



25 February 2009

The Chair
Standing Committee on Planning, Public Works
and Territory and Municipal Services
GPO Box 1020
Canberra ACT 2601

Dear Ms Porter

**Submission to the Inquiry into RZ3 and RZ4 Residential Development Policies –
Inner North Canberra**

The Property Council of Australia provides the following submission against the terms of reference set for this inquiry. The terms of reference are highlighted in italics:

(1) the merits of maintaining:

(a) the policies applying to the RZ4 areas north of Macarthur and Wakefield Avenues which limit development to a maximum two storey building height limit and a maximum plot ratio of 0.65 until 23.5 hectares of the 25.9 hectares of residential blocks in the RZ4 areas south of Macarthur and Wakefield Avenues and north of Cooyong Street and Donaldson Street have been developed for multi dwelling housing; and

The Property Council sees no merit in the retention of limitations on development north of Wakefield Avenue that differ from those south of Wakefield. Application of the current policy has led to “blighted” areas north of Wakefield where properties are being purchased and mothballed in anticipation of future change, or sub-optimal development where redevelopment is occurring to lesser densities that are inappropriate in this central location. The characteristics and advantages that would flow from redevelopment of the northern area, particularly taking into account its proximity to Dickson, are the same as those that apply in the southern portion and redevelopment opportunities should also be identical.

(b) the moratorium on redevelopment in Turner Section 47 and Part 63;

The Property Council sees no logic in this moratorium, it is understood that they were applied to pacify a small number of local residents who opposed all change at the time the plan was varied over ten years ago. These sections are identical to others in the vicinity and should be subject to the same redevelopment rules. **The moratorium applying to Turner Section 47 and part of Section 63 should be abandoned.**

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(2) whether similar redevelopment policies should be extended to other areas surrounding Northbourne Avenue in north Canberra and, if so, where and at what density;

The only areas adjacent to Northbourne Avenue that remain as “suburban” with very limited redevelopment potential are north of Antill St in Downer and Watson. **As Northbourne is a major transport corridor consideration should be given to allowing more intensive redevelopment at the Northbourne Avenue edges of Downer and Watson.** The intensity of redevelopment may be moderated because of the close interface with within these suburbs. Application of the current RZ4 zone to the sections in these suburbs that front Northbourne would be appropriate.

It also our view that the redevelopment potential offered by the RZ3 and RZ4 zones is very limited and well below what should be available in the Northbourne Avenue corridor. These policies stem from planning decisions made prior to the introduction of the Territory Plan in 1993. These decisions were made over 16 years ago at a time when climate change and the need for sustainable development was yet to be recognised as a major issue. It is axiomatic that they warrant review.

It is fortuitous that the areas currently zoned RZ3 and RZ4 in the Northbourne Avenue corridor have only very minimal interface with standard suburban areas. On the western side there is no interface at all, the Sullivans Creek corridor provides a wide and continuous buffer. In the eastern side the only interface is in small areas of Dickson and Ainslie where the intervening road is Majura/Limestone Avenue which itself provides a more than sufficient buffer.

The densities of the Northbourne Avenue RZ3 and RZ4 zones are able to be greatly increased with no external impacts. **The Property Council recommends that the existing RZ3&4 zones in the Northbourne Avenue Corridor be altered to a new zoning that allows development to at least ten storeys. Plot ratio limitations should not be applied as development intensity will be naturally limited by carparking and property interface requirements.**

(3) the Committee’s view on higher density development along major transport corridors;

The Property Council strongly supports more intensive development along transport corridors. The report “ACT Public Transport Strategic Network Plan” produced recently for the ACT Government, advocates more intensive development along transport corridors. It recognises the symbiotic relationship between land use development and public transport efficiency. The provision of public transport services represents a massive annual cost to our community which is not sustainable in the long term. Substantially more intensive development in centres and along transport corridors is part of the solution.



