TOOWOOMBA CHAMBER

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SECOND FOLLOW UP MEETING – INDUSTRY RESPONSE
27 YEARS RESIDENTIAL LAND SUPPLY ?

The Business Verdict

Wednesday 6th April 2022

workable planning solutions

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Outline

1. Starting point of Critical Review
2. Response to Council Development Pipeline Audit & Final Chamber Report findings
3. Response to Greenfield Land Supply
4. Solutions to the Land supply shortage.

Background

- Two studies undertaken by Council
  - PSA Consulting – Residential Land Supply Short Term Snapshot;
  - National Property Research Co. – Housing Needs Analysis

  which where properly interpreted confirm rather than refute the existence of a significant short term land supply problem

- The report put before Council painted a very different picture. It advised that:
  - 27 years supply of residential land;
  - 4300 approved residential allotments

Development Pipeline

- **Provided by Council on 4th March 2022**
- **Effectively it was the audit that the Development Industry and Business Community has been requesting for 2 years**
- **Proves that a critical shortage of approved lots exists**
- **In August 2021 – there were purportedly 4300 approved lots**
- **In March 2022 – Councils figures show there actually is only 1728 approved lots**

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Development Pipeline

TRC Development Pipeline Summary by Area

	Area 1: Highfields, Cabarlah	Area 2: Woolmer	Area 3: Meringandan West	Area 4: Highfields, Mt Kynoch	Area 5: Cotswold Hills, Cranley	Area 6: Wellcamp	Area 7: Glenvale, Harristown	Area 8: Drayton	Area 9: Kearney Springs, Middle Ridge	Area 10: Rangeville	Area 11: Westbrook	Area 12: Mt Rascal	Area 13: Wyreema	Area 14: Gowrie Junction	Total	Sub-Total By Stage	Sub-Total Percentage (%) By Stage
Stages	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots	No. Lots			
RAL Under Assessment	193	201	190	85	0	44	0	0	44	0	0	143	0	0	**900**	**900**	**33%**
RAL Approved	235	116	81	11	147	238	159	21	42	0	19	0	0	20	**1,089**	**1,089**	**40%**
OW Under Assessment	20	34	27	0	23	0	97	0	0	0	0	0	0	0	**201**	**639**	**23%**
OW Approved – Construction Not Started	6	0	0	0	0	0	0	27	76	0	0	0	0	0	**109**		
OW Approved – Construction Started	27	0	53	0	43	76	0	0	9	12	0	0	0	30	**250**		
Plan Sealing – Under Assessment	0	0	33	0	46	0	0	0	0	0	0	0	0	0	**79**		
Plan Sealed	0	0	0	0	0	0	59	0	0	0	0	13	40	0	**112**	**112**	**4%**
Total	**481**	**351**	**384**	**96**	**259**	**358**	**315**	**48**	**171**	**12**	**19**	**156**	**40**	**50**	**2,740**	**2,740**	**100%**

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Development Pipeline

Total	Sub-Total By Stage	Sub-Total Percentage (%) By Stage
900	900	33%
1,089	1,089	40%
201	639	23%
109		
250		
79		
112	112	4%
2,740	2,740	100%

- Of the 2740 lots in the Development Pipeline:
  - 900 are under assessment – they are not approved and cannot be counted as such
  - 112 have been sealed and are therefore consumed
- This leaves 1728 approved lots

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Development Pipeline

Total	Sub-Total By Stage	Sub-Total Percentage (%) By Stage
900	900	33%
1,089	1,089	40%
201	639	23%
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250		
79		
112	112	4%
2,740	2,740	100%

- Council/Industry/Business Community have agreed that typical annual demand is 800 lots/annum
- If there were 4300 approved lots in August last year
- Either:
  - 2572 lots have been consumed in 8 months (= 3.2 years worth of lots); OR
  - The figure 4300 was grossly overstated and incorrect
- Council's own audit figures confirm the latter to be the case

Development Pipeline

- Of the 1728 approved lots which exist:

  - 550 lots in "zombie estates" with critical infrastructure constraints, low rates of market attractiveness and take-up etc. They are market failures:

    - Essence (123 lots);
    - Park Hill (113 Lots);
    - Gainsborough Hills (314 lots)

