

26 November 2016

# Work out your life per metre

**JONATHAN  
CHANCELLOR**



@titledattle

**T**here's no doubt that after location, the number of bedrooms and bathrooms fundamentally determines the selection of an apartment to buy.

The aspect and view become important once you are inside. The standard of fitout certainly comes into play in any pricing.

Recently, apartment size has become a mild influencer as Sydneysiders embrace a purchasing reckoner more common in other international cities, especially across Asia.

Calculating the per-square-metre price of apartments has emerged — especially for off-the-plan acquisitions — as a way to evaluate market value.

Australia has typically used median apartment data in our calculations, which has become more segmented given the obvious differences between studios and penthouses.

The sale of the two Opera Residences penthouses earlier this month that established new price records has highlighted the increased emphasis on price per square metre.

They sold at \$26 million and \$27 million, but details released showed they fetched a stellar \$95,000 per sq m.

The price level is comparable to Manhattan in

New York and Knightsbridge in London — though not quite matching the world's most expensive apartment currently for sale in Monaco. The five-floor La Tour Odeon penthouse has a reported \$US335 million asking price for its 31,500-square foot (2900sq m) space, which equates to \$US122,000.

The Sydney Opera Residences penthouses came with around 275sq m internal space, with three bedrooms, four bathrooms and a triple lock up garage.

The sub-penthouses in the Macquarie Street complex sold for around \$16 million so reflected around \$85,000 per sq m. They had an internal area of 183sq m and came with two car spaces.

The sales represented a big jump on prior benchmarks.

The previous highest recorded rate per square metre was set in the nearby Bennelong "Toaster" development in 2008 when the Moran family bought an adjoining 260sq m penthouse for \$16.8 million.

At \$64,000 a square metre there was something of a one-off premium because the Morans planned to extend, so were happy to pay the opportunity cost.

Until the latest price hike, Omnia, Kings Cross' newest development, held the price per square metre honours after an \$11 million penthouse

off-the-plan sale last year. It reflected \$62,000 per square metre price.

The price per square metre trend has mostly come to the fore due to the off the plan marketing of new high density projects across Sydney.

But ever since the 13-storey Astor high-rise was built on Macquarie St in the 1920s, Sydney has led the nation in apartment living popularity.

Sydney has 21sq/km of what's called high density. Melbourne has one square km with no other city in Australia ranked. By comparison, London has 327 square kilometres where there is a similar high density of 8000-plus people per square kilometre.

Research from the Urban Taskforce demonstrates that apartment values per square metre actually go up with greater density.

A typical apartment in high-rise Chatswood will be \$9000 a square metre compared with a mid-rise apartment in Lindfield at \$6500. Potts Point apartments are selling at \$11,000 per sq m, compared to Edgecliff's \$8300.

Parramatta apartments have been selling at \$6000 per sq m, while Westmead is \$4750. Randwick is at \$9300 and Zetland at \$6600.

While price per square metre calculations are very handy, they ought not to be the reason to buy or not buy.