

**Media Source:** Australian Design Review  
**Date of Publication:** Tuesday 18<sup>th</sup> January 2011  
**Author:** Craig Yelland

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## The Density Debate

For some, the Great Australian Dream remains a quarter-acre block and a Hills Hoist. The reality though is that high prices for houses and apartments in and around our cities are prohibiting buyers from owning any kind of property, dreamed of or otherwise. Thankfully, there is an emerging market for smaller apartments that could soon see this change, with the promise of access to the property market for all Australians, not just a fortunate few.

Small apartments are not a new phenomenon; what is new, however, is the construction of entire buildings of these compact units – now 40 square metres for a one-bedroom and 65 square metres for a two-bedder – from the ground up. The move is largely due to a recent change in Australian bank lending policy. In the past, banks have been nervous to lend on apartments under 50 square metres. They did so recently for the first time in Australia on Society, an apartment complex designed by my practice, Plus Architecture. Hamton, the developer of Society, had proved to the banks involved that there was greater capital growth per year for a sub 40-square metre apartment than for one double this size.

According to research conducted by Charter Keck Cramer, the difference in cost between a 50-square metre and 40-square metre apartment is \$80,000. Charter Keck Cramer has also identified a trend for more singles to move into apartments, which looks likely to increase. The latest ABS household and family projection report states that single person households are likely to increase by up to 105 percent in 2026. Society offered one and two bedroom apartments ranging between 38 square metres and 75 square metres – and the entire project sold out in two months.

What is crucial is that a smaller apartment doesn't mean less liveability. With strong design and appropriate amenity, a smaller apartment can have exactly the same benefits as a larger apartment, or even a traditional house. It is my view that liveable apartment design should follow a three-tiered formula: the apartment, a quiet space for sleeping; the building, used for communal living; and the wider neighbourhood, used as a backyard.

In New South Wales, all residential buildings must adhere to a state-wide mandate that controls apartment sizes. The Residential Flat Design Code supports principles identified in the State Environmental Planning Policy 65 and, among other guidelines, regulates against the construction of apartments under 50 square metres.

It is my view that this policy in New South Wales discriminates against buyers who wish to live in or around the city but simply cannot afford to do so. The fact is that on this basis the cost of one-bedroom apartments in Sydney will equate to over half a million dollars – clearly out of reach for most buyers seeking to enter the market. In Sydney, you will need between \$550,000 and \$650,000 to have a reasonable choice of new one-bedroom apartments; in Melbourne, you will need between \$400,000 and \$500,000. Simply put, larger apartments cost more.

I am not arguing for a reduction in the standards, as I believe a successful proposal must be justifiable on the basis of design and amenity. I am arguing for a reduction in size. By simply reducing apartments by 10 square metres, the economic benefit is an \$80,000 saving, but this does not preclude residents enjoying the same amenity and design of a larger apartment, or indeed a house.

For the last 10 years I have lived in apartments with my wife. We started in a 60-square metre two-bedroom apartment in St Kilda, before moving to a larger apartment in the same area four years later when we had our daughter. We moved again following our second child to an apartment directly above retail in Port Melbourne. Personally, I will never live in a house and I think the lifestyle sales pitches that we see from outer suburban developers are rubbish. A drive out to any estate will typically paint the same picture – houses that equal more suburbs, which equate to more roads, which in turn equate to more traffic. A lifestyle in a house equals living in a car, where the family cars are used to drive to everything. This is less about liveability, and more about isolation.

The recent update of the Transforming Australian Cities report, commissioned by the City of Melbourne and the Victorian Department of Transport, suggests we can provide for an additional capacity of 3.8 million people in Melbourne, using just the existing road-based public transport corridors. According to this report, with the right implementation strategies there would be room for up to 2.4 million new people in medium density development of between four to eight storeys, which would only require 7.5 percent of the land within the metropolitan area. As the report states, “On this basis Melbourne could double its residential population without impacting on the current suburban residential character and lifestyle that Australians have come to enjoy.”

I believe we are moving towards a greater acceptance of apartment living as opposed to the Great Australian Dream. I also believe it is not the responsibility of government to decide on minimum building requirements, but that the market should choose. At the moment, the trend is that Australia has some of the most liveable cities in the world, but we also have some of the most expensive apartments. Increases in technology and access to amenity have changed the way we think about how and where we want to live, and our cities must adapt to create different lifestyle options to respond to these new aspirations.

With quality design, good amenity and facilities, we can provide lasting solutions towards creating sustainable cities.

**Craig Yelland is a director of Melbourne-based practice [Plus Architecture](#).**