  - Additional estates including a total of 195 lots represent lots which while not sealed or constructed have been sold or pre-committed under contract and will not be made available to the market

    - Santana (43 lots)
    - Wattle Grove (22 lots)
    - Kearney West (42 lots)
    - Middle Ridge (42 lots)
    - Kooringa Valley (46 lots)

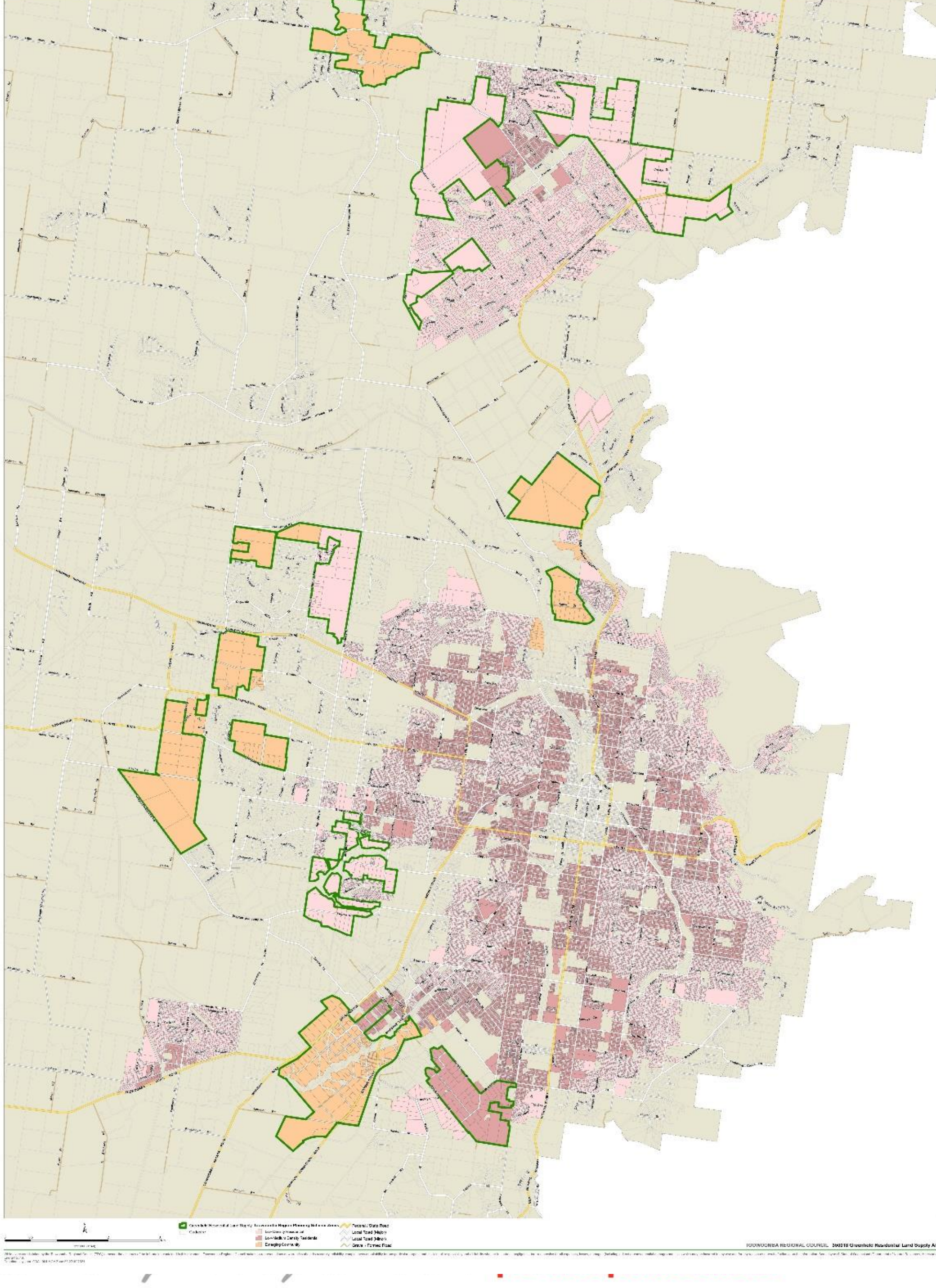
Development Pipeline

- What is required for a healthy residential market and allotment supply ?
    - A rolling allotment supply equivalent to 5 years of average annual demand – 4000 lots (800 x 5)
    - A spatially diverse distribution of supply over multiple development fronts to achieve choice and competition
    - A progressively replenished 10-15 years supply of land within the PIA – unconstrained and practically available supply of between 8000 -12,000 lots based on agreed average demand of 800 lots /annum.
- What have we got ?
    - 1000 lots
    - 637 or 63.7% of those lots in one development front
    - 399 or 14.6% of the 2740 lots identified by Council are outside of the PIA – The PIA grossly undersupplied

COUNCIL GREENFIELD RESIDENTIAL

LAND SUPPLY AREAS

- **Industry expected following the last meeting that Council:**
    - **Would reinterrogate the identified areas having regard to additional constraints identified.**
    - **Particular regard was to be given to Koalas, Flood areas**



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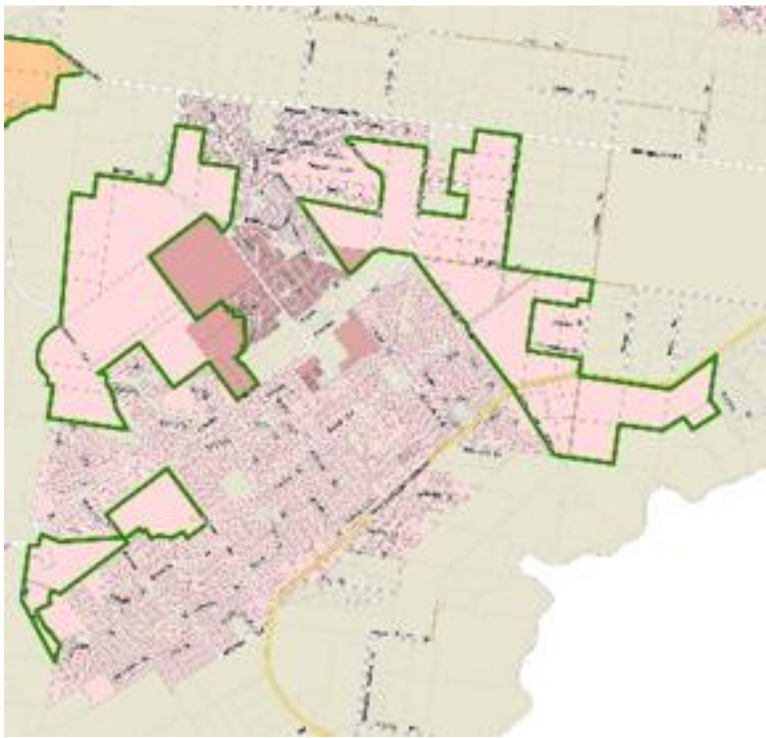
COUNCIL GREENFIELD RESIDENTIAL LAND SUPPLY

- **We do not believe what has been provided is what was agreed nor does it advance the discussion.**
- **We believe it further obscures rather than clarifies the situation for several reasons.**



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COUNCIL GREENFIELD RESIDENTIAL LAND SUPPLY

- **Key concerns:**

  1. **It includes additional land outside the mapped 27 greenfield land supply areas previously identified:**
     - **Infill sites in established urban areas**
     - **Additional township areas (Kingsthorpe, Gowrie Junction, Top Camp, Hodgson Vale)**

  2. **It dilutes, downplays or ignores the presence and severity of constraints (particularly slope and koala habitat) when these could simply be mapped and excluded from development areas.**

  3. **It overstates allotment yield when actual yields are known under a development approval**

  4. **It applies a residential yield over non-residential land, land used for non-residential purposes and/or does not account for lapsed/cancelled approvals**

  5. **It backtracks on previous points of agreement between the Business and Industry Groups and Council on allotment density (Agreed density 11d/ hectare. Not between 11 and 17 d/hectare)**

