

Submission to the Victorian Government
Better Apartments discussion Paper

July 2015



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About the Authors (Atelier Red+Black)



Atelier Red+Black is an emerging Architecture practice led by co-directors Michael Smith & Sonia Sarangi.

The practice has a strong record of engagement with the community on built environment issues. In 2014 after working substantially with the community opposed to the proposed East West Link, Atelier Red + Black in partnership with Safety Net received two Gold Melbourne Design Awards. This recognition was for conceiving alternative designs which proved that parkland and homes did not need to be demolished as was proposed at the time.

Both Sonia and Michael have extensive experience in multi-residential apartment design. Sonia also has extensive personal experiences of apartment living in the Middle East, South-east Asia and Australia.

Michael Smith

Registered Architect (ARBV)
Member of the Australian Institute of Architects

Bachelor of Architecture (Hons) + Bachelor of Construction Management (Hons), Deakin University

Michael is a registered Architect in Victoria with over 8 years industry experience. He completed his University Studies at Deakin University in Geelong, which included a Bachelor of Architecture (Hons) and a Bachelor of Construction Management (Hons). Prior to co-founding Atelier Red + Black, Michael gained valuable experience with boutique small practices in Melbourne, which enabled him to work on projects from sketch design through to construction.

Michael is heavily engaged in the architecture community and writes the Red and Black Architect blog.

Sonia Sarangi

Member of the Australian Institute of Architects

Masters of Architecture, University of Melbourne + B.A. (Architecture), National University of Singapore

Sonia has over 10 years of industry experience, which spans across international and local architectural offices. After completing her early University education in Singapore, she moved to Melbourne to pursue a Masters degree at the University of Melbourne. Prior to co-founding Atelier Red + Black, Sonia gained experience in a diverse portfolio of projects in Singapore & Melbourne. She has worked on projects across a vast spectrum of Architectural scales – from Urban Design through to Furniture Design.

About Rate My Building



Rate My Building is an ongoing research project being undertaken by Architects Atelier Red+Black

Architects often rely on their own observations and experiences when imagining new buildings for the public to use. The objective of this research project is to draw a better picture of what Australians think of their existing buildings, be it their homes, or their work places and to share the insights with design community.

To achieve the objective a website was created which would allow people Australia wide to complete surveys on the buildings they inhabit. There is no requirement for them to own the building in order to complete a survey. The surveys take approximately 5 minutes each to complete and focus on the user experience of the building.

Since launching in October 2014 the website has received the following response rate

Dwelling type	Number of responses
Houses	192
Apartments	150
Town houses	40

This report will draw upon some of the data collected in this research.

For more information on Rate My Building visit www.ratemybuilding.com.au

Executive summary

Melbourne isn't the only global city to be undergoing 'growing pains' in recent years. For entirely different reasons even bigger cities such as London and New York are undergoing a significant building boom in high-rise apartments that is leading to debate amongst their residents and intelligentsia. Being at the far corner of the world can often trick lull us into thinking our problems are unique, however development is a behemoth that rarely pays heed to the limitations of geography.

Instead of re-inventing the wheel each time, it is important to learn from another society's mistakes and successes alike. Whilst the causes of our current struggles may appear to be different, it is surprising to see that often the most fundamental concerns – amenity, affordability and sustainability – are identical when we place ourselves amidst global examples.

This submission looks carefully at each of the issues highlighted in the Better Apartments discussion paper and offers discussion and recommendations on them. The recommendations are steeped in our learning from designing and documenting many Multi-Residential inner-city developments from 2009-2014 in Melbourne, as well as our travels and experiences of Apartment living overseas.

In the span of 5 short years, we have seen the rapid pressure placed on apartment sizes and amenity in Melbourne. Where 65 sq.m. was often quoted as the 'ideal' or even 'minimum' two-bedroom apartment size in 2009, by 2014 it was considered excessive by many developer's standards and we witnessed increasing pressure to put forward designs in the range of 55 sq.m. The market, left to its own devices, is often ruthless in its pursuit of trimming the fat from a development. Similarly, when the free market comes up with a device - such as borrowed light for bedrooms - in one development, it is rapidly adopted in copy-cat fashion even though doing so results in many poorer imitations that have questionable amenity. However, there remain occasional glimmers of hope – such as the now increasingly common provision of generous and well-appointed communal areas in higher-density Multi-residential developments. These are heavily marketed and perceived as adding value to the development.

We could also do well to learn from experienced players such as Singapore, who have grappled with the issue of land scarcity and high-density for nearly 5 decades with generally positive urban outcomes. Unsurprisingly in order to achieve this, they have a very prescriptive development model that controls a lot more factors than our existing model in Melbourne. Developers do not have to play a 'cat and mouse' game at the feasibility/ town planning stage as it is often quite clear what their potential yield / return will be due to strict building envelopes. Does this stifle innovation? Absolutely not. The system is equally peppered with potential for additional rewards (be it in terms of total development area or height) for those who genuinely innovate and demonstrate this from the early stages of the project. Lastly, it has to be said that no system is robust enough to survive unchecked. The authorities in Singapore are constantly re-assessing their provisions and quickly rescind developer incentives for future developments when there is built evidence that the market has responded to them poorly or cosmetically.

As professionals in the built environment, we are proud of the fantastic foundations of our city and its vibrancy. We hope it continues to cater successfully to its growing population well into the future decades. Architecture is - and should be – for everyone.

Why we believe regulation is necessary

The free market does not easily take into account the mass consequences of individual choices. For example, if apartments within a building can be sold cheaper by the development excluding suitable landscaping, then the market will reward that approach. If this approach is allowed to continue over time, our built environment as a whole suffers the combined effects of poor design, such as making cities more susceptible to the Urban Heat Island Effect.

Another failure of the free market approach is to ignore the long term consequences in favour of achieving short term priorities. In a fast paced consumer driven society, permanence is something of a novelty. Our cars and white goods seem to last up to 10 years whilst our smart phones typically last about 2-3 years before they 'need' upgrading. Apartments however on the whole still have very substantial lifespan even when they are no longer useful. This is a significant danger for our newly constructed apartment buildings which could easily become semi-abandoned slums if they cannot adapt to future requirements or be easily maintained. The developer and the initial buyer have nothing to lose if the building is great for the first ten years, mediocre for the next ten and uninhabitable from then on. As long as they don't own the building when it becomes uninhabitable it will not be their problem. It will be someone's problem though and our society will collectively pay the price if buildings become dilapidated and unusable.

The free market approach is also excluding certain people from residing in our city. Families are a one such group with only 5% of apartments currently being constructed or marketed including three or more bedrooms. At what point did our elected politicians, or urban planners, or in fact anyone agree that we should exclude families that require three or more bedrooms from the city? It wasn't a decision. There was no plan. Instead it was just the outcome of an economic system.

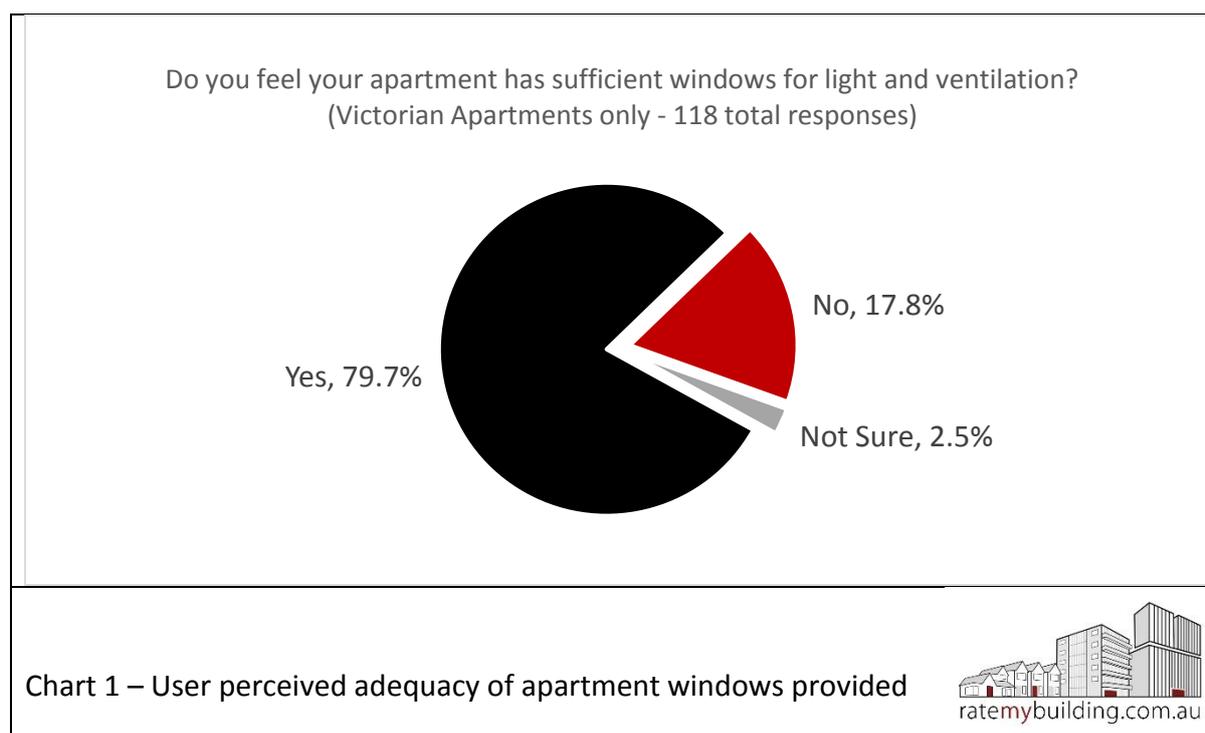
For our city to thrive at its fullest potential, we must challenge the current system and intervene with good policy to deliver the city we all *want* to live in, not just the one that is most economical for developers to build. Only by doing so can Melbourne retain its much coveted 'world's most liveable city' crown and avoid a dystopian future for future residents.

Issue 1 - Daylight

Access to daylight is fundamental to the amenity of an apartment. Our daily circadian rhythms are dictated by daylight and studies show that a paucity of daylight exposure is co-related with greater risk of depression. A particular weakness is the daylight provisions for bedrooms. Due to the Town planning provisions that dictate the main living spaces to have direct access to Private Open Space, large sliding doors are often provided in these areas. However, this is rarely the case with bedrooms.

The 'default' in this scenario has become the 10% of bedroom floor area, as indicated in the BCA. The difficulty is compounded by the fact that the BCA does not differentiate between a dual-occupancy development and a high-rise development of a 100 apartments. Both are deemed Class 2 and bound by the same daylight provisions. However it is easy to imagine that a dual-occupancy development (adjacent to a similar development or a single-dwelling) will have adequate access to daylight as it will have 'Recode' based setbacks to its' neighbours. However, other Class 2 scenarios will perform poorly when judged on this 'minimum' for instance:

- a medium-density development with an internal light well for daylight
- a high-rise tower that is only 9 m away from an adjacent tower



Recommendations:

- Daylight assessments (via standardised software) as part of Sustainability requirements can be included as part of Town Planning submissions to provide evidence of adequate sunlight to apartments that are not north facing. This approach has already been spearheaded by the City of Melbourne but can and should be applicable state wide.

- Requirement for medium-density (5 storeys and above) and high-density Class 2 dwellings to require increased window sizes for specific circumstances (for e.g. 20% of floor area if facing an internal light-well or arranged in a saddle-back layout).
- Borrowed light provisions for bedrooms (other than for studio apartments) to be removed for high-density developments as it is in this context that the poorest amenity is often observed.

Issue 2 – Sunlight

It is quite clear that an apartment that has access to natural sunlight is a better apartment for it. The apartment with sunlight will require less artificial lighting making it more energy efficient. It is also quite likely to have some positive effects upon the wellbeing of the occupants. However to gain access to sunlight an apartment must have an orientation to the north, East or West. Therefore if this requirement were hypothetically given the highest design priority the result would either

- A significant reduction in the number of otherwise suitable sites for apartment development
Or
- Apartments on a significant number of sites being designed without providing passive surveillance of the street.

Neither of these situations should be considered as successful outcomes.

Another industry concern is that by requiring access to sunlight, other opportunities to provide amenity such as providing the highest quality outlook might be lost. And finally, whilst it is understandable that a south-orientation is not ideal for many sites, this view should be weighed up in terms of the specific site-context. Often a south-facing window which has an existing built form of some sort approximately 10 m away will receive substantial reflected sunlight as the opposite building will be reflecting strong northern light into the interiors.

Recommendations:

- Access to sunlight should be considered as a 'nice to have' rather than a 'must have'.
- Access to sunlight should be evaluated in association with outlook, existing built form nearby and streetscape specifically within the context of the proposed site.
- Developer incentives (such as additional total development area of 1 or 2% - as is the case in Singapore) to provide means of occupant control of sunlight/temperature instead of relying on air-conditioning for thermal comfort in summer. This should be evaluated in conjunction with an assessment of Natural cross-ventilation.

Issue 3 - Space

As identified in the discussion paper, 79% of Victoria's one bedroom apartments currently marketed or under construction are below the minimum size required in New South Wales under the Sepp 65 laws. There are many interrelated issues that reside within this overall discussion point. The horizontal dimensions of an apartment can affect the flexibility, adaptability and liveability of that dwelling. The vertical dimension of the ceiling height also has impacts on the penetration of daylight and sunlight into the apartment.

What feedback would you give to the designer of your apartment?

"Given the small space (24 sqm) the designers have done well to incorporate as much storage space as possible. It is reasonably comfortable living for such a small space with lots of communal areas to share which is great for getting out and socialising and enjoying some extra space. The place is designed well."

Parkville Apartment Dweller

"One reasonably sized bathroom would be better than two ridiculously small ones."

West Melbourne Apartment Dweller

"Make the bedrooms larger! A double bed and a few gaps around it is not okay."

Carlton Apartment Dweller

"With the bedroom, please set a minimal area limitation to the design guideline, in order to provide quality flexible useable space. 2.8mx 3m bedroom is simply too small to fit a king size bed in, there is no bed side space left to walk around."

Melbourne Apartment Dweller

The above respondents are all from Victoria and estimated their apartments age to be between 0 and 5 years old



ratemybuilding.com.au

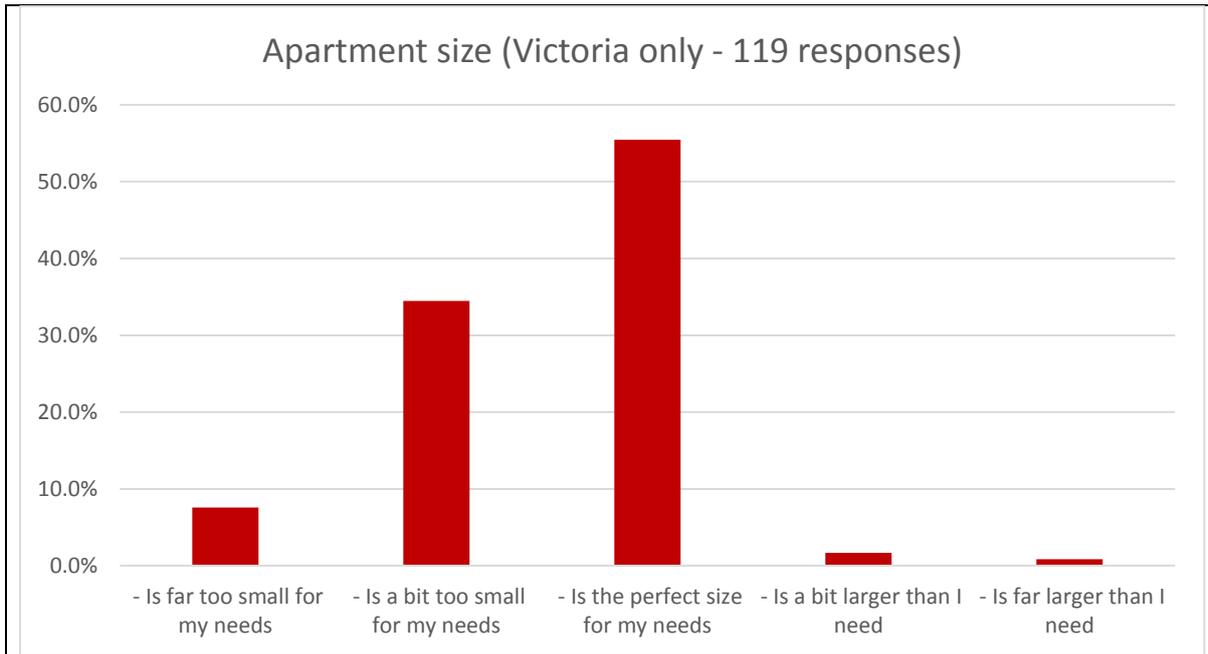


Chart 2 – User perceived adequacy of apartment size



42.1% of Victorian respondents believe their apartment to be too small for their needs

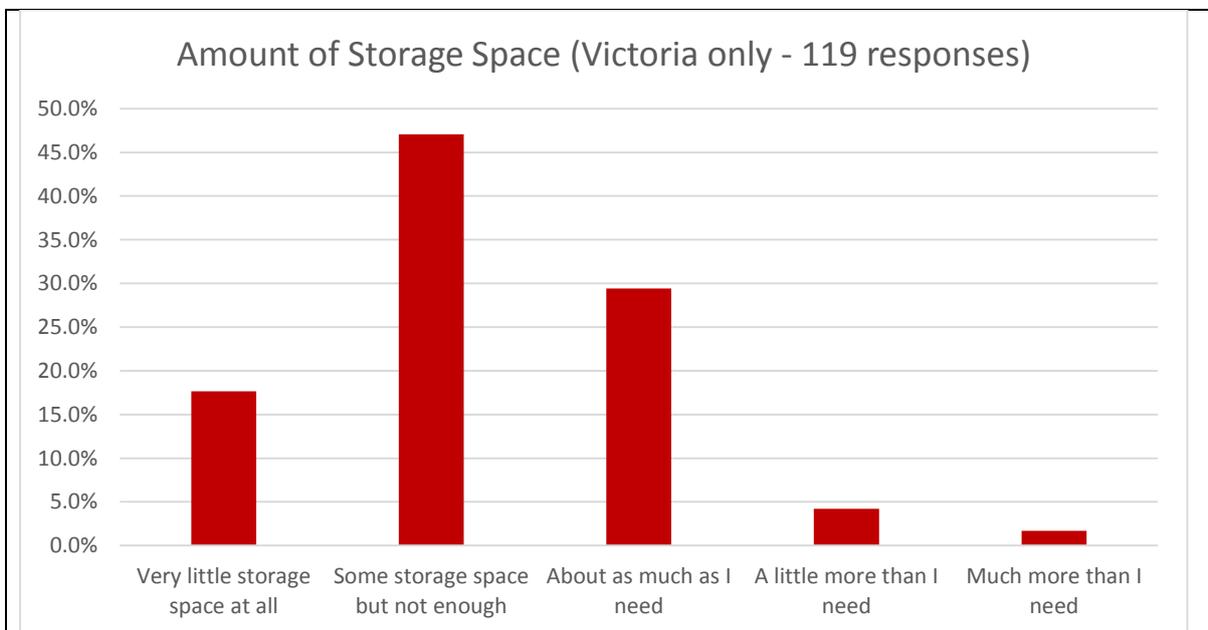


Chart 3 – User perceived adequacy of apartment storage space



64.7% of Victorian respondents believe their apartment storage space is insufficient for their needs

A major bugbear for many apartment dwellers in newer homes is the limited size of the bedrooms. Whilst some might argue that a queen or king sized bed is a luxury item, for those taller than 188cm, a queen or king sized bed is a requirement for a good night's sleep. By restricting bedroom sizes to only fit a double bed, the effect is to restrict who can live in the apartment. Apartments which cannot facilitate a queen sized bed amounts to housing discrimination. Imagine the outcry if a public transport or government service was not available to people over 188cm in height. Housing is a basic and fundamental human need, regardless of height. Any guidelines or standards on apartment design that come out of this process needs to engage with this aspect of apartment design.

Global precedents are abound for small, well-designed apartments. However these should only be accepted below a certain threshold size if they can effectively demonstrate how they compensate in other ways via innovative solutions. We highly recommend the path of a Design review panel as an alternate to minimum sizes as it ensures that those willing to innovate are motivated by the financial rewards that come from offering more dwellings to the market. On the flipside, those that stick to minimum sized are reassured with greater clarity regarding planning outcomes and can provide a satisfactory outcome for the end-user. This 'carrot or stick' approach is sadly often the only way that the private market is motivated to address end-user needs.

Based on current BCA requirements, Australian apartment often have much lower ceilings than their new counterparts in Europe or Asia. Whilst the BCA allowed a minimum ceiling height of 2.4m in bedrooms and living areas, we know from personal experience of that such spaces suffer from poor daylight penetration. In Singapore, on the other hand, modern private developments have floor to ceiling heights in the range of 3.0m, which allows for much better daylight penetration. This internal height is tightly controlled by the development authority and any lowering of internal ceiling height is not compensated by allowing additional storeys on top, providing a disincentive to 'squash' apartments in the way that the Melbourne market has.

Our experience has been that if there is an additional storey to be gained, all questions of internal amenity in terms of ceiling heights is the first element to be sacrificed by developers, often with disregard to build-issues such as provision of services etc.

Recommendations:

- Design Review panel (nestled within the OVGA) OR Mandated minimum sizes as the two options with regards to apartments sizes considerations.
- Increase the minimum internal ceiling height to 2700mm for developments above 4 storeys. This could then be reinforced by a cap on the maximum number of storeys allowed on the site.
- Require at least 1 bedroom in each apartment to be able to fit a queen sized bed or bigger whilst maintaining sufficient circulation space around the bed for liveability.

Issue 4 - Outlook

Whilst one might immediately start imagining apartments with brilliant city views, this point is more about making sure that privacy between apartment buildings is not undermined. There are examples in areas such as Melbourne's Southbank where large apartment towers have been permitted to be constructed very close together. This places excessive reliance upon internal blinds or an exhibitionist personality.

There are global precedents where minimum spacing between buildings is carefully scrutinized and an encouragement of staggered built-form is encouraged and assessed by the development authority. In addition, by providing incentives to developers in terms of a small increase in gross floor area or building height, they are encouraging the breaking down of large 'slab-like' developments into compact 'point' blocks that are connected at the lower levels by a single podium.

The other issue with outlook is to ensure passive surveillance to the street front. This is particularly important on the first four or so levels. This aspect is typically dealt with very effectively at a local council planning level and therefore may not require any additional intervention.

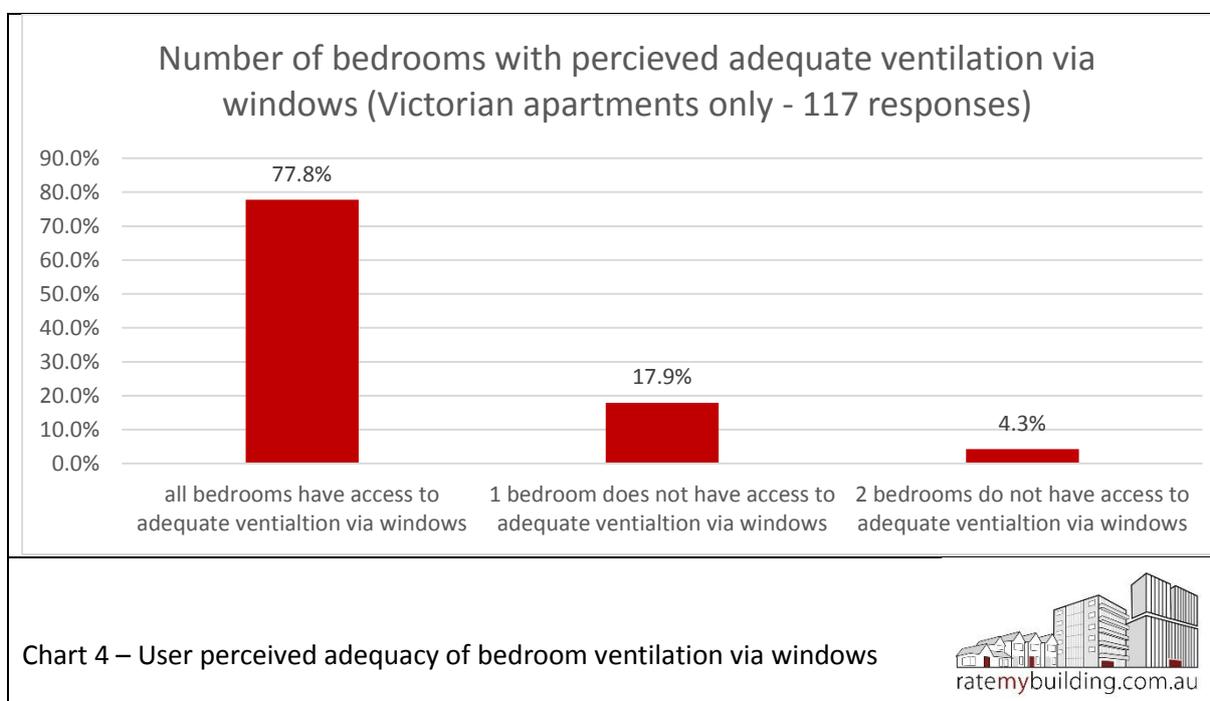
Recommendations:

- Consider developer incentives to avoid individual 'slab-shaped' developments. This allows for a visual break in form that can be used by other future developments to gain access to outlook.
- Focal points or Outlook can be artificially encouraged at the Master plan level. For instance a ring of medium to high-density development near community parklands/ community infrastructure to provide passive surveillance.
- Avoid long rows of dense built form (as has been the case with Southbank and Docklands) only driven towards capturing an existing waterfront/river 'outlook' as they lead to a paucity of street-life on the ground level.

Issue 5 - Natural Ventilation

Ventilation of rooms is critical to providing a sufficient level of internal air quality. In poorly ventilated spaces the air quality can become a health hazard. Giving occupants the ability to open and close windows can reduce the occupant's reliance upon mechanical ventilation. Ventilation to habitable rooms is dealt with in a similar way to daylight, in that it is controlled in the NCC but with a similar borrowed ventilation clause available to the developer who can get planning approval.

Similar to Issue 3, the BCA provisions do not differentiate between a dual-occupancy development and a high-rise development of a 100+ apartments, as they are both deemed Class 2 dwellings. An apartment in a high-density development can often typically have only two or three operable windows, often along the same facade. Understandably this layout does not perform well for cross-ventilation even though it would meet the minimum standard.



22.2% of Victorian respondents believe one or more of their apartment bedrooms does not have sufficient ventilation through openable windows.

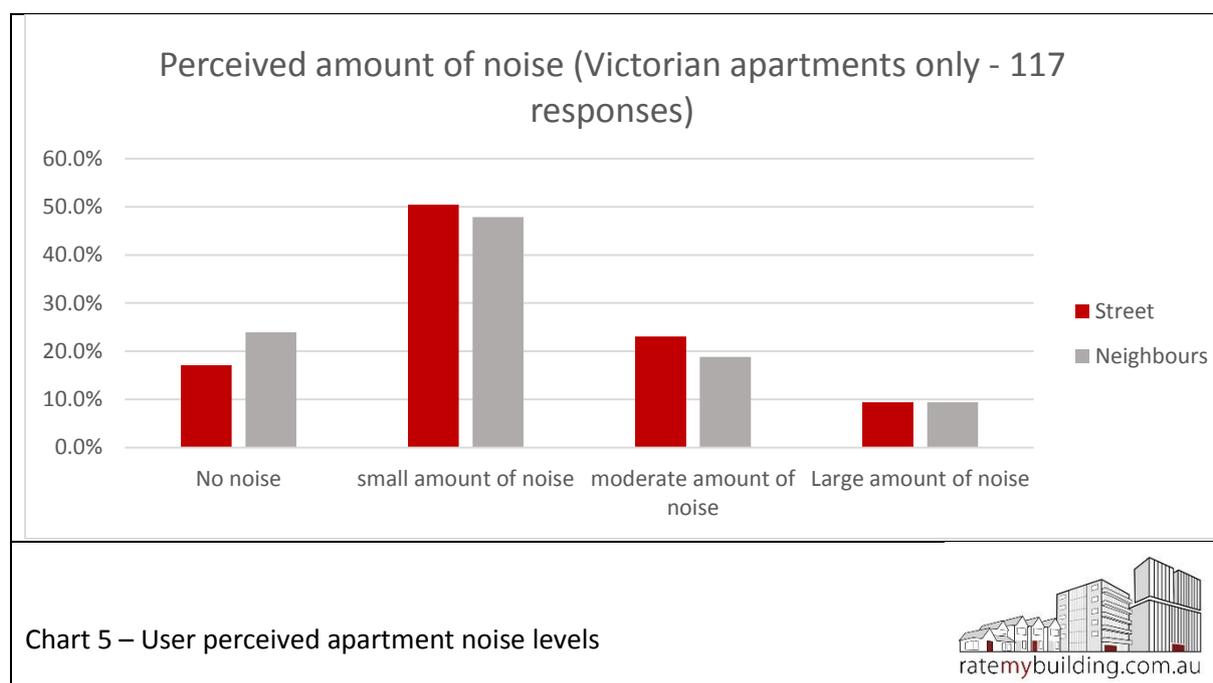
Recommendations:

- Discourage 'boundary to boundary' developments, particularly for the non-podium levels of large sites as this reduces the capacity for effective cross-ventilation.
- Remove BCA concessions for borrowed ventilation to bedrooms.

Issue 6 - Noise

The key issues with excessive noise entering apartments is that of health and wellbeing, sleep disturbance and privacy. For critics of apartment living, excessive noise from neighbours is high on the list of complaints. This is recognised through the building code by requiring discontinuous construction and minimum acoustic performance of floors and party walls. The building code regulation however does not extend to the construction of the external building envelope to reduce sound transfer from external sources.

The Rate My Apartment survey investigated the perceived acoustic performance of apartments from the user point of view.



9.4% of Victorian apartment respondents perceived their apartment to receive a large amount of noise from either neighbours or the street.

The noise levels reported within the survey show that the acoustic performance of apartments from the unregulated street noise is not dissimilar to that of the regulated neighbour noise. Whilst this evidence is preliminary in nature, it might suggest that an effort to reduce street noise might be a more productive objective rather than further increasing the requirements on internal noise. Acoustic assessments (often as a condition on permits) for apartments are a requirement of some inner-city councils already.

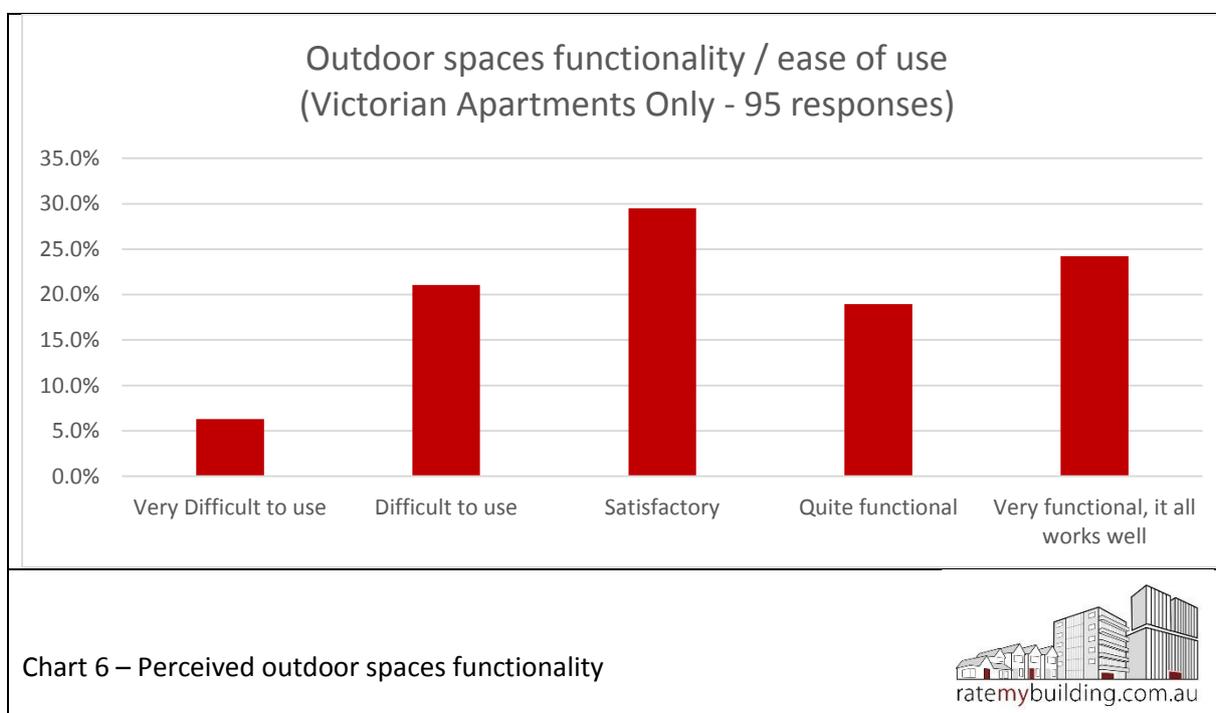
Recommendations:

- Consider adopting regulation aimed at reducing street noise as a higher priority to increasing requirements on apartment to apartment noise insulation.
- Consider Acoustic assessments to be a Planning permit condition for all new developments adjacent to a category 1 or 2 road so that the building envelope construction and glazing for all dwellings close to the street are duly assessed.

