sydney's Deutsche Bank Place.

All three give an insight into his plans for North Sydney.

At the very least it will give him somewhere to store his prodigious collection of Manly rugby league memorabilia.