COUNCIL GREENFIELD RESIDENTIAL LAND SUPPLY

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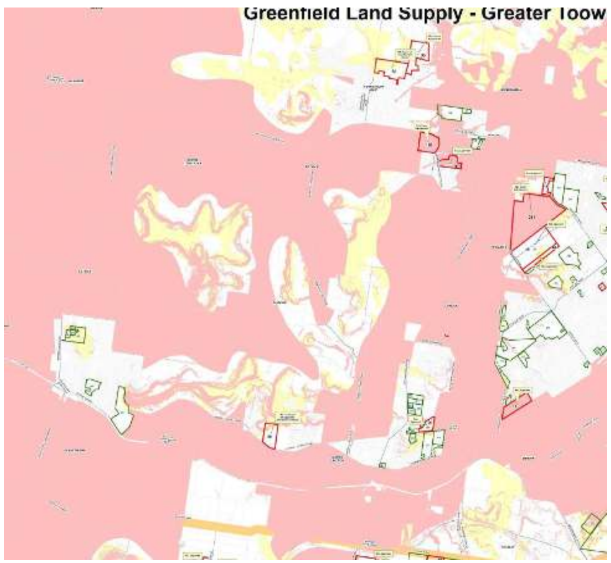
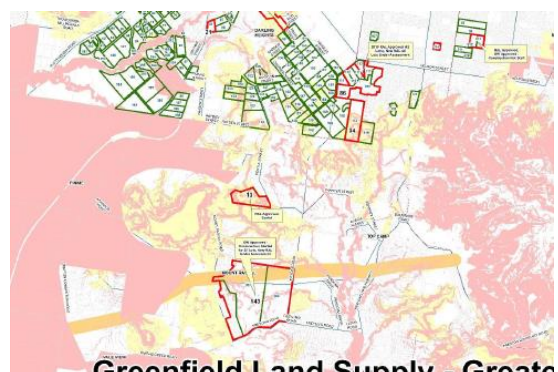
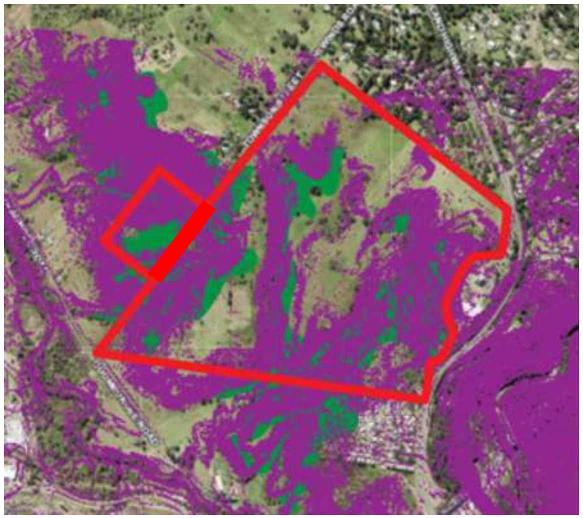
1. Additional areas included & infill sites to boost Greenfield lot numbers

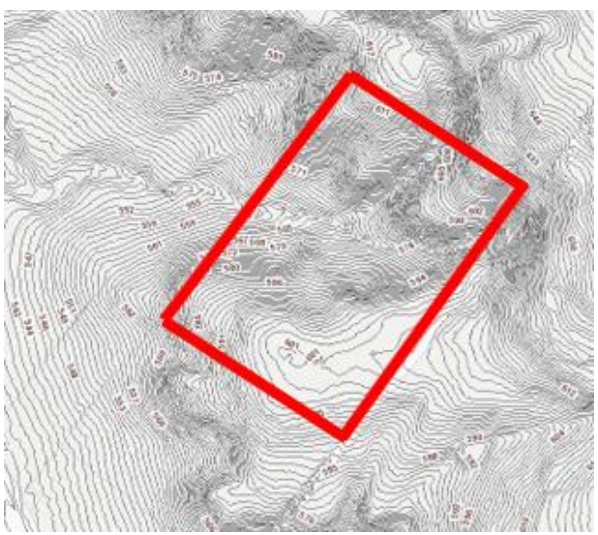




COUNCIL GREENFIELD RESIDENTIAL LAND SUPPLY

2. It dilutes, downplays or ignores the presence or severity of constraints





EXAMPLE 1 - Parcel Number 25

79-111 Towson Street Mount Kynoch

10.41 Hectares
Lot 76 on D3415

Supposedly 4.67 hectares is developable yielding 39 – 60 Lots

Yet

- It is outside the PIA
- It is almost entirely Koala Habitat
- It is almost entirely with a slope of >15%. It is inaccessible surrounded by high slope areas

The site is undevelopable in its entirety.