Issue 7 - Outdoor space

In Australia outdoor space is often addressed in apartments via the balcony. Typically the rule of thumb is to have a minimum of 8 square metres with a minimum linear dimension of 1.6 metres. Outdoor space is often used when entertaining guests and is also important for those with children. The provision of outdoor space can become a difficult proposition once an apartment tower gets above a certain height due to excessive wind speeds. This is where well-designed communal open space should be utilized to make up the deficit.

In Singapore high-rises, there is often an emphasis on full-height but partially operable windows for living spaces in lieu of access to small balconies, with a focus instead on maximizing the internal living area for entertaining where possible. In New York however, private open space is often replaced with a communal rooftop garden supplemented with access to the high quality public open space such as the Highline and Central Park



27.4% of Victorian apartment respondents perceived their apartments outdoor space to be either difficult or very difficult to use.

Recommendations:

- Exclude communal roof top gardens (and the lifts and stair structures required to access them) from the height restrictions in the planning scheme.
- Require a large percentage of apartment rooftops to be used either for landscaping or energy production via photovoltaic cells.
- In high-density developments, encourage communal areas in the middle of the building (such as in Upper House, Carlton) by allowing such an option to have 5m ceiling heights with a consequent increase in overall building height.

Issue 8 - Adaptability

Apartment buildings and in particular apartment towers once built will need to last a very long time. Typically these towers are sold to hundreds of different parties each with a very small stake. This makes demolition and rebuilding virtually impossible if requirements change. Therefore we must be extremely careful about how we design these structures so that they can adapt to future needs. Can a basement car park be repurposed for another use? Can walls be removed to join two or three apartments into a single dwelling? Can an apartment adapt to service the needs of a disabled person? These are clearly aspects of apartment design that are not able to be addressed by the free market and need further government guidance.

Recommendations:

- Car Parking areas should allow for future adaptation by providing a flat floor plate, rather than being built at grade
- A percentage of apartments should be able to be combined in the future. This must be adequately demonstrated at the Town Planning submission stage. Developer incentives such as additional car-parking waivers (below existing local requirements) could be offered in lieu, due to the potential for fewer future dwellings.
- Institute a state-wide policy, which requires a percentage of the apartments in each new building to have a floor plan which can be easily adapted for universal access. The percentage required under the policy should match the need in the community for this type of accommodation as shown by ABS data.

Issue 9 - Landscape

The use of landscaping within and around an apartment development has significant benefits to the wider city by reducing the urban heat island effect which occurs during our increasingly intense summer heatwaves.

There is also substantial benefit in improving the vitality of the public realm through well designed vegetated areas.

Recommendations:

- Exclude communal roof top gardens (and the lifts and stair structures required to access them) from the height restrictions in the planning scheme. This would be equivalent to excluding eaves from the setback requirements in Rescode.
- Require a large percentage of apartment rooftops to be used either for landscaping or energy production via photovoltaic cells.
- Large precincts of new or re-development to have provision for both large parks and smaller community reserves. Landscaping at both ends of scale is necessary to contribute to the surrounding streetscape. Consideration must also be given to pedestrian routes that might connect such places.

Issue 10 - Universal Design

Architecture is for everyone, apartments should be for everyone too. There are clear statistics on how many people in our society live with various disabilities. There are also mathematical models which can predict how these numbers will change over time in our aging society. Clearly there is an urgency then to make sure that an equivalent percentage of apartments provided within a development are suitable to be adapted should the need arise. This is currently handled more or less on a council by council basis. A state-wide policy would provide certainty to all parties involved and make the inner city a viable choice for those with a disability.

Recommendations:

- Provide a state wide policy which requires a percentage of the apartments in each new building to have a floor plan which can be easily adapted for universal access.
- The percentage required under the policy should match the need in the community for this type of accommodation as shown by ABS data.
- Consider building a publicly searchable database of all apartments which can be adapted to be suitable for a wheelchair bound person.

Issue 11 - Energy and resources

The question raised by this topic is where the bar should be set in terms of energy efficiency. There are already well considered processes within the NCC to mandate a minimum level of energy efficiency. A solution to improve apartments here may be as simple as adjusting the benchmark. An additional consideration may be to mandate renewable energy generation for a substantial portion of the common area energy requirements.

Recommendations:

- Review the existing energy efficiency benchmarks and increase if necessary.
- Where energy efficiency is improved through passive design, encouraging occupant control or other such design strategies - instead of reliance on higher-performance glazing to achieve the standard - developer incentives should be considered.
- Require a large percentage of apartment rooftops to be used either for landscaping, community vegetable gardens or energy production via photovoltaic cells.

Issue 12 - Waste

Waste Management is an area which is also in the better apartments 'needs improvement' category. The relevant objective here is to increase the level of recycling by residents. Recycling needs to be made as easy as possible by providing facilities to separate the waste. This might be as simply as putting in separate waste and recycling chutes in towers.

Recommendations:

- Require a separate recycling chute in apartment buildings which have a waste chute

Issue 13 - Car parking

Car parking is a common area of dispute within the planning system. From a developers point of view if they provide too much parking they will be criticised for increasing traffic. However if they provide too little parking they will be criticised for causing a parking problem on the local streets. The most logical approach would be to enable a site by site assessment that takes into consideration other transport options such as public transport and car sharing facilities. Local councils are already well placed to make the final decision regarding car parking. This could be further enhanced by a state policy aimed at minimizing car reliance where possible.

Recommendations:

- Car parking requirements should be determined via a site specific assessment
- State policy should aim at minimizing car reliance where possible

Issue 14 - Entry and circulation

The issues around the entry lobby and circulation spaces generally reside around a sense of address, visibility and safety. Amongst the other discussion points, this one would seem less critical than others that are more directly related to human health, environmental health and building performance. It is not necessarily apparent that a corridor that has fewer apartment front doors is necessarily safer than one that has more. Indeed it may be quite possible that the reverse is actually true. Clearly hallways that terminate with views to the outside are clearly superior from an experience point of view, but this might be an area for the market to judge via price.