(4) the inquiry should consider factors such as the demand for higher density development, the infrastructure capacity of transport and hydraulic networks to absorb additional development, the implications for housing affordability, the extent to which redevelopment policies reduce overall travel, the potential impacts of the policies on the amenity enjoyed by residents of the areas affected and how such impacts could be ameliorated;

Substantial commentary could be made against each of the points raised in this term of reference. We comment briefly as follows:

- **There is very strong demand in Canberra for more intensive development**, especially in accessible locations such as at town centres and along transport corridors. This is very simply demonstrated by the fact that for virtually all the recent multi unit residential developments, all units are sold “off the plan” before the projects are completed. Demand is clearly outstripping supply.
- **Road and hydraulic infrastructure is not a limiting factor on redevelopment.** ACTPLA research¹ has shown that in the RZ3 & RZ4 zones where redevelopment has occurred each original dwelling is replaced by between 5 and 7 new dwellings. This results in a massive increase in the rate revenue stream as well as in a range of tax receipts, especially sales tax as the new units are sold and then periodically re-sold. This revenue increase easily funds any necessary road or hydraulic infrastructure upgrades that may be required.
- **Residential redevelopment provides both more housing opportunities and increased housing choice. Both of these factors will impact positively on overall housing affordability.** In simple terms, when more housing that is able to be made available the amount of competition for that housing is reduced and price pressure eases. Opening up opportunities for either more redevelopment or more intensive redevelopment in areas where some redevelopment is already allowed has the potential to increase housing affordability.
- **Providing housing opportunities in central areas and along transport corridors, where the alternative is greenfield development in outer areas, will reduce overall travel.** This is self evident.
- **The impacts of redevelopment on other residents in an area are over-stated.** The residents of inner north Canberra are at the heart of a vibrant city, where their central location enables them to easily access an array of work, shopping and recreational opportunities. Given that the rules preclude and will continue to preclude really overbearing development such as a high rise adjacent to a single house, then the only real impact is perhaps a greater level of overall activity in the area. To the extent that this is pedestrian, bicycle and public transport activity then we see it as a positive.

¹ ACTPLA, North Canberra RZ3 and RZ4 Residential Redevelopment Policy Monitoring and Evaluation”, November 2008



Where the impact is an increase in local car traffic then we consider this to be minor and our street system is generally well able to cope. We also point out that if inner city redevelopment does not occur then growth will occur at the fringes instead, the new residents will still gravitate into the inner area for work shopping and entertainment, but they will all come by car, adding traffic to inner north streets. The total level of inner north traffic will not change whether or not redevelopment occurs.

(5) any other relevant matter.”

The Property Council would like to take this opportunity to comment on a number of matters, some at the strategic level and others that, though some may consider them to be minor, we believe are impacting on redevelopment potential for the city and which are working against sustainable outcomes:

Requirements for car parking provision, as currently administered by the Department of Territory and Municipal Services, do not take into account the fact that a development may be in a centre or on a transport corridor. Car parking requirements are the same across the metropolitan area. This means that a development on Northbourne Avenue, with numerous bus services, is obliged to provide the same level of car parking as a development at, say, Symonston, with no bus services. Residents and commercial tenants are obliged to pay for parking space provision and so their incentive to use it, in preference to public transport, is obviously high. Developers are not permitted to make a choice to limit parking in recognition of local public transport availability. **Requirements for car parking in centres and public transport corridors should be reviewed – developers should be able to make commercial decisions of parking requirements, in preference to the current “one size fits all” approach.**

Current onerous requirements to provide for waste collection vehicles are a limiting factor on redevelopment opportunities. In particular the limitation of any reversing manoeuvres is a design constraint that often limits the development potential of a site. Ultimately this translates to less floor space, fewer units and reduced choice and affordability in the marketplace. **Waste collection design requirements should be reviewed with an evidence based approach**, for example records of accidents resulting from reversing manoeuvres should be examined.

The RZ3&4 codes currently effectively mix uses meaning that small commercial operations such as a corner store, restaurant or small supermarket cannot be included in a residential complex. This type of development is normal interstate and should be allowed. **The RZ3&4 zones should be amended to allow minor commercial activities at ground floor level.**

Plot ratio controls, for example in RZ3&4 zones, are unnecessary and should be deleted. The quantum of development that can be achieved on a particular site is effectively controlled by design requirements for car parking, height and setbacks. These provide adequate protection for neighbours



There is no need for additional plot ratio controls. In the case of the RZ3 zone the 65 per cent plot ratio is barely larger than for ordinary suburban development, it is inappropriate in a supposedly redevelopment zone.

Consideration should be given to the introduction of development bonuses for “green” initiatives that are over and above ordinary requirements. Such initiatives generