

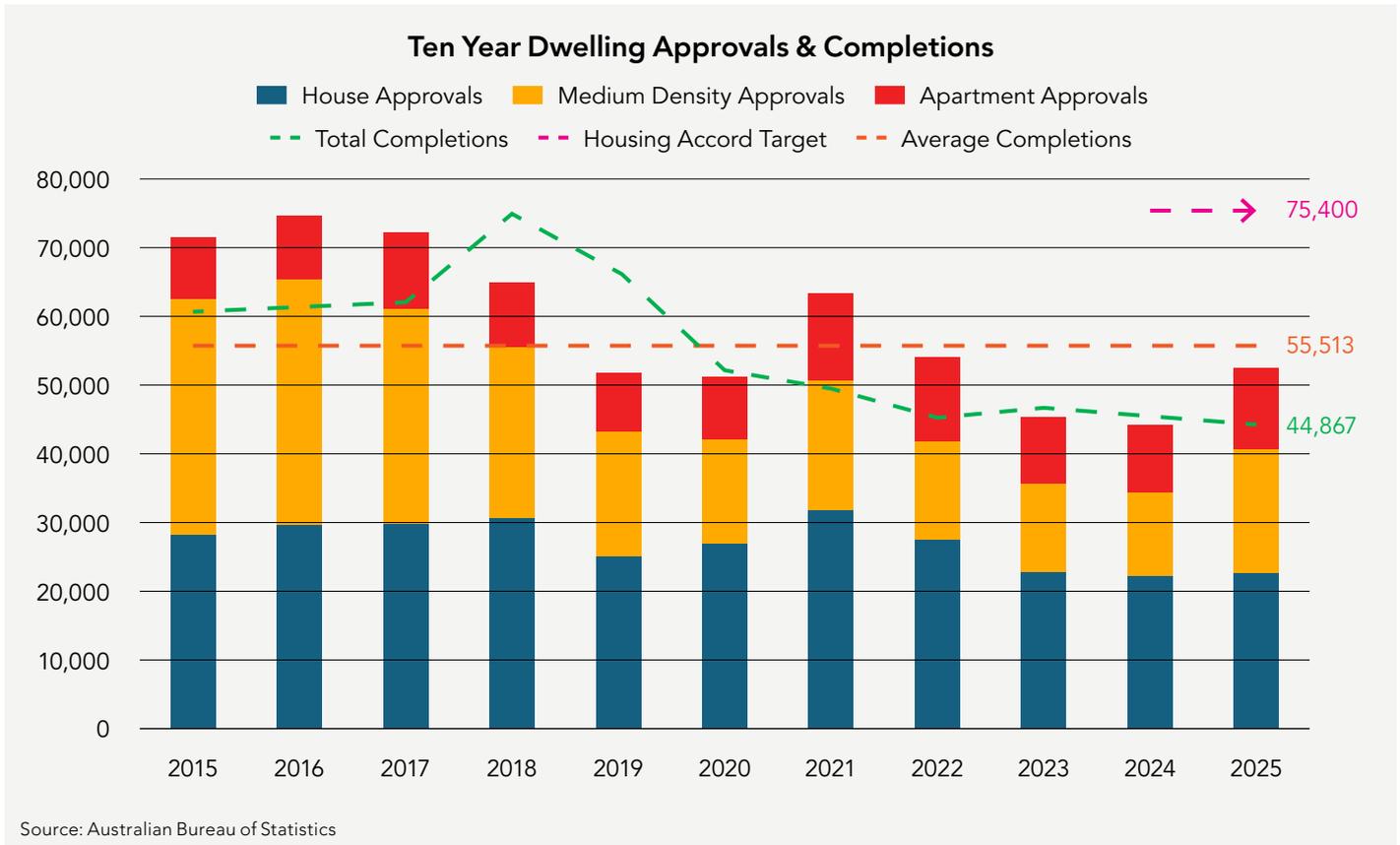


## 2026 Needs an Apartments with BTR Supercycle!

During 2025, the NSW Government delivered a genuine turnaround in housing approvals. Total approvals rose 19% to 52,427 dwellings, and apartment approvals surged 48% to 17,930. It's a welcome shift after several soft years.

But approvals alone won't deliver the Housing Accord.

By December 2025, 18 months into the Accord, actual completions remain 39% below target, creating a steeper and steeper run rate if NSW is to reach 377,000 new homes by June 2029. Even if NSW repeats Q3 25's 12,979 completions in Q4, the gap continues to widen.



The Housing Accord is ultimately about delivery, not approvals. And delivery requires a pipeline that matches demand. Right now, the missing piece is apartments.

Large apartment projects typically need 2.5 to 3 years from packaging to completion. That means 2026 must mark the beginning of an Apartment Supercycle—a decisive acceleration in approvals and commencements to ensure completions land inside the Accord window.

### How Many Apartments Must Commence in 2026?

To stay on track for 377,000 completions, NSW must dramatically lift approvals—especially given the historical 15%+ gap between approvals and completions and the long construction periods for higher density housing.

Assuming strong growth in detached and medium density housing driven by current policy settings, the remaining shortfall must be filled by apartments and Build-to-Rent (BTR). The numbers are stark.

