



NSW Apartment Purchaser Perceptions: Final Results Report

UNSW City Futures Research Centre
Research undertaken for Government Architect NSW
August 2023



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NSW Apartment Purchaser Perceptions: Final Results Report

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This report is based on research undertaken with funding from Government Architect NSW. Any opinions expressed in this report are those of the authors and do not necessarily reflect the views of UNSW Sydney or Government Architect NSW. Any errors also remain the responsibility of the authors.

Acknowledgements

Our thanks to owners who did the survey, and a special thanks to those owners who participated in a follow-up interview. Thank you to the following organisations for support advertising the survey: Owners Corporation Network, Strata Community Association (NSW), Flat Chat, and the City of Sydney's apartment owners network. Thanks also to Yunzheng Zhang, UNSW Sydney, for research assistance with survey data processing. Apartment photos included in the report are all by Charles Gillon.

Reference Information

Authored by Charles Gillon & Hazel Easthope.

Recommended citation: Gillon C & Easthope H (2023) *NSW Apartment Purchaser Perceptions: Final Results Report*. City Futures Research Centre: UNSW Sydney.
<<https://cityfutures.adfa.unsw.edu.au/nsw-apartment-purchaser-perceptions/>>

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PART 1

Project Background and Methods

Project Background

The objective of this project was to understand consumer-side priorities for medium-high density living in NSW, focusing on the experiences of recent apartment purchasers (defined as those who have purchased an apartment in the last 10 years, 2013-now).

The project was guided by two research questions:

RESEARCH QUESTIONS	DATA SOURCE	DATA METHOD
<p>RQ1: How did recent purchasers assess their options and choose between different apartments when deciding to buy?</p> <p>RQ2: What are the major factors influencing positive/negative perceptions of apartment buildings amongst purchasers? Factors under consideration include building age, height, density, layout, building design decisions and features, apartment design decisions and features.</p>	<ul style="list-style-type: none">• NSW-wide survey (n=260)• Follow-up interviews (n=20)	<ul style="list-style-type: none">• Descriptive statistics of survey results• Thematic coding of survey open responses• Thematic coding of qualitative interviews

Project Context

Much attention has been given to questions of medium-high density living in housing supply discussions in New South Wales, but there is little information available about the types of buildings (with regard to scale and form) that apartment purchasers prefer and why.

Apartment towers and large apartment complexes tend to dominate current supply where planning regulations allow for such density.

Learning more about the decision-making, options and choices made by recent apartment purchasers can help to assess whether current apartment supply captures the needs and preferences of a variety of different purchaser profiles, accounting for differences in lifestyle, life stage, and family composition.



Project Methodology

Two methods were used to investigate the preferences and perceptions of recent apartment purchasers.

1) NSW-wide survey of apartment purchasers (n=260)

The survey was designed to learn about decision-making when purchasing, important building and apartment design features, and perceptions of the building and apartment after purchase. The survey was hosted on UNSW's Qualtrics platform and was open for 6 weeks (19 April 2023 to 28 May 2023). The survey was advertised by the Owners Corporation Network and Strata Community Association NSW to their respective members, email subscribers to the Flat Chat website, the City of Sydney's apartment owners email network, and on UNSW City Futures Research Centre's social media channels. Hard copy flyers were also distributed to library branches and public noticeboards in 16 Local Government Areas across metropolitan Sydney.

260 valid responses were received (210 owner occupiers, 50 investor owners).

2) Follow-up interviews with apartment purchasers (n=20)

150 survey respondents opted in to being involved in a follow-up interview. A shortlist was drawn up to capture a variety and diversity of experiences, across the following characteristics: building type, building size, building age, location, demographic characteristics, and satisfaction with apartment purchase (see p. 34). Interviews ran for 30-40 minutes and discussed three themes: apartment preferences, pros and cons when purchasing, and perceptions after apartment purchase. A set of common interview questions was used to guide the interview, with additional talking points informed by individual survey answers.

20 owners were interviewed (17 owner occupiers, 3 investor owners).

Project Scope and Constraints

What was in and out of scope

- The findings focus on the preferences and experiences of owner occupiers (n=210 survey participants, n=17 interviews). Approximately 30% of apartments in New South Wales are owner-occupied*. Tightening the focus on owner-occupiers is valuable in answering the research questions as these perspectives show the priorities of purchasers that are buying an apartment to live in.
- The preferences of investor owners cannot be adequately reported on in this study due to available collected data (n=50). A focus on investor owner preferences would be beneficial further research, as these preferences have impacts on available apartments in the rental market.
- Research timeframe: the survey period (6 weeks) and interview window (4 weeks) were determined by the research timeframe.
- Due to recruitment channels used, survey participants may be more informed and aware about building and development, building quality, and strata governance challenges than the general population (likely capturing more informed owners, built environment professionals).
- Incomplete survey responses: 13 survey responses were incomplete but were retained in the final sample as at least 60% of questions had been completed.

**Easthope et al (2023) Australasian Strata Insights 2022. City Futures Research Centre: UNSW Sydney.*
<https://cityfutures.adg.unsw.edu.au/2022-australasian-strata-insights/>



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PART 2

Survey Results

The survey: key participant characteristics

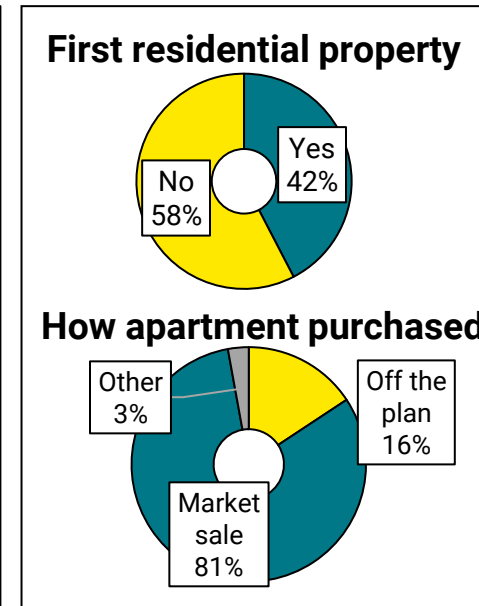
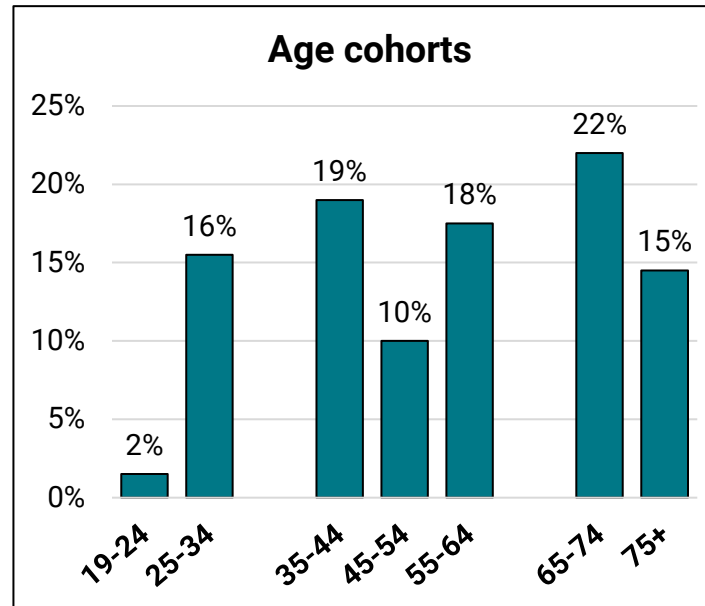
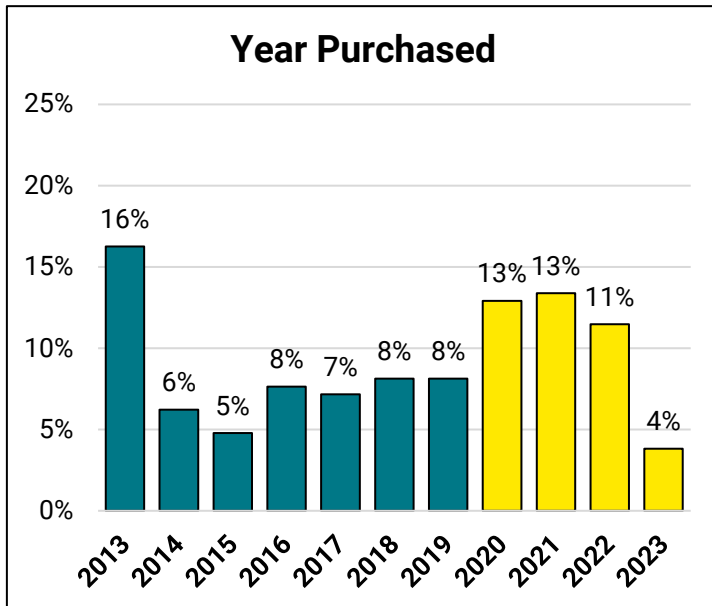
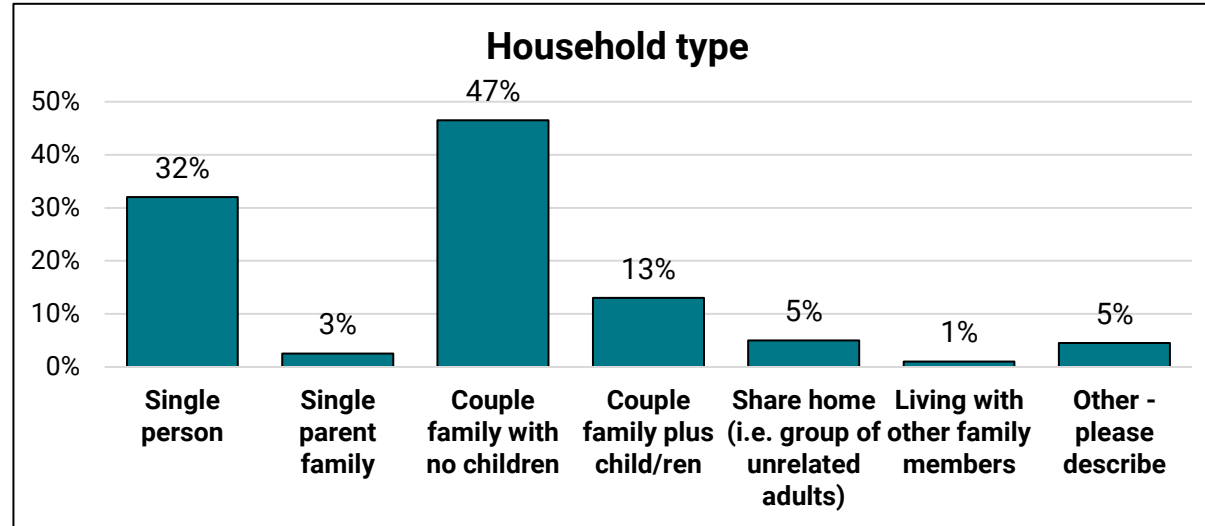


Age cohorts: 55% of the owner-occupiers surveyed are between 35-64 years old.

Household type: Almost half (47%) of owner occupiers surveyed identify as couple family no children.

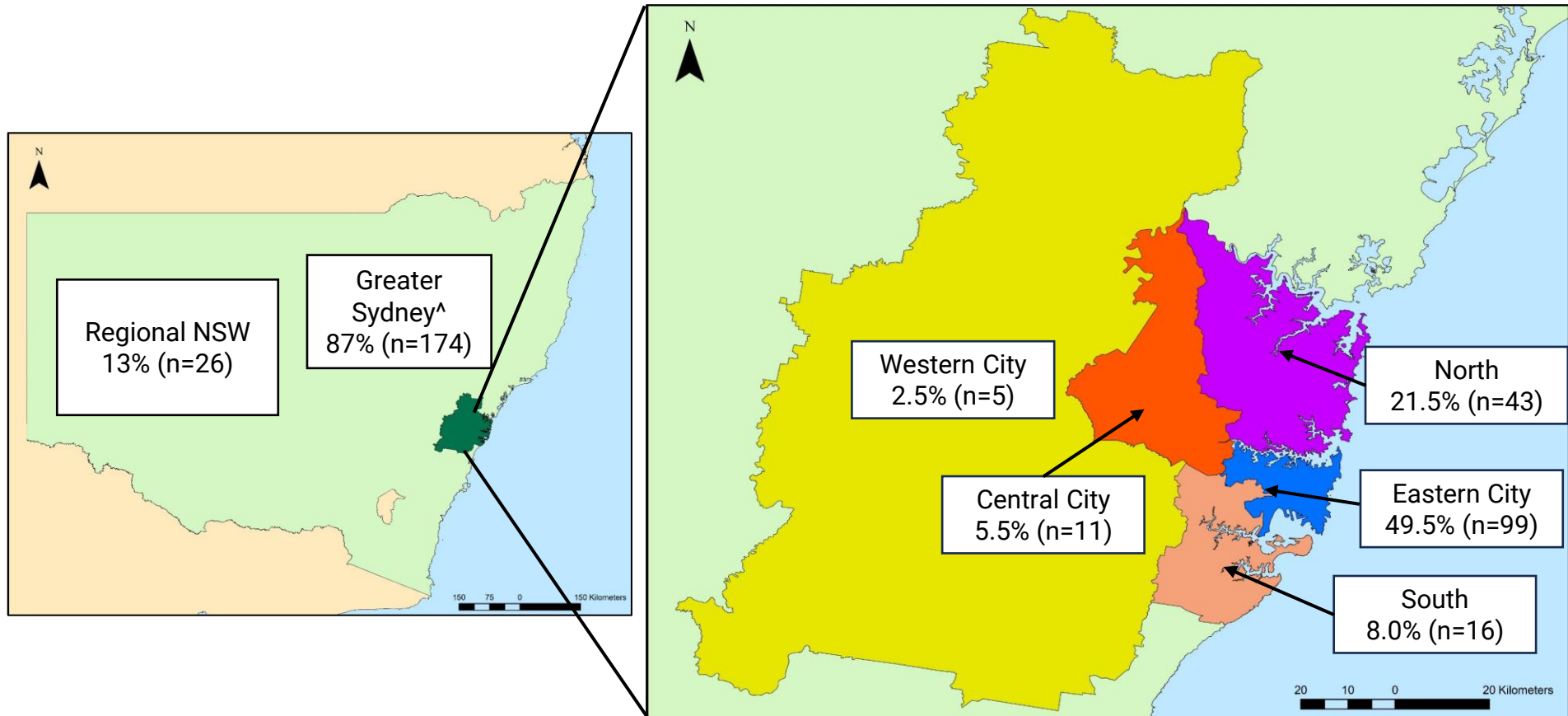
Purchase type: 81% purchased through a market sale. For 6 in 10 owners, this was not their first residential purchase.

When purchased: 4 in 10 purchased in the last 4 years (2020-2023).



The survey: key participant characteristics

Where people live: Most surveyed owner-occupiers live in Greater Sydney (87%) – specifically, in the Eastern City (49.5%) and North (21.5%) Districts.



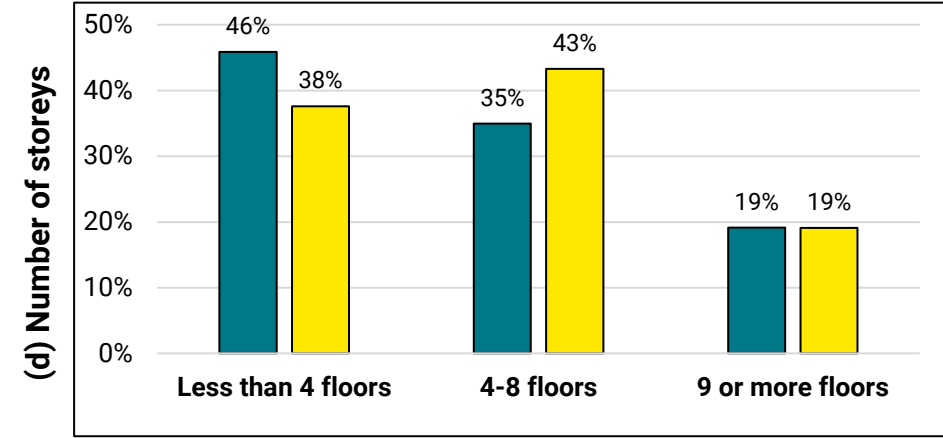
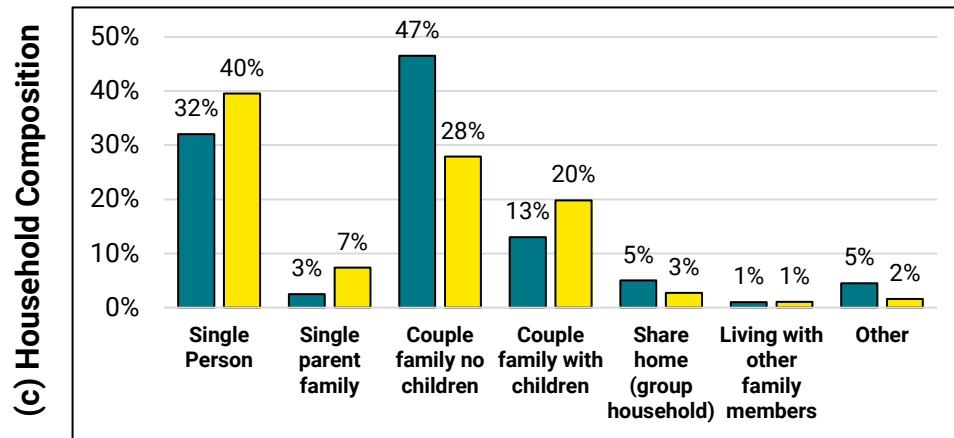
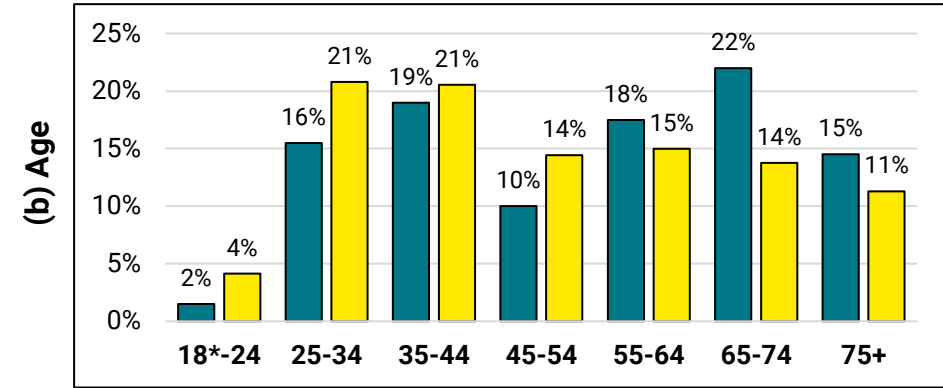
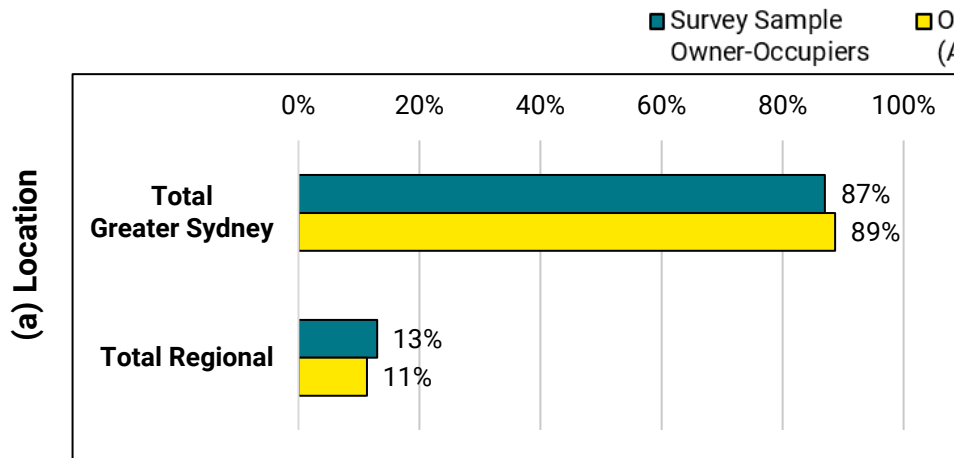
Q38. What suburb do you live in? Please write your answer in the box below. Percentage of complete owner-occupier responses (n=200).

