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Power to the people

Will developers pass the cost of new energy-efficiency rules on to buyers?

Most [of the BASIX measures] will be things buyers won't notice - but we'll bring it to their attention.

Leon Fredkin,
of AV Jennings

The Building Sustainability Index (BASIX) has regulated the way houses are designed and built in NSW for more than a year. And, since October 1, DAs lodged for all residential unit developments (including townhouses and villas) must comply with the new energy- and water-saving measures that are the main thrust of the State Government initiative.

According to BASIX research, apartments make up 70 per cent of new housing construction in Sydney. At the same time, they soak up significantly more energy than houses, mainly due to high-power usage in common areas such as pools, car parks and corridors.

"An apartment owner's contribution to the bills in common areas alone is about \$2000 a year," says Bruce Taper, director of sustainability at the NSW Department of Infrastructure, Planning and Natural Resources. Under BASIX, it is estimated residents will save up to \$600 a year in energy and water bills.

BASIX COMPLIANCE

To be BASIX compliant, developments must score:

- A 25 per cent energy reduction (20 per cent for buildings six storeys-plus). This impacts on lighting and electricals.

- About a 30 per cent increase in water efficiency (this varies across NSW and is capped at 40 per cent). This means water reuse and water-efficient fixtures and appliances.

- A "pass" for thermal comfort. This involves building materials and architectural design.

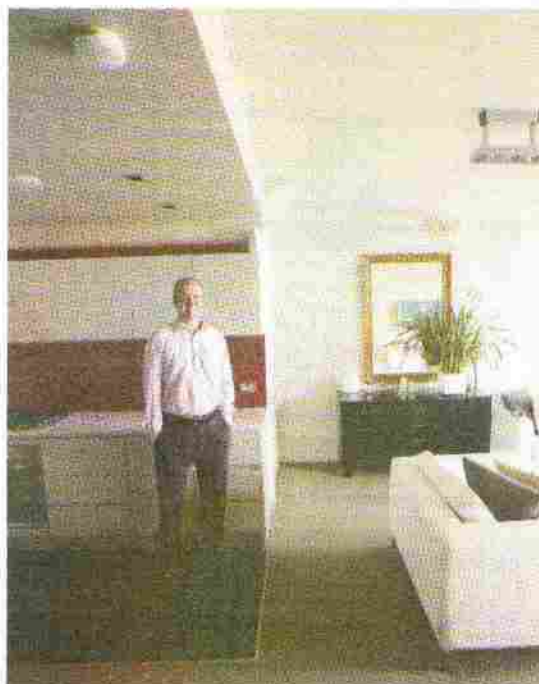
To achieve these targets, buildings will incorporate a combination of features, including:

Architectural design

- Buildings oriented to maximise sunshine.
- Natural cross-ventilation maximised.
- Zoning different rooms to trap heat in winter and cool air in summer.

Interiors

- Energy-efficient lighting, such as compact fluorescent lights, with meters in common areas.



BILLS BONUS

In 2001, Mark Nunn, left, and Grant Donaldson bought a one-bedder at Mondrian - a development with BASIX-like features at Waterloo, designed by Stanistic Associates - off the plan.

Nunn recalls the developers promoting the environmentally friendly features, some of which he thought were real pluses. "Our apartment is north-facing with natural cross-ventilation. I liked the idea of that. Breezes inside city apartments are unusual."

Nunn has noticed his power bills are lower than in his previous homes. "In winter the sun streams into the living area, but in summer it's well shaded because it's a recessed balcony. We installed reverse-cycle air-conditioning, but we only use it on really hot nights."

Nunn and Donaldson bought their apartment for \$385,000 and Nunn says he would pay an extra \$12,000 or so for one with energy-saving features.

- Energy-efficient appliances, including 4A-rated dishwashers and washing machines.
- 3A-rated water fixtures.

Windows and balconies

- Clothes lines on louvred balconies.
- Shading of windows via a roof overhang, eaves, pergolas or louvres.
- Double-glazed windows or close-fitting drapes.