Recommendations:

- The lobby and circulation spaces are left for the market to self-regulate.

Entertaining guests in apartment dwellings

It is common argument put forward that due to apartment buildings being typically located near centres of urban activity, apartment dwellers do not want or require substantial living or kitchen spaces. This argument suggests that apartment residents would instead prefer to entertain guests in restaurants, pubs, cafes or public spaces.

The first hypothesis tested using the Rate My Building data was that being able to entertain guests at home is as important to apartment dwellers as it is to those who live in detached houses. In both the Rate My Apartment and the Rate My House survey, respondents were asked: How important to your lifestyle is being able to entertain guests in your home?

The responses were collected and sent to an independent mathematician for analysis. A Chi Square test was undertaken on the data which determined to a 95% confidence level that people living in houses and people living in apartments think the same way about entertaining guests in their home. This result does not necessarily apply for studio apartments as there were insufficient responses in that category.

	Not important (1)	Below average (2)	Average importance (3)	Above Average (4)	Very important (5)	Total responses	Average value
Apartments	3	6	22	28	21	80	3.73
Houses	7	11	46	42	31	137	3.58

	Not important (1)	Below average (2)	Average importance (3)	Above Average (4)	Very important (5)	Total responses	Average value
Apartments	3.8%	7.5%	27.5%	35.0%	26.3%	80	3.73
Houses	5.1%	8.0%	33.6%	30.7%	22.6%	137	3.58

This evidence suggests that apartment dwellers want to entertain guests in their home, contrary to the popular belief that they would prefer to entertain in public or commercial premises.

This has important ramifications for developers who commission apartments, architects who design them and councils who approve them. Whilst the free market may apply significant pressure on the reduction of apartment sizes, Australians will not be satisfied with apartments where the kitchen and living spaces are so small that they cannot accommodate guests. As architects we would contend that best practice would allow for at least 6 people to occupy the living spaces within an apartment dwelling whilst also offering a communal entertaining area available for larger gatherings. This research also gives significant weight to the argument for minimum apartment standards to safeguard living standards in apartments.

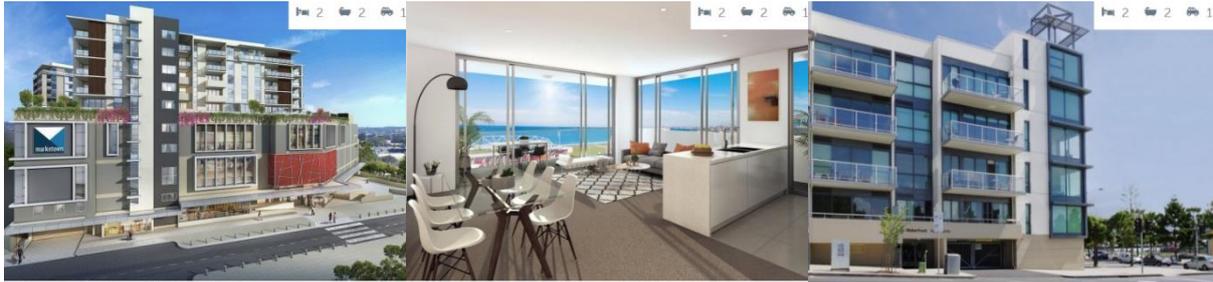
Minimum Apartment Standards and Housing affordability

Some of the most outspoken critics of the Better Apartments discussion paper and of apartment regulation cite the issue of housing affordability as the major reason why the government should not interfere with the apartment market. Perhaps the most alarming prediction proclaimed that “The cost per apartment will immediately increase by upwards of \$150,000”. The prediction is drawn from a comparison between Melbourne and Sydney apartment prices. Whilst it is absolutely clear that inner Sydney apartment prices are significantly more expensive than inner Melbourne apartments it is far less clear that this can be blamed upon their apartment design regulations, SEPP 65.

There are many factors that impact on the cost of an apartment in Sydney. Sydney has higher average wages and higher prices on goods and services. It also has different city geography, zoning controls, levels of international investment and different transport infrastructure all of which affect apartment prices. Median house prices in greater Sydney have also increased more quickly than in greater Melbourne, a fact which is also due to a complex system of factors.

Median House Prices		
	Melbourne	Sydney
2010	\$560K	\$629.9K
2014	\$658K	\$811.8K
percentage increase	18%	29%

It is important to note however that SEPP 65 is not limited to Sydney, it has jurisdiction across all of New South Wales. It is in fact in the regional centres where the State of Origin comparison between NSW and Victoria reveals an interesting story. If it were the case that SEPP 65 was responsible for apartment prices immediately increasing by upwards of \$150,000, due to the mandated larger sized apartment sizes, bedroom windows or higher ceiling heights then we should expect it everywhere that those requirements are enforced. A quick comparison between Newcastle (NSW), Wollongong (NSW) and Geelong (Vic) shows that it is possible to buy in all three locations a typical 2 bedroom, 2 bathroom 1 car-space apartments for somewhere between \$530K and \$580K



Newcastle: \$579,950

Wollongong: from \$530,000

Geelong: \$530,000 - \$560,000

The Property Council of Australia also shares the view that the New South Wales apartment regulations SEPP 65 Laws have not substantially impacted apartment affordability. A 2009 survey of the Property Council of Australia's members found that 82 percent of respondents agreed that it had led to improved design, and with relatively minor impact on affordability. At the time of the survey, the regulations had been in place for seven years.

Despite our view that minimum apartment sizes will cause substantial price increases, apartment affordability should still be monitored closely to determine the likely impacts of the regulation. If prices do begin to rise substantially there is no reason why other planning mechanisms could be looked at to increase the supply side of the equation.