COUNCIL GREENFIELD RESIDENTIAL LAND SUPPLY

2. It dilutes, downplays or ignores the presence or severity of constraints

EXAMPLE 2 - Parcels 327-329,332-334,337-342

Supposedly these parcels will yield 638 – 871 Lots

Yet well over half of the area is affected by the hard constraint of Koala Habitat

COUNCIL GREENFIELD RESIDENTIAL LAND SUPPLY

3. It overstates allotment yields already known under development approvals

EXAMPLE 1 - Parcel 346

It clearly shows that an **RAL has been approved for 154 Lots**

Yet the analysis suggests that the area will yield between 186 and 253 Lots

This is a disconnect between what has been approved, (noting the approval on the mapping) and what is purported to be the eventual yield notwithstanding the recent approval.

There are other examples of this occurring within the mapping.

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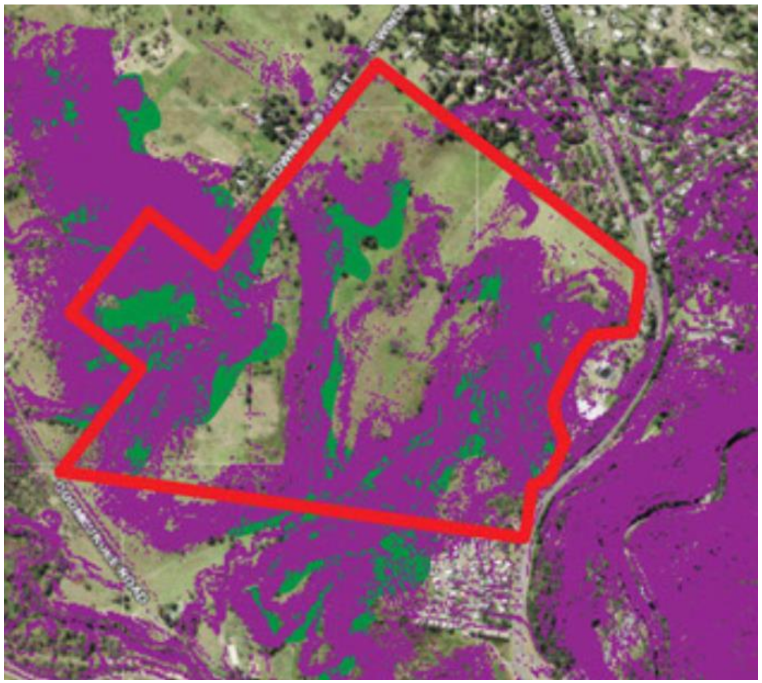
3. It overstates allotment yields already known under development approvals



EXAMPLE 2 – Habitat - Parcels 23,24,26 & 27

Total TRC suggested yield 1191- 1842 Lots

- **The developer expects ultimate yield to be approximately 847 Lots**
- 73% and a suggested yield lie outside the PIA
- Koala Habitat
- Slope greater than 15%
- Acquisition by Council for Water Infrastructure .58ha

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4. It applies a residential yield over non-residential land, land used for non-residential purposes, land with cancelled approvals or land used for an end use

EXAMPLE 1 – Hursley Road- Parcels 366

The approval on this site for residential development was cancelled by the Developer.

The site is impacted by slope greater than 15% and has already been partially developed for industrial purposes. Additionally the original approval obtained on Appeal in the P & E Court required part of the site be buffered to disallow development for residential purposes where it was in close proximity to neighbouring industrial uses.

TRC analysis suggests this site is to yield between 259 to 401 Lots.

This land is zoned and being developed for industry.

