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Ms Angela Smidmore  
City Engagement  
City of Sydney  
Level 7, 456 Kent Street  
SYDNEY NSW 2000

Via email: [sydneyyoursay@cityofsydney.nsw.gov.au](mailto:sydneyyoursay@cityofsydney.nsw.gov.au)

Dear Ms Smidmore,

We welcome the opportunity to provide feedback on City of Sydney Council's discussion paper into all-electric future development.

As the leading peak body representing Australia's property industry, our membership spans property developers, financiers, builders, asset managers and owners across all asset classes. The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive, sustainable, and safe places.

The Property Council has long advocated for an industry-specific policy to transition our built environment to the increasingly renewable electricity grid, in line with NSW's target of achieving net zero emissions by 2050. We commend the City of Sydney's work to date in supporting electrification and decarbonisation of future development in line with these goals. The electrification of buildings is key to this transition but cannot occur without transitional arrangements and the right incentive mechanisms.

A 2023 joint report by the Property Council of Australia and the Green Building Council of Australia titled 'Every Building Counts', sets out a suite of property-focused policy recommendations for all tiers of government and industry that would help Australia achieve its decarbonisation goals. We encourage the City of Sydney to review our [Local Policy Plan](#), which outlines a policy roadmap for zero-carbon ready buildings and quantifies the impact of energy efficiency measures and electrification.

Feasibility is a key issue faced by the property sector and the discussion paper recognises one of the challenges of electrification relates to the higher initial capital costs for developers, particularly during the early stages of transition. We note the 2025 draft National Construction Code includes electrification provisions which will support the maturity and scale of electric alternatives, which will be critical in reducing upfront costs to incentivise uptake. Regulatory complexity is an increasing cost input for development and should be mitigated by considering the rate of market maturity. Any changes to existing policies need to be implemented in a way that allows for appropriate transitional arrangements to be made for industry.

There is general consensus amongst the development sector on the need for electrification. However, some building types and uses are more readily transitioned than others. The Food and Beverage (F&B) and broader hospitality sector will take some time to complete the transition to electric, and easements for industrial use must also be considered to accommodate those uses that cannot be conducted without gas.

Market sentiment continues to favour gas, however, there is an expectation that consumer demand will change as the price of gas continues to increase. To mitigate the risk of a costly retrofit program, there is a need to educate sectors and alter the perception of all-electric development. This should be done in combination with transitional arrangements that align with the maturity of the electrical market.

If City of Sydney expand controls to *refurbishments and additions*, industry would require more extensive consultation and comprehensive economic analysis. The cost to benefit of mandating retrofits at this stage of market maturity will be too great. Retrofitting will be particularly complex for residential development under a strata scheme and controls must consider how they interact with NSW strata legislation and the additional barriers at play for these assets.

To support the successful implementation of all-electric mandates in the City of Sydney we recommend that Council:

- Introduces a staged rollout over several years to allow developers, suppliers, and the construction sector time to adapt.
- Initiates pilot projects or programs with industry to gather data, showcase successful models, and address any technical or operational barriers before full policy enforcement.
- Considers temporary exemptions for specific sectors or building types where immediate electrification presents significant technical or economic challenges. For example, hospitality and industrial uses that will be slow to transition.
- Considers the impact of electrification on construction feasibility for residential development during the National Housing Accord period.
- Offers resources and guidelines to assist developers in designing and delivering all-electric buildings.
- Creates formal recognition or certification schemes to acknowledge and reward developments that successfully implement and lead in all-electric design, promoting industry leadership and best practice.

We thank the City of Sydney for the opportunity to provide a submission on this discussion paper. If you have any questions about this submission, please contact NSW Policy Manager, Emma Thompson at [ethompson@propertycouncil.com.au](mailto:ethompson@propertycouncil.com.au) or by phone on 0458 294 817.

Yours sincerely,



**Katie Stevenson**  
NSW Executive Director  
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