[^]Greater Sydney as defined as NSW Planning Region (and associated 5 Districts).

The survey: representative sample



Characteristics of owner-occupiers surveyed are representative of owner-occupied apartment households in NSW (ABS 2021)[^] by (a) location, (b) age, (c) household composition and (d) number of storeys.



[^]The population analysed in 2021 Census data was defined by dwelling structure (private flats, units and apartments), tenure type (owned outright, owned with a mortgage), and household composition, residing in New South Wales. This was compared against the valid percentage of owner-occupier responses (n=200).

*To cover eligible survey participants, the first age range offered was 18-24. This survey group is compared against the 19-24 age range as reported by the Census.

The survey: key building characteristics

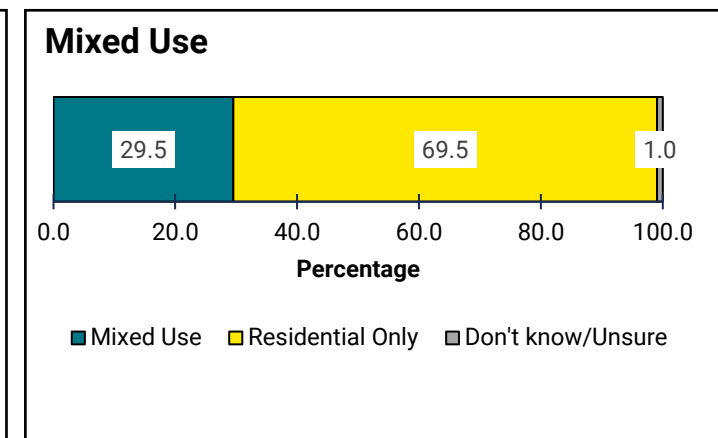
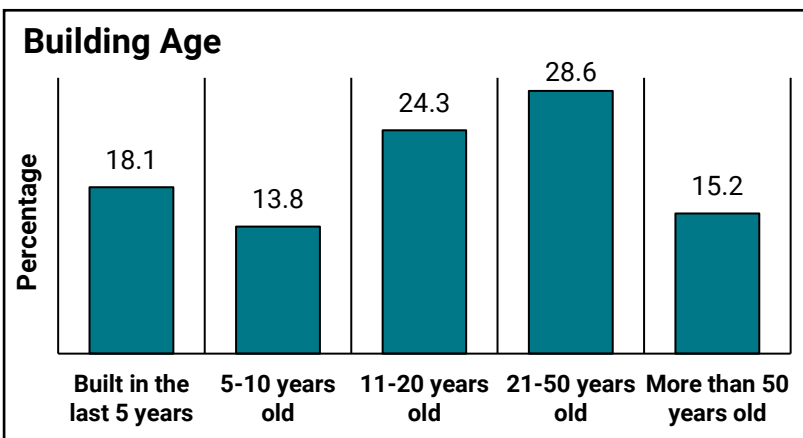
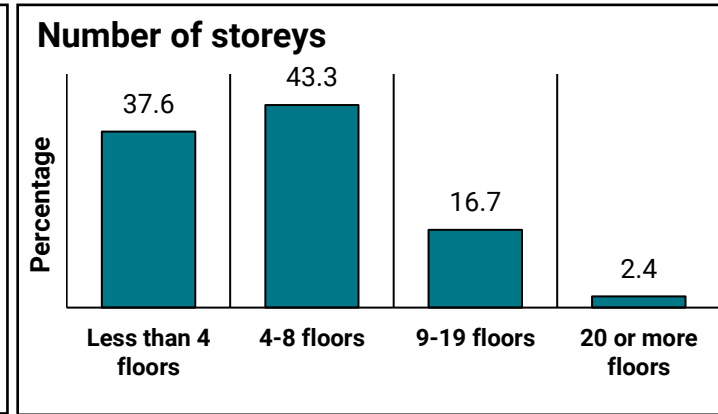
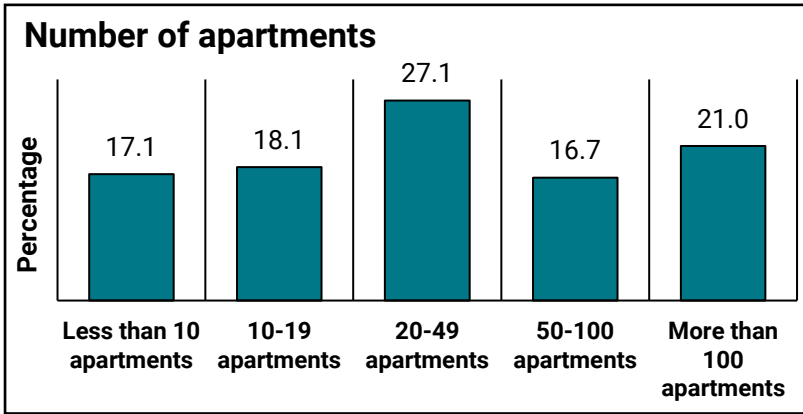
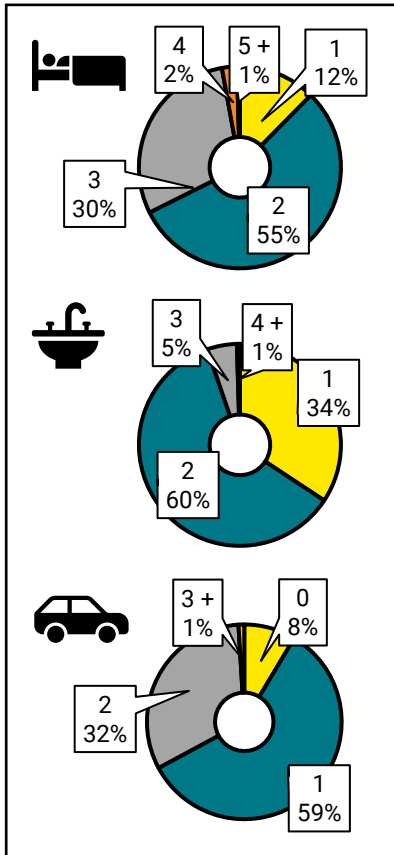
Apartment attributes: The most common apartment for owner-occupier survey participants had 2 bedrooms (55% of participants), 2 bathrooms (60%) and 1 car space (59%).

Building size: 8 in 10 participants live in a building with fewer than 9 storeys, and 6 in 10 live in a building with fewer than 50 apartments.

Building age: Over half of survey participants live in buildings between 10 and 50 years old (52.9%).

Mixed Use: 3 in 10 owner occupiers (29.5%) live in a building with commercial and residential uses.

PART 2: SURVEY FINDINGS



The Survey: The Results

Survey results are organised into three themes:

Theme 1)
Pre-purchase preferences:
Building type, age and size
(pp. 14-20)

Theme 2)
Selection: Importance of
building features and strata
scheme features
(pp. 21-24)

Theme 3)
Post-purchase reflections:
Perceptions after purchasing
(pp. 25-32)

Analysis

- Reporting is on owner-occupier responses only (n=210).
- Descriptive statistics (frequencies, percentages) were run for closed response questions.
- Open survey responses were coded thematically to draw out key factors that influenced purchaser decision-making. Open responses were coded exhaustively (i.e. open responses that discussed multiple elements were coded as many times as was relevant). Findings from the open response questions are reported in order by the number of times that a reason was mentioned.

Survey Theme 1: Pre-purchase preferences

The Questions

Survey questions in Theme 1 asked about pre-purchase preferences: key factors that were considered when people were looking to buy. We asked questions related to building form, context, and scale preferences:

Building/Development Size: By preferred number of apartments (range from less than 10 to more than 100)

Building/Development Age: By preferred building age (range from less than 5 years to more than 50 years old)

Building/Development Type: By preferred building type (selection from below options)



a) Narrow Infill Apartments



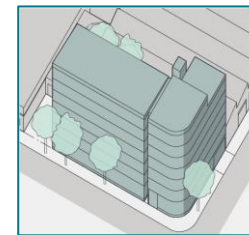
b) Row Apartments



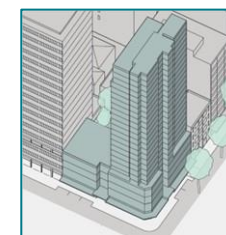
c) Shop-top Apartments



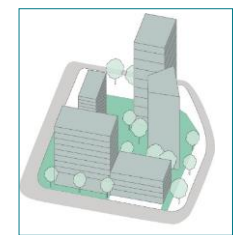
d) Courtyard Apartments



e) Perimeter Block Apartments



f) Tower Apartments



g) Tower Complex Apartments

Graphics Source: a) to f) NSW Department of Planning, Industry and Environment (2021) Draft Apartment Design Guide Appendix 8: Typologies (Apartment Building Types), g) provided by Government Architect NSW

Survey Theme 1: Pre-purchase preferences

Key findings: owner-occupiers



The apartment building owner-occupier survey participants were most attracted to was a medium rise building, with fewer than 20 apartments, built either 11-20 years ago, 5-10 years ago or in the last 5 years.



Participants were more attracted to medium rise apartment building types, which include courtyard apartment buildings (41% of participants selected), row apartments (39.5% selected) and narrow infill apartments (36.7% selected). This compares to 17.1% of participants that were looking for an apartment in a tower.



Participants preferred buildings with fewer apartments. The most common responses selected were less than 10 apartments (33.8% of participants selected) and 10-19 apartments (29% selected). Reasons for these size preferences were related to perceived benefits of living in smaller buildings: greater sense of community, and smaller strata schemes being easier to manage and with less 'big ticket' items to maintain (e.g. lifts, pools).



Building age preferences pre-purchase were more varied, split between new, 'middle-aged', and older buildings. For those who preferred something newer, the most common reasons included modern design, amenities and finishes, maintenance and repair costs in older buildings, and wanting something brand new.



Common reasons for preferring older buildings included a perception that older buildings have better construction quality, the building being old enough that issues are known and resolved, and concern about the risk of defects in new buildings.

Preferred building type:

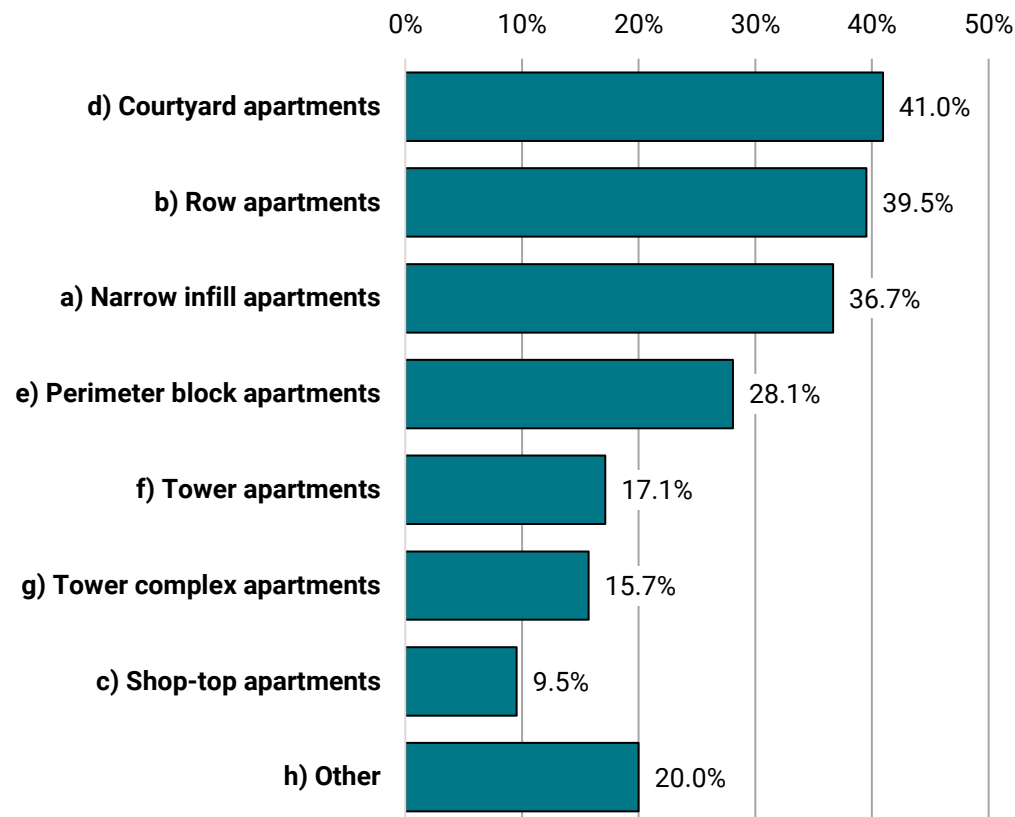
Owner occupiers more likely to be attracted to apartments in medium rise building types



Insights

- **NOTE: Survey participants were asked to select all options that apply, and some selected multiple responses.**
- Participants were more attracted to medium rise apartment building types, which include courtyard apartment buildings (41% of participants selected), row apartments (39.5% selected) and narrow infill apartments (36.7% selected).
- Survey participants were less attracted to high rise building types: tower apartments (17.1% selected) and tower complexes (15.7% selected).

Preferred Building Type
(Percentage of participants who selected each option)



Q21 When you were looking to purchase, what kinds of buildings were you attracted to purchasing? Please select all that apply.
Total number of owner-occupier responses n=436.

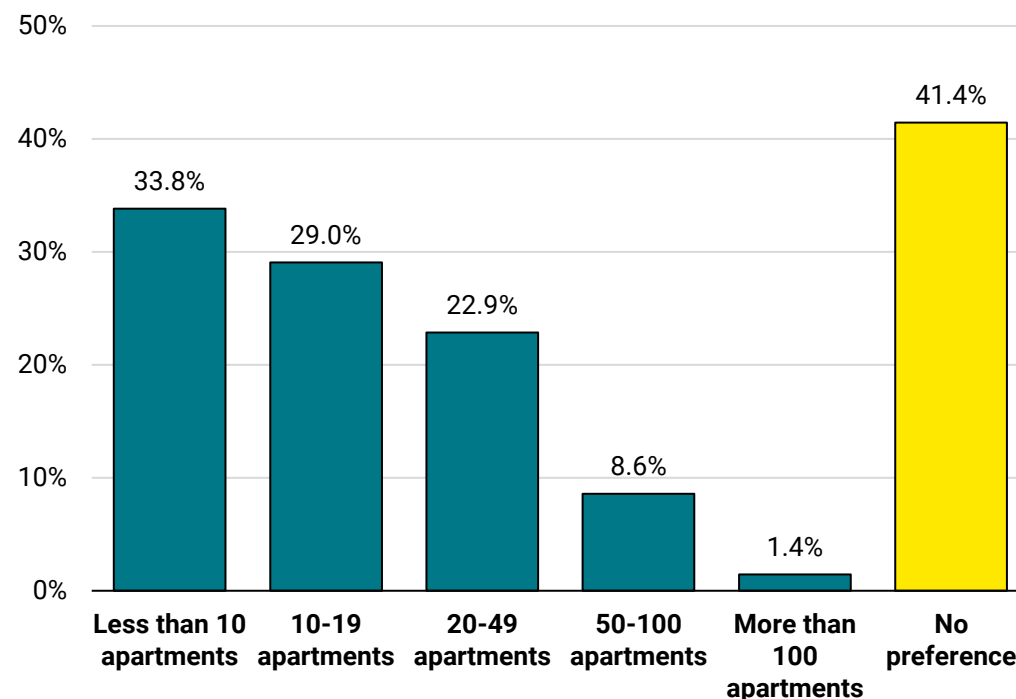
Preferred size

Buildings with fewer apartments were preferred

Insights

- **NOTE: Survey participants were asked to select all options that apply, and some selected multiple responses.**
- Participants preferred buildings with fewer apartments. The most common responses selected were less than 10 apartments (33.8% of participants selected) and 10-19 apartments (29% selected).
- Pre-purchase preferences decrease with the number of apartment buildings: 8.6% of participants preferred an apartment in a building with more than 50 apartments.
- 4 in 10 survey participants (n=87) did not have a preference on building size.

Preferred building size
(Percentage of participants who selected each option)



Q22 When you were looking to purchase your apartment, did you have a preference on the size of the building or development? Please select all that apply. Total number of owner-occupier responses n=288.

Size preferences: Top 5 reasons

When asked why they had selected a preference on building size, the top 5 responses mentioned by owner-occupiers related to the perceived benefits of living in a smaller building/smaller scheme:

TOP 5 REASONS	NUMBER OF MENTIONS*
1. Smaller associated with sense of community	32
2. Preference for medium density	26
3. Smaller schemes are easier to manage (governance and expenses)	26
4. Smaller schemes have less 'big ticket' strata expenses (e.g. lifts, pools)	20
5. Preferred building design and character	10

**Thematic coding of open responses to Q23: 'Why did you have this preference on size? Please briefly explain in the box below'. Only owners who reported a preference were asked a follow-up question about why (n=133). Each response was coded exhaustively (i.e. some responses addressed more than one theme).*

Preferred age:

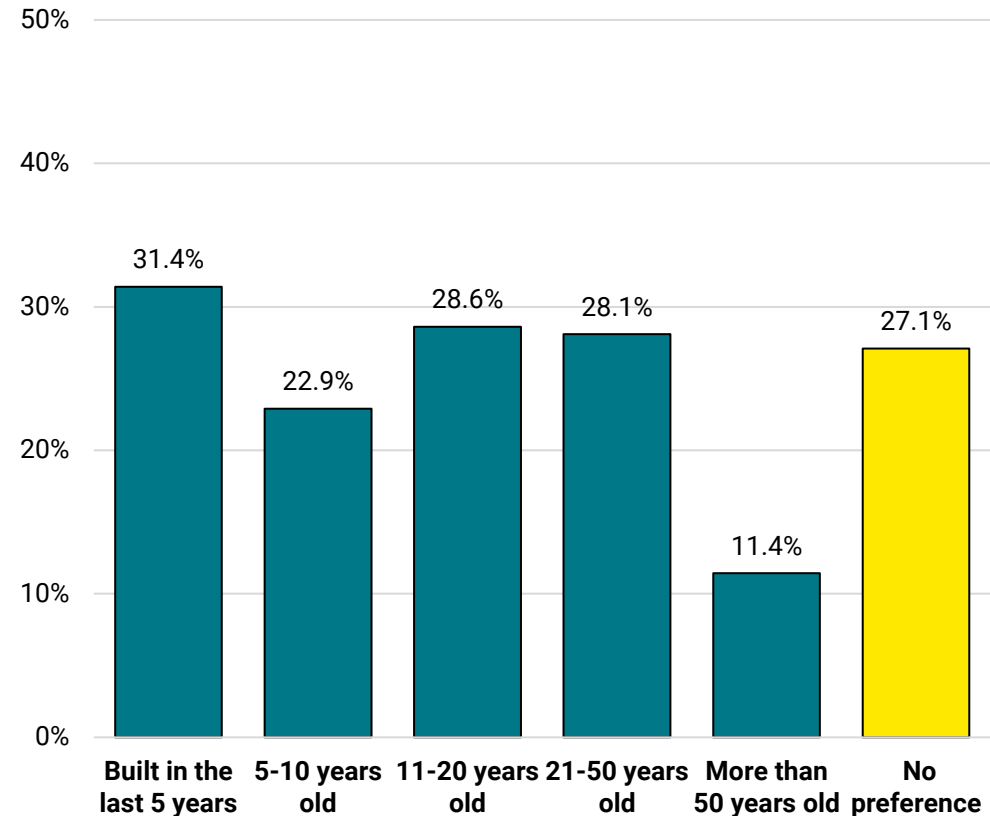
Preferences were split between new, 'middle-aged', and older buildings