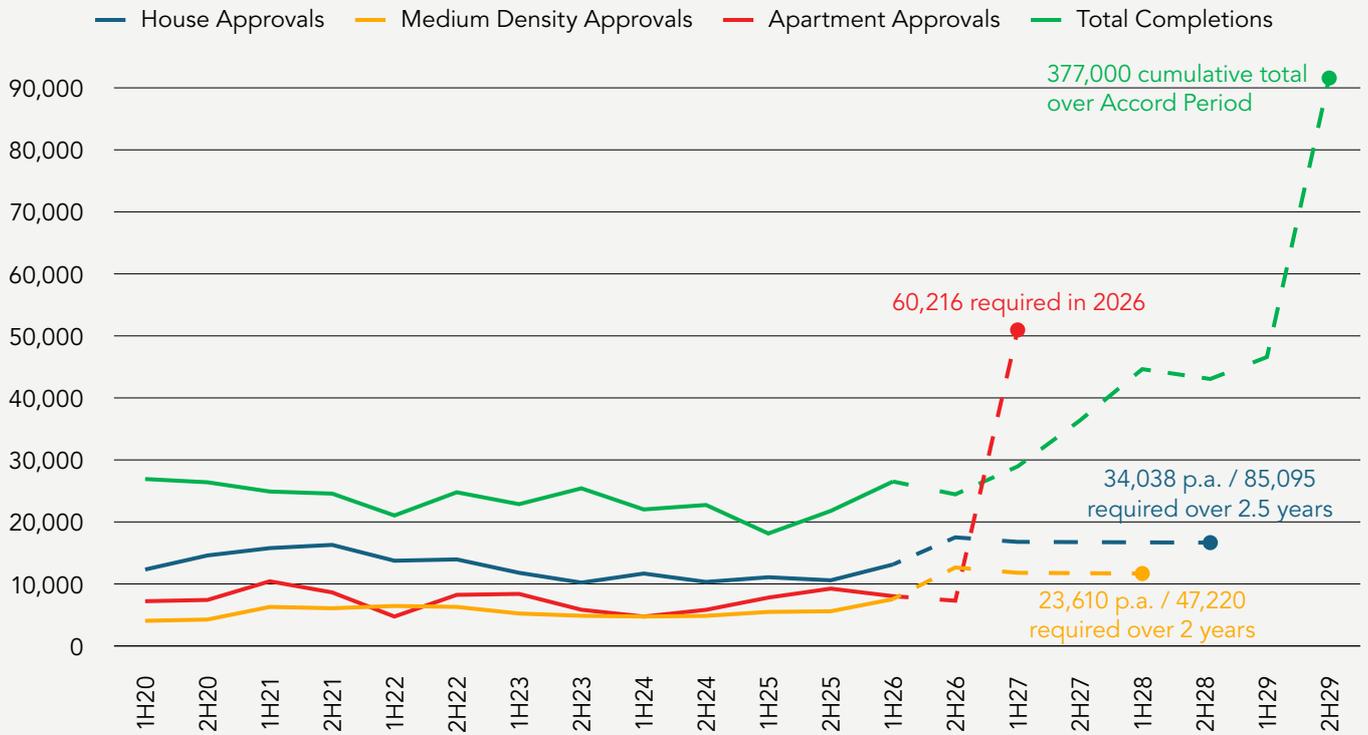
### NSW Housing Accord — Required Completions and Approvals

This means NSW needs around 60,000 apartment approvals in 2026 (double the 2025 result), and an even larger number of commencements, given the growing pool of approved but not yet started projects.

In our recent history, NSW achieved a similar ramp up for apartments, with approvals growing to 35,620 in 2016, delivering 31,605 units at the peak in 2018 (42.4% of the 74,592 total dwellings delivered). For the long-term, apartment / BTR needs to be 50% or more of housing supply in NSW if we are to meet demand, and industry needs to right size to 30,000-40,000 apartment completions a year.



## Half Year Dwelling Approvals & Completions – NSW



Source: Australian Bureau of Statistics

### Government Action Is Moving in the Right Direction — But More Is Needed

The State Government’s creation of the Development Coordination Authority (DCA) is an important step. Faster post DA approvals will help get projects to commencement sooner, which is essential for hitting Accord timelines.

But to unlock the volume required, NSW also needs:

- Feasibility support for apartment projects
- Lower taxes and contributions, especially in Western Sydney where commencements are thin
- Targeted incentives to bring shovel ready projects forward
- Build-to-Rent is a critical part of the solution. It brings institutional capital, higher density living, and long term stewardship—exactly what TOD cities need. But BTR commencements are stalling under rising construction costs and elevated taxes. Federal and State governments must align to support this emerging asset class now, not later.

### Freecity’s Role in the Apartment Supercycle

Freecity is committed to being a major contributor, with a pipeline of ~6,000 apartment and BTR units. Our Volumetric Modular Construction model will deliver major projects 12–18 months faster, directly lifting productivity and helping NSW meet its Accord commitments.

2026 is the year NSW must ignite the Apartment Supercycle. We’re ready to play our part, and I look forward to sharing our progress throughout the year.

<b>NSW Housing Accord - Completions Required</b>	<b>377,000</b>
Less Completions to Dec-25	68,604
Less Currently Under Construction	75,000
<b>Net Completions Required</b>	<b>233,396</b>
<b>Approvals Required to achieve Completions (115%)</b>	<b>268,405</b>
Less Approved but not Commenced	75,874
<b>Remaining Approvals</b>	<b>192,531</b>
Less Houses at 150% for 2.5 years (12mths to build)	68,604
Less Medium Density at 200% for 2 years (18mths to build)	75,000
<b>Shortfall to come from Apartments for 1 Year (30mths to build)</b>	<b>60,216</b>



**Steven Mann**  
Chief Strategy Officer,  
Freecity