Cooling and heating

- Ceiling fans or six-star reverse-cycle air-conditioning systems.
- Gas-boosted and/or solar hot-water systems.
- Insulated hot-water pipes.
- On-site heat and electricity generation.
- Insulation in ceilings and walls.

Common areas

- A cover and an efficient pump for pools.
- Improved ventilation in car parks.
- Native or low-water-use outdoor plantings.
- Rainwater collection for toilet and garden.

While residents will save on power and water bills, they may be paying more for a BASIX-compliant apartment, however.

BASIX means an increase in building costs - which may be passed to consumers. "We estimate the additional cost of BASIX to be between \$6000 and \$9000 per apartment," Taper says.

It's a little higher than that, according to developers and industry experts. Peter Cotton, national product manager at Mirvac, worked with the Department of Planning over the cost issue. "The cost for developers was initially too high - about \$30,000 per apartment - but in the last two weeks in September, BASIX changed a rating, which dropped the cost to \$9000 to \$12,000 an apartment," he says.

Kristin Tomkins, assistant director, planning and environment at the developer-driven Housing Industry Association says: "Our constant ballpark figure is \$10,000 and up. "We don't think the

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Government has looked at staff costs and holding costs - employing another person to fill out the complex form on line, which could take a day."

When asked if developers will pass the cost on to consumers, Tomkins says: "Absolutely - unless they're caught contractually."

However, she admits that in the current market, not all developers will be able to pass on the additional costs. "Especially in areas such as south Sydney, Dee Why and Hornsby, where apartments are struggling to achieve the price levels of a few years ago," she adds.

Taper says that "the HIA was saying single dwellings would cost more [with BASIX], but they haven't. As the industry becomes more accustomed to BASIX, prices will go down. We've seen that already in residential housing.

"We're confident BASIX won't impact on the market. And the main thing is that apartments will be more comfortable to live in."

Many developers got around BASIX in the short term by lodging all projects in the pipeline before October 1.

Cotton confirms that Mirvac made such a move: "Now, there are no Mirvac projects in the foreseeable future. This cost of BASIX does have an impact on reducing supply - it will exacerbate peaks and troughs in the market," he says.

"Developers were nervous about proceeding with their projects in this current market, and now there's the possibility they won't go ahead with them at all."

AN EARLY STARTER

Builder WJennings complied with BASIX early in one of its developments, as part of its marketing campaign.

On August 30, Jennings lodged a development

application for a 41-apartment block on Powell Street, Killara, pictured left.

Leon Fredkin, WJennings's general manager of the NSW apartments division, says the project, a mix of luxury two- and three-bedders, exceeds BASIX requirements. It's aimed at empty-nesters, with prices from about \$800,000.

Fredkin says BASIX was complex "not so much from a design perspective, but from its integration into the building structure. You not only have to pay for extras, but, for example, make sure you have a back-up water supply if there's no rain for your rainwater tank. There is also the complexity of asking subcontractors to do that little bit extra."

He says the additional costs were about \$20,000 per apartment. "We're not expecting to recover the cost from the market, but we expect we will get a more rapid absorption of stock."

Energy-efficiency measures include orienting the units for sun in winter and shade in summer; natural cross-ventilation - "that way, we won't have to incorporate as much insulation", Fredkin says - sliding louvre panels on windows; and high-thermal-coefficient window glass.

"Most [of the measures] will be things buyers won't notice - but we'll bring it to their attention," he adds.

PRE-BASIX DEVELOPMENTS

Before BASIX was implemented, some architects showed how ecologically sustainable developments could work.

The 2002 Spectrum development of Stanistic Associates at 147-161 McEvoy Street, Alexandria,

left, aimed for very low greenhouse gas emissions. BASIX-like features include natural ventilation, natural-gas hot water, low-energy lighting, AAA-rated fittings, rainwater reuse, sustainable-sourced timber and proximity to public transport.

Stanistic Associates' 2003 Mondrian development at Powell Street, Waterloo, incorporates similar features, and was used by the Department of Planning as a case study for thermal comfort, energy efficiency and water

efficiency before BASIX was implemented (see Domain's case study, on page 4).