Insights

- **NOTE: Participants were asked to select all options that apply, and some selected multiple responses.**
- The most preferred ages of apartment buildings were split, between new (built in the last 5 years, 31.4% selected; 5-10 years, 22.9% selected), 'middle aged' (11-20 years, 28.6% selected) and older (21-50 years old, 28.1% selected).
- Owners were less likely to prefer buildings that were more than 50 years old (11.4% selected).
- Participants were more likely to have a preference on age than size. Almost 3 in 10 survey participants (n=57) did not have a preference on building age, compared to 4 in 10 that did not have a preference on size.

Preferred Building Age
(Percentage of participants who selected each option)



Q24 When you were looking to purchase your apartment, did you have a preference on the age of the building or development? Please select as many as apply.
Total number of owner-occupier responses n=314.

Age preferences: Top 5 reasons

Reflecting the split in preferences for building age, the top 5 reasons mentioned* for having a preference on building age were more varied:

PREFERENCE FOR NEWER TOP 5 REASONS	NUMBER OF MENTIONS*	PREFERENCE FOR OLDER: TOP 5 REASONS	NUMBER OF MENTIONS*
1. Modern design, amenities and finishes (bathrooms, kitchens)	19	1. Older buildings associated with better construction quality and regulation	38
2. Maintenance and repair costs in older buildings	18	2. Old enough that issues are known and resolved	26
3. Wanted to buy something brand new (inc. off the plan)	10	3. Concern about risk of defects in new buildings	15
4. Concern about older buildings being more unsafe	4	4. More space in older buildings (inc. apartment size)	13
5. Buying something under warranty period	4	5. Design character features in older buildings preferred	8









*Thematic coding of open responses to the question: Q25: 'Why did you have this preference on age? Please briefly explain in the box below'. Only owners who reported a preference were asked a follow-up question about why (n=153). Each response was coded exhaustively (i.e. some responses addressed multiple themes).

Survey Theme 2: Selection








The Questions

The second part of the owner survey focused on building and strata scheme features people considered as part of selecting an apartment to buy. We asked owners about their perspectives on the importance of the following features and attributes:

Building Design Features

-  Number of storeys/floors
-  Number of apartments in the building
-  Accessibility features
-  Building materials used
-  Indoor communal spaces (e.g. meeting/social room)
-  Outdoor communal spaces (e.g. green space, seating, barbecues)
-  Facilities for residents (e.g. gym, pool, sauna, concierge)
-  Energy efficient design features (e.g. solar, rainwater tanks, EV charging)

Other Building Attributes

-  Size of the strata scheme
-  Balance of owner occupiers and investor owners
-  Strata fees (levies)
-  Financial health of the strata scheme
-  Maintenance and repair of shared facilities and amenities
-  Scheduled/upcoming maintenance and repair costs
-  The life of the building (how long it will last, adapted for future use)

Survey Theme 2: Selection

Key findings: owner-occupiers



Survey participants were presented with a series of options related to the relative importance of different building design features, and whether they considered a series of other factors about the building's strata scheme before purchasing.



Number of storeys (63.8% important), materials used (62.9% important), and number of apartments (58.6% important) were considered by owner-occupier survey participants as the most important apartment building design features from the provided options.



Features considered less important from the options provided were indoor communal spaces (54.8% not important) and facilities for residents (46.2% not important).



The most likely other scheme aspects to be considered by surveyed owner-occupiers from the options provided were the kinds of information provided by pre-purchase strata reports and building reports: maintenance and repair (88.6% considered), strata fees (88.1% considered), and financial health of the strata scheme (82.9% considered).



Aspects less likely to be considered from the options provided were the balance of owner-occupiers and investor-owners (43.3% didn't consider), the life of the building (30% didn't consider), and the size of the strata scheme (29.5% didn't consider).

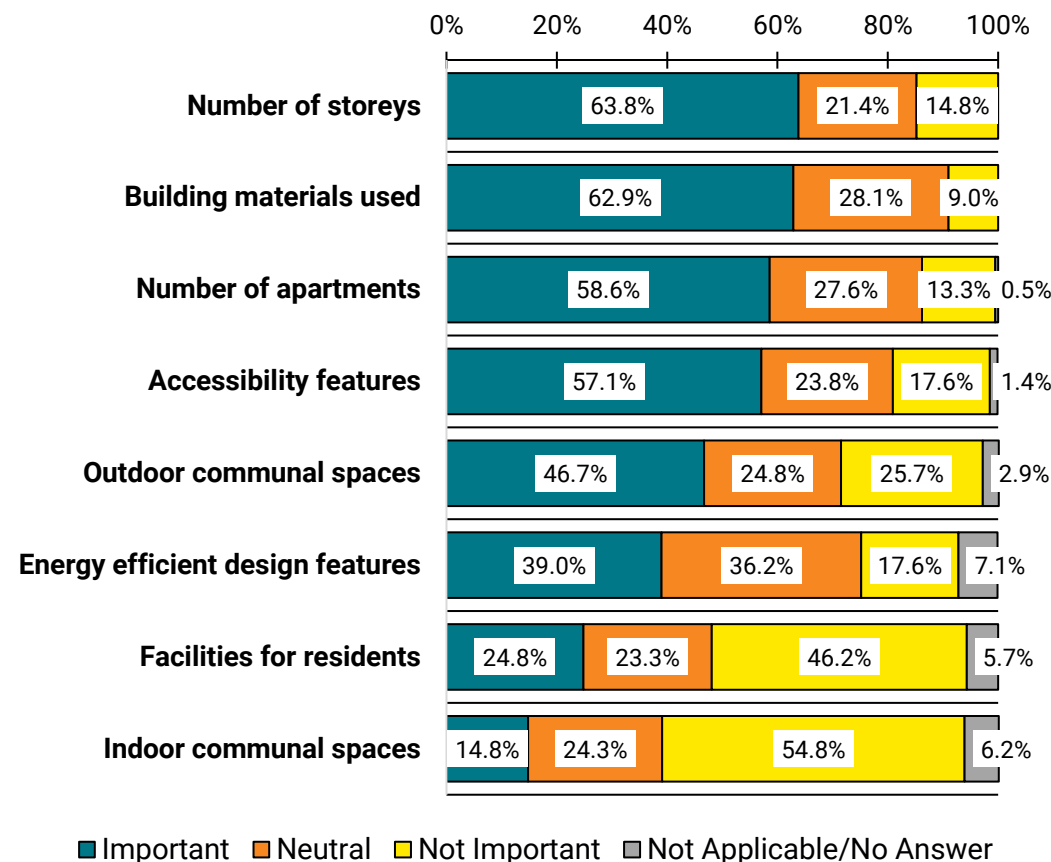
When purchasing, important building design features relate to building scale & materials



Insights

- Number of storeys (63.8% important), materials used (62.9%), and number of apartments (58.6%) were considered the most important building design features from the presented options.
- Accessibility features and outdoor communal spaces were also important.
- Indoor communal spaces (54.8% not important) and resident facilities (46.2% not important) were less important features for survey participants.
- 97 owner-occupier survey participants wrote a response for 'Other'. Common responses related to: aspect/outlook, apartment layout and design (e.g. cross ventilation, solar access), location, low maintenance and ongoing costs, and proximity to transport and services.

Importance of Building Design Features



Q26 'On a scale between important and not important, how important were the following building design features to you when you bought your apartment? Please choose one option for each feature in the carousel below'. Percentage of valid owner-occupier responses (n=210)

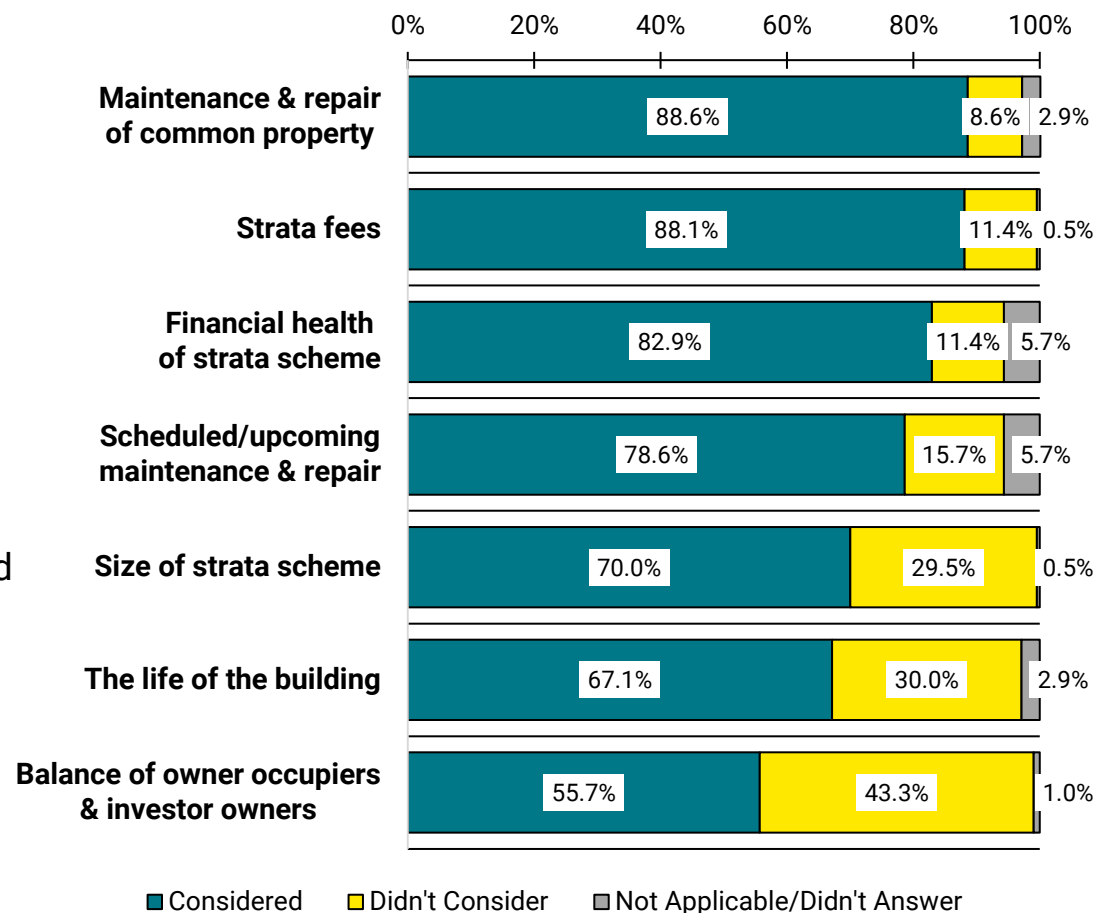
When purchasing, other attributes considered related to strata scheme finances



Insights

- The most likely aspects to be considered were the kinds of information provided by pre-purchase strata reports and building reports: maintenance and repair (88.6% considered), strata fees (88.1%), and financial health of the strata scheme (82.9%).
- Aspects less likely to be considered from the options provided were the balance of owner-occupiers and investor-owners (43.3% didn't consider), the life of the building (30%), and the size of the strata scheme (29.5%).
- 70 owner-occupier survey participants wrote a response for 'Other'. Common responses related to: location, surroundings and outlook, strata management, proximity to transport and services, and low maintenance/ongoing costs.

Other Building Attributes Considered



Q27 We are also interested in other aspects you may have considered when purchasing your apartment. Please choose one option for each feature in the carousel below. Percentage of valid owner-occupier responses (n=210).

Survey Theme 3: Post-purchase reflections

The Questions

The final part of the owner survey asked owners to reflect on their perceptions of their apartment, the building and the strata scheme, after purchase.

Questions asked owners to consider four aspects:



Building type purchased, and reasons why



Ability for buyers to find what they were looking for



Level of satisfaction with purchase, and reasons why



Hindsight – anything that purchasers would have considered

Survey Theme 3: Post-purchase reflections

Key findings: owner occupiers



When asked why they bought their apartment, preferred location, apartment layout and size, and apartment outlook/aspect were the most important reasons mentioned by owner-occupiers. Other reasons mentioned included affordability/price within budget, building form and layout, and access to green space.



Almost 6 in 10 survey participants purchased into medium rise apartment building types (narrow infill, courtyard and row apartment buildings comprised 56.3% of apartments purchased).



8 in 10 owner-occupiers reported that were able to buy the type of apartment they were looking for (31.1% strongly agree, 51.2% agree).



8 in 10 owner-occupiers (79.9%) reported they were satisfied with their purchase. The most mentioned reasons for being satisfied were related to apartment location, the apartment met criteria/needs, satisfaction with apartment design and layout, and the scheme being well managed and maintained.



More than 1 in 10 owner-occupiers (11.8%) reported they were not satisfied with their purchase, and nearly 1 in 10 felt indifferent (8.3%). The most mentioned reasons that owners were unsatisfied included governance difficulties, the presence of building defects, and apartment design features not ideal once in place.



When asked if there was anything that they would have considered in hindsight before purchasing, the most mentioned responses included the challenges of living in a strata scheme, aspects of apartment design (including acoustics, parking, shared walls, and storage), and construction quality/building defects.

Reason for purchase: Top 8 reasons

When asked why they had purchased their apartment (all types), the top 8 reasons* for owner-occupiers included:

TOP 8 REASONS	NUMBER OF MENTIONS*
1. Was in preferred location	71
2. Apartment layout and size	35
3. Apartment outlook/aspect	29
4. Affordability/price within budget	28
5. Building form and layout	28
6. Access to green space (outlook and space to be in)	21
7. Convenience (proximity to transport, services and amenities)	15
8. Suitability/met needs/suited lifestyle	11

Q30 In the box below, please briefly explain why this apartment building was your chosen option.

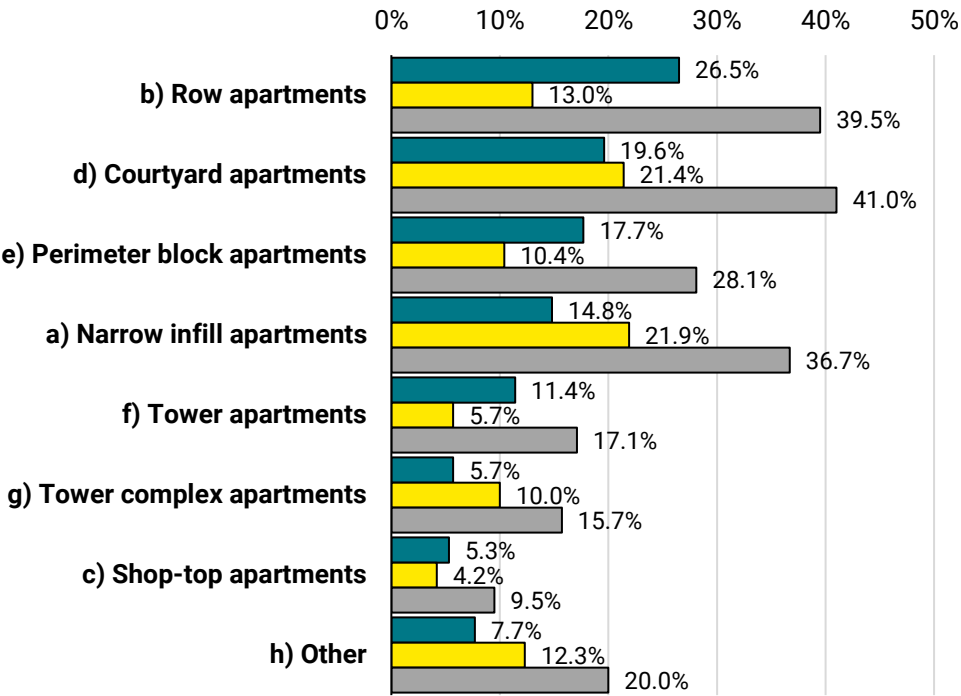
*Those with more than 10 mentions

Broad alignment between what people were attracted to and what was purchased

Insights

- Almost 6 in 10 survey participants purchased into medium rise apartment building types (narrow infill, courtyard and row apartment buildings comprised 56.3% of apartments purchased)
- Tower and tower complex buildings accounted for 15.7% of buildings purchased.
- The percentage difference was calculated between what people were attracted to and what was purchased to understand the gap between desire and available supply. The largest shortfall between what people were attracted to and what was purchased was for row apartments (26.5%), courtyard apartments (19.6%) and perimeter block apartments (17.7%).

Building type purchased: compared to preferences before purchasing

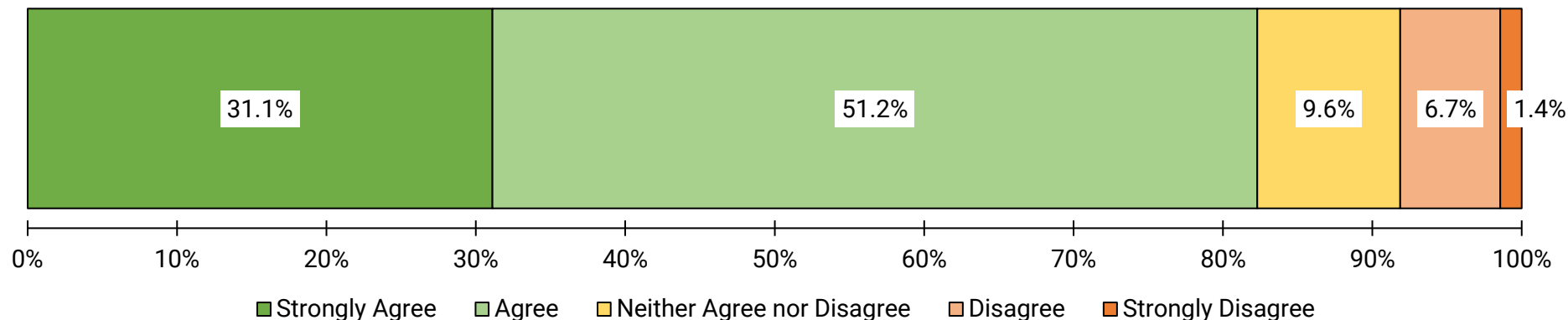


- Percentage difference (type purchased - type attracted to)
- Building type purchased (Q29)
- Types attracted to before purchase (Q21)

Q29 What kind of building did you end up buying into? Please select one option only that best describes the building. Percentage of valid owner-occupier responses (n=209).