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COUNCIL GREENFIELD RESIDENTIAL LAND SUPPLY

4. It applies a residential yield over non-residential land, land used for non-residential purposes, land with cancelled approvals or land used for a residential end use

EXAMPLE 2 – Nichols Rd & High St- Parcels 164 and 165

20 Nichols Road Highfields
L20 on RP201820
2.18 ha with 1.49 ha supposedly developable yielding 3 Lots

12 High Street Highfields
L17 on RP12796
2.2 ha with 1.31 ha supposedly developable yielding 3 Lots

Both are a large lot end uses (Pondarosa) with neither likely to be redeveloped

ACCEPTANCE OF PROBLEM & SOLUTIONS

- **There needs to be an <u>acceptance of the problem and its severity</u>**
- **Solutions exist but require <u>political will</u> and <u>proactive policy initiatives implemented urgently</u>**
- **The solutions identified are specific measures that are consistent with and/or build upon those recommended by Council's own consultant PSA**
- **They necessarily involve changes to the planning scheme, PIA, and the facilitation of major projects.**

ACCEPTANCE OF PROBLEM & SOLUTIONS

1. EXPANSION OF PRIORITY INFRASTRUCTURE AREA (PIA)

- **A static PIA which has not expanded in 12 years is artificially constraining developable land supply, is artificially escalating development costs & eroding housing affordability at a rapid rate**
- **It must continuously (by law) accommodate between 10-15 years**
- **It must be urgently expanded to include land released by the State Government being the land in the urban footprint under the SEQ Regional Plan**

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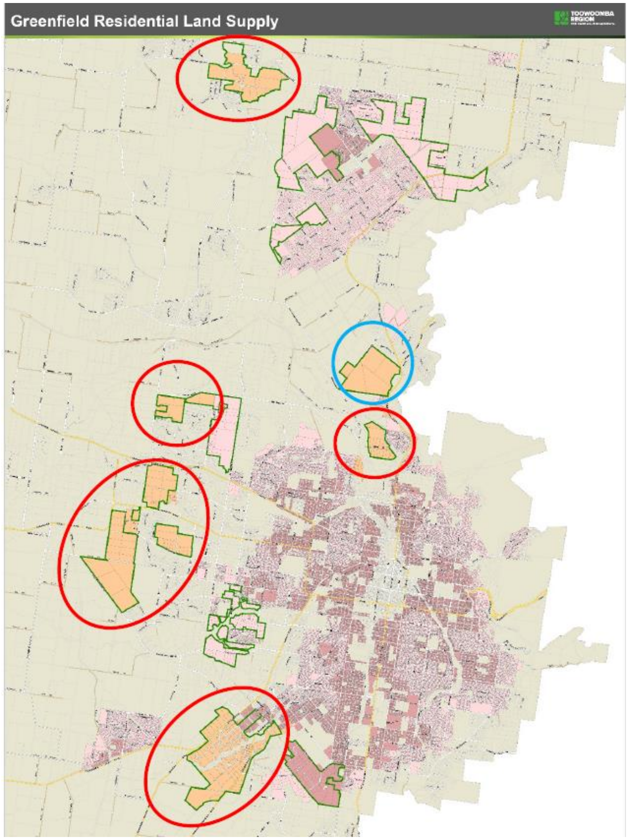
ACCEPTANCE OF PROBLEM & SOLUTIONS



2. Temporary Local Planning Instrument (TLPI) – Priority Growth Areas

- **Key regulatory constraint – high proportion of land in Emerging Community Zone.**
- **TLPI to include EC areas in Low Density Residential Zone and within the PIA.**
- **TLPI suspends operation of current provisions and proactively facilitates land release.**
- **Charging impediments also removed and implemented permanently through Planning Scheme Amendments**

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ACCEPTANCE OF PROBLEM & SOLUTIONS

3. Major Project Facilitation & Appeal Resolution

- **Propensity to overregulate, over prescribe and concentrate on matters of detailed design prematurely. (Focus on reducing uncertainty but deferring commitment)**
- **Unnecessarily lengthy, costly and complicated assessment processes, project abandonment etc all reputational consequences for TRC as a place in which to do business and invest. Ultimately capital is mobile.**
- **Focus on facilitating projects with outside independent expertise and experience.**
- **Where litigation does arise it needs to be expeditiously resolved particularly where development is within the PIA and consistent with Council planning instruments/ intent. (e.g. George Weston Foods)**