

Financial Review 20.06.17

Sydney apartments could be \$150k cheaper

Su-Lin Tan

Sydney design standards are adding \$150,000 to the cost of an average apartment, a survey commissioned by Urban Taskforce has found.

Sydney planners HDC, architects Turner Studio and quantity surveyor John Ferrarin found that due to the requirements of NSW's State Environmental Planning Policy 65 and Apartment Design Guide, the average two-bedroom and two-bathroom apartment in Sydney priced at \$750,000 could be acquired for \$600,000 if Melbourne standards were applied.

"Sydney apartments are costing far more than those in Melbourne and Brisbane mainly because the NSW planning system requires much higher standards," Urban Taskforce chief-executive Chris Johnson said.

"The Sydney standards ... set standards for areas, solar access, cross ventilation and other requirements that end up adding around \$150,000 to the purchase price of an average two-bed apartment compared to a Melbourne equivalent."

These well-meaning standards, which provide "lots of sunshine", come at a cost - worsening affordability, which is forcing a lot of purchasers out of the market, Mr Johnson added.

"The requirement for 70 per cent of apartments to get solar access in mid-winter for two hours between 9am and 3pm means many housing proposals in high-rise urban areas will be rejected by zealous council planners. In Melbourne and Brisbane, where there are no such solar access requirements, high-rise apartments will be feasible," he said.

"The apartment dwellers of Melbourne and Brisbane are not very different from those in Sydney, so Urban Taskforce believes we should relax the Sydney standards particularly in urban precincts so more people can live an urban life in apartments."

Sydney requires cross ventilation, solar access in winter and building depth which add another \$24,000 to a two-bedroom unit, compared to Melbourne.

More flexibility for above-ground car parking that is well-screened, excessive ceiling heights for kitchens, and lower floors, along with additional open space, add another \$33,000 to Sydney prices.

But the biggest cost driver for Sydney apartments is the minimum space requirement, higher than other capital cities. Sydney requires 75sq m for a standard two-bedroom unit while in Melbourne - which has no set minimum overall size - 65sq m is "achievable", according to Mr Johnson.