8 in 10 respondents were able to buy what they were looking for

Agreement with statement: 'I was able to find the type of apartment that I wanted when I was looking to buy'



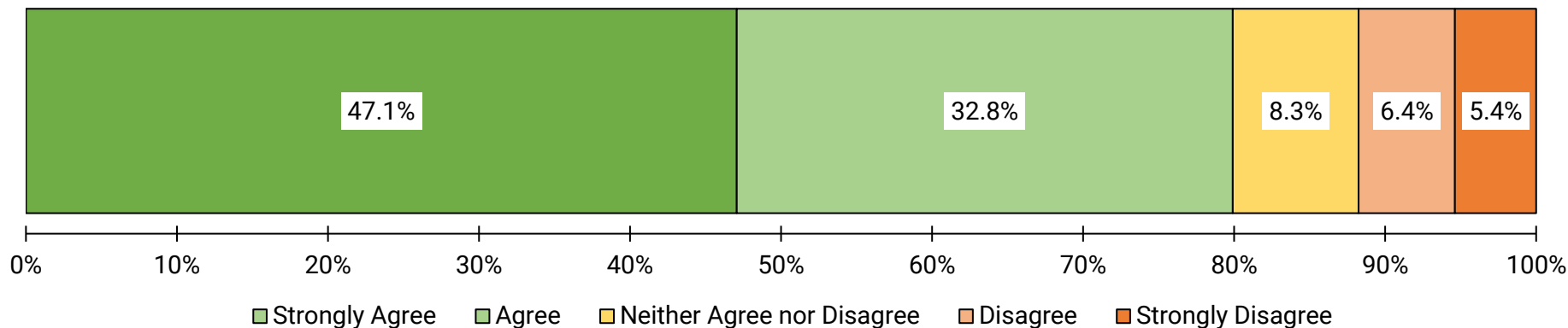
Insights

- 8 in 10 owner occupiers were able to find the type of apartment they were looking for when purchasing.
- More respondents agreed (51.2%) than strongly agreed (31.1%) with this statement.
- Almost 1 in 10 (8.1%) were not able to find the type of apartment they were looking for, suggesting space for greater alignment of options and choice.

Q28 To what extent do you agree with the following statement: 'I was able to find the type of apartment that I wanted when I was looking to buy'.
Valid percentages of owner occupier responses (n=209).

8 in 10 respondents were satisfied with their purchase

Agreement with statement: 'I am satisfied with my purchase'



Insights

- 8 in 10 owner-occupier purchasers surveyed (79.9%) were satisfied with what they purchased, and almost half of the owners surveyed were very satisfied (47.1% strongly agree).
- More than 1 in 10 were not satisfied with their purchase (11.8%).
- Nearly 1 in 10 felt indifferent about their purchase (8.3%).

Q31 To what extent do you agree or disagree with the following statement: 'I am satisfied with my purchase'*. Valid percentages of owner occupier responses (n=204).

Satisfaction with apartment purchase

What we heard



When asked to explain how satisfied owners were with their purchase, the top 8 reasons mentioned* included:

REASONS WHY SATISFIED	MENTIONS	REASONS WHY UNSATISFIED	MENTIONS
1. Is in a convenient/preferred location	54	1. Governance difficulties (with strata committee and/or strata manager)	19
2. Suitability/met criteria/needs	26	2. Presence of building defects	16
3. Apartment size and layout	23	3. Aspects of apartment design not ideal	7
4. Scheme is well managed and maintained (inc. fees)	22	4. Difficulties with developer builder	7
5. Well built and designed (building quality)	21	5. Costs and fees associated with strata living	3
6. Affordability/price within budget	15	6. Poor existing maintenance and repair	3
7. Apartment outlook/aspect	15	7. Lack of understanding about living in strata	2
8. Good community/good neighbours	14	8. Missing/incomplete strata records	2

Q32 Can you tell us why [this was your answer to Q31]? Please briefly explain your answer in the box below.

*Answers coded thematically by satisfaction/unsatisfaction.

Hindsight

What owners would have considered

When asked if there was anything in hindsight that they wished they had considered before purchasing, the top 8 responses* included:

TOP 8 RESPONSES	NUMBER OF MENTIONS*
1. Challenges of living in strata (inc. interpersonal issues with committee, decision-making processes, fees and levies, adjusting to strata)	36
2. Aspects of apartment design (including acoustics, parking, storage)	16
3. Construction quality/building defects	15
4. More information before purchasing	10
5. Would have purchased something else (house, townhouse, another apartment)	10
6. Content / nothing to add	9
7. Maintenance and repair costs/schedules	9
=8. Changing local character	6
=8. Challenges with neighbours	6

Q33 In hindsight, is there anything that you wished that you considered before purchasing? Please briefly explain your answer in the box below.

*52 owner-occupier respondents did not give an answer for this question (i.e. Answered 'No', 'Not Applicable')



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PART 3

Interview Insights

The interviews: characteristics

The interview phase was designed to focus on the specific details and lived experience of purchasing an apartment, from a subset of survey respondents. Interviews sought to capture a variety and diversity of owner experiences across eight characteristics (below).

Interviews were conducted in July 2023 and facilitated online using Microsoft Teams. Interview transcripts were analysed thematically to draw out key themes related to apartment choice and perceptions. A selection of indicative interview quotes from owner-occupiers (n=17) were chosen to illustrate the discussion of themes in this report.

CHARACTERISTIC	COVERAGE FROM SAMPLE
1) Building Type	Tower (n=5), Courtyard (4), Narrow Infill (4), Perimeter Block (3), Tower Complex (1), Row (1), Shop-Top (1), Other (1)
2) Owner Type	Owner Occupier (17), Investor Owner (3)
3) Satisfied Purchase	Satisfied (13), Unsatisfied (6), Neutral (1)
4) Size Of Building	Low Rise <4 storeys (7), Medium Rise 4-8 storeys (6), High Rise >9 storeys (7)
5) Age Of Building	Less than 10 years (5), 10-20 years (4), More than 20 years (11)
6) Location*	Inner Sydney (7), Greater Sydney (6), Regional Centre (6), Regional (1)
7) Age Of Owner	19-34 (6), 35-64 (9), 65+ (5)
8) Gender	Female (10), Male (10)

**Location defined as: Inner Sydney – suburbs in the Eastern City District and North District; Greater Sydney – suburbs in the Central City, Western City, and South Districts; Regional Centre – suburbs in the Central Coast, Illawarra and Hunter Regions; Regional – suburbs in the North Coast, South East and Tablelands, Riverina, New England and North West, Central West, and Far West Regions.*

Key interview insights

What we heard from interviews with owner-occupiers



Analysis of interviews with 17 owner-occupiers provides further insights, highlighting five factors that influence apartment building perceptions and final choice:

- 1 Apartment living was a preference across life stage and household composition.** Drivers include preferred location, proximity to transport and services, lifestyle affordances, and convenience.
- 2 Some building design features make medium-high density more comfortable.** Commonly mentioned features included view and outlook, separation distance between buildings, and green spaces (for both outlook, and a place to be in).
- 3 Smaller buildings were chosen for a greater sense of community.** Two-thirds of the owners interviewed purchased into medium density buildings, and many explained that they had chosen a smaller building for a greater sense of community.
- 4 Building age is associated with build quality.** Purchasers were cautious when it came to considering new buildings, citing media coverage and market awareness of high-profile apartment defects.
- 5 Governance risks vary with scheme size.** Interviewees identified different perceived risks of buying into smaller or larger strata schemes. This choice impacts decision-making processes and ongoing costs.

Theme 1: Preference for apartment living

The majority of interviewees reported that it was their preference to purchase and live in an apartment. This preference was observed across life stage, location and household composition. Drivers include preferred location, proximity to transport and services, lifestyle affordances, and convenience. For many owners interviewed, their apartments were not framed as places of transition; people were purchasing to live in place for the medium to long term.

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“
The location was king in a lot of our decisions. We only had one car... We needed somewhere where we could easily access public transport. We could easily walk to town. I could easily walk to Uni, the train, all those sorts of things.

003 (Female, 19-34, Regional Centre, Dissatisfied, Narrow Infill Apartment Building, 4-8 Storeys, Building Age 20+ Years)

“
“
We wanted to go for an apartment because we have busy lives and we want the services. We don't want to take out the trash, I don't want to take care of maintenance... We are very happy because the complex has a swimming pool and a gym. It's the only way I have to go to the gym because that way I can go early in the morning, otherwise it doesn't happen.

009 (Male, 35-64, Inner Sydney, Very Satisfied, Perimeter Block Apartment Building, 4-8 Storeys, Building Age Less Than 5 Years)

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“
I was downsizing from a four-bedroom house and I had family, two sons that are were not living at home anymore and I just felt it was time for me to move on from the house. I didn't want all the associated, not necessarily the cost, but all the ongoing worry about the maintenance of a house. [...] My longevity in the place is extended because it's got a lift, so I don't have to worry about climbing stairs as I age.

007 (Female, 35-64, Greater Sydney, Neutral, Tower Apartment Building, 9 or more storeys, Building Age 20+ Years)

“
“
We bought with the idea of a place to live and a place to live long term... We want to live in this apartment as long as we possibly can. There was discussion about having kids and whether this was big enough. I think the only time we would move is if we had children and they were teenagers. We want to have kids in this apartment, at least for a little bit, and stay as long as we can.

005 (Female, 19-34, Inner Sydney, Very Satisfied, Courtyard Apartment Building, 4-8 Storeys, Building Age 20+ Years)

Theme 2: Building design features make density comfortable



Interviewees described features of their apartment buildings that made living in medium-high density comfortable for them. These features were key to their final selection, and related to how satisfied they were with their final purchase. Commonly mentioned features included view and outlook, separation distance between buildings, and green spaces (as both an outlook, and a place to be in). Views and building separation gave owners 'space to breathe', and not feeling like they were 'hemmed in' or 'locked in'. Some owners discussed prioritising aspect over apartment size.

“
“ *This apartment stood out for us because we walked into it and immediately they had floor to ceiling windows... we had these massive windows, which allowed us to create the illusion of space. That was the kind of thing that got us through lockdown in that apartment... we felt there was so much more space to breathe, even though the apartment was itself was quite small.*

003 (Female, 19-34, Regional Centre, Dissatisfied, Narrow Infill Apartment Building, 4-8 Storeys, Building Age 20+ Years)

“
“ *We were prepared to pay more for the location and the aspect rather than for the floor space, if you like... It was a nice open plan apartment. For a two-bedroom apartment it is very open to the outside, long windows and sliding doors and a nice big veranda looking out. It had that aspect, and we would not get that feeling of being hemmed in in a small apartment.*

0011 (Male, 65+, Inner Sydney, Satisfied, Tower Complex Apartment Building, 9 or more Storeys, Building Age 10-20 Years)

“
“ *...the way that the buildings are being built now, the taller ones really dominate. The setbacks are not great. Older buildings often have a bit of space around them, including ours. There's garden space around it. Quite often in older ones you would have lawns, quite large areas, whereas the new ones they take them as close as they can to the block perimeter.*

001 (Male, 35-64, Regional Centre, Very Satisfied, Row Apartment Building, 4-8 Storeys, Building Age 20+ Years)

“
“ *It was a huge selling point to walk in and see that garden and go, "This garden is well maintained". It's a reflection of a good strong committee and owners that care about this space, versus sometimes you walk in and you go "Well, this is a garden that a developer built and clearly nobody loves it". So we could see that difference. This gardens had some love.*

0014 (Female, 19-34, Inner Sydney, Very Dissatisfied, Courtyard Apartment Building, Under 4 Storeys, Building Age Under 5 Years)

Theme 3: Smaller buildings were chosen for a greater sense of community

A sense of community was desired by apartment purchasers. Community was associated with friendliness, familiarity, safety, accountability, and minimal issues between neighbours. Two-thirds of the owners interviewed lived in medium density buildings, and many explained that they chose smaller buildings for a greater sense of community: less owners facilitated stronger connections. Important spaces for community building were settings for incidental social interactions (e.g. stairwells and thoroughfares). Owners in larger buildings noted the importance of organised groups and activities for creating a community feel.

“
“ I was very set on the 60s style apartment, so the low density where you don't have a lift, you have those interactions with your neighbours on the stairwell. [...] I lived in a large complex in Waterloo over 10 years ago and I remember it being really impersonal. No one would interact with each other... You want to be able to have interactions and know your neighbours' names. I think that happens more in the smaller developments.

008 (Female, 35-64, Inner Sydney, Very Satisfied, Other (Apartment Complex), Under 4 Storeys, Building Age 20+ Years)

“
“ Whether it was rational or not, we often think of going and staying in a hotel... People come in and they go in the room, close the door and you never meet them. We sort of felt, without ever having lived in one [an apartment], we felt that it would be similar to that. In this one, we believed it would lead to being far more familiar... That's turned out to be the case because when you walk out, you walk through the main courtyard and no one quietly slips in or out.

002 (Male, 65+, Regional, Very Satisfied, Courtyard Apartment Building, 4-8 Storeys, Building Age 10-20 Years)

“
“ It's a small strata [scheme]. That's another thing we didn't really know going in buying. We were looking at, there was a place in Redfern and that was like 120 units, one of the taller ones. Looking back on it, thank God we didn't get that because I just think it's just anonymous and you don't know people. When somebody leaves their rubbish out, there's no accountability. Having a smaller community vibe makes that difference.

0014 (Female, 19-34, Inner Sydney, Very Dissatisfied, Courtyard Apartment Building, Under 4 Storeys, Building Age Under 5 Years)

“
“ I guess I define the community based on who we see frequently out the back in the yard, and whom we may give a spare key to, or have their spare key, which we do have for our neighbour. It's knowing people's names. Also, as mentioned before, it's serving on a small strata committee with some of those neighbours.

0013 (Male, 35-64, Regional Centre, Very Satisfied, Shop-top Apartment Building, Under 4 Storeys, Building Age 20+ Years)

Theme 4: Building age is associated with build quality



The survey found that more people had a preference on building age than size. Targeting this point further in interviews, owners discussed how they perceived older buildings to be better quality. Purchasers were cautious regarding new buildings, citing media coverage and market awareness of high-profile apartment defects. Developer reputation and history are important factors for the uptake of new builds. As a trade-off, older buildings required consideration of existing condition and upcoming maintenance and repair before buying.

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“
Looking at all these Mascot Towers, Canterbury Towers, all these really shoddy builds. I'm glad I went for at least 11 years old because by that time if it's a poor build defects start to show up. As we know, this building's got its issues, but it hasn't got intrinsic defects. It's got ongoing maintenance and strata levies.

007 (Female, 35-64, Greater Sydney, Neutral, Tower Apartment Building, 9 or more Storeys, Building Age 20+ Years)

“
“
Towers are generally newer and the number of defects that I've heard about are just too worrying to even consider looking at towers. This place was [built in] 1984 I think, double brick. Sure, some things need to be upgraded, but I wouldn't say that they're like defects that that would have come about in the first six months after being built.

0017 (Female, 35-64, Greater Sydney, Satisfied, Courtyard Apartment Building, Under 4 Storeys, Building Age 20+ Years)

“
“
A lot of the apartment buildings that were around and had three bedrooms were new. We knew enough even back then in 2016 [when we bought]. I've been a strata owner before. I knew enough about strata buildings to know I did not want to buy a new building at that point. I knew how unregulated it was and how appalling the situation was. [...] We just knew that buying a new building you were taking on as the purchaser an awful lot of risk and in a way where you weren't protected.

001 (Male, 35-64, Regional Centre, Very Satisfied, Row Apartment Building, 4-8 Storeys, Building Age 20+ Years)

“
“
There was either the cheap new builds we didn't want to a bar of and then there was apartments by [developer] that were good but were outside our price range. Knowing the industry, we would have bought a brand new apartment if it's done by [developer], whereas a lot of brand new apartments we wouldn't go near. And the quality, we've got good knowledge of the quality of what they produce. So we're not against new apartments, I think, which is unlike a lot of other people and a lot of our friends. We're just against poorly built newer apartments.

005 (Female, 19-34, Inner Sydney, Very Satisfied, Courtyard Apartment Building, 4-8 Storeys, Building Age 20+ Years)

Theme 5: Governance risks vary with scheme size

Interviewees described how they assessed different perceived risks of buying into smaller or larger strata schemes. Smaller schemes are perceived as easier to manage: they have less 'big ticket' items to maintain, but costs are distributed across less people and can require more individual effort to manage. Larger schemes are seen as more expensive due to maintaining lifts and shared facilities, but have an economy of scale, and are seen as likely to have multi-faceted management of the building. Interviews show that owners are considering size and how building choice impacts decision-making processes and exposure to ongoing costs.

“
“
As soon as you have lifts and things like that, your strata fees go up. If you have a lower scale building, like here, there are no lifts, it's all stairs, which isn't great for accessibility but is cheaper for your strata fees.

0016 (Female, 19-34, Greater Sydney, Satisfied, Narrow Infill Apartment Building, Under 4 Storeys, building Age 20+ years)

“
“
I still think that we did balance up the risk and the benefit of having a larger versus a smaller number of apartments in strata. The cost to rectify something that's wrong with the building split twenty ways is much less than if it's split four ways or something like that.

003 (Female, 19-34, Regional Centre, Dissatisfied, Narrow Infill Apartment Building, 4-8 Storeys, Building Age 20+ Years)

“
“
The first reason for low density is you don't have lifts, and you tend not to have a lot of facilities that require maintenance and upkeep. You know what you're dealing with... the second reason is that we are usually heavily involved in the strata committee and we find it easier to be involved in small buildings because it's more of a community. A relatively small strata committee is easy to manage.

0013 (Male, 35-64, Regional Centre, Very Satisfied, Shop-top Apartment Building, Under 4 Storeys, Building Age 20+ Years)

“
“
I think the only red flag I would have for the number of apartments is blocks with like four people. I think that can be a bit problematic... if you have one problem person, they've got 25% of the voting rights... That wouldn't be a complete red flag. I would have been wary but still bought a place if I liked it enough. I think a lot of people don't like big blocks, but I think it means you have the money to outsource a lot of your work to professionals, which I see as a good thing.

005 (Female, 19-34, Inner Sydney, Very Satisfied, Courtyard Apartment Building, 4-8 Storeys, Building Age 20+ Years)

Closing reflections

- Taken together, survey and interview findings illustrate some of the preferences, trade-offs and compromises related to apartment building selection, while also negotiating individual budgets, purchase price and preferred location.
- For the owners surveyed, 8 in 10 reported they were able to find the type of apartment they were looking for. When owners were looking to purchase, medium rise buildings were their preference, as were buildings with less apartments. This invites consideration around how apartment buildings that are currently being built match up with these preferences (what is being built, and where).
- People are choosing to live in apartments, particularly well-located apartment buildings that feel comfortable. Location was key to final apartment selection, as was apartment design and size. Building design features, primarily outlook/view, separation distance between buildings, and green spaces, were important for comfort in medium-high density settings.
- We heard that while some purchasers preferred new buildings, most are cautious and wary of recent builds. Older buildings are associated with building quality, and some owners identified buildings they believed were old enough that any issues would have been identified and resolved. The preference for older buildings points to the importance of maintaining existing stock well, and consideration of how the desired design features in older buildings can inform supply discussions. Developer reputation was highlighted as important for the uptake of new apartment buildings.
- Strata governance is crucial for how satisfied people feel with their apartment purchase. Governance challenges were the most mentioned reason for being unsatisfied after purchase, and challenges with strata governance was the number one consideration owners raised in hindsight. Interviews showed that risks considered by purchasers varied with scheme size. Prospective apartment purchasers would benefit from greater awareness of what is involved when buying into a strata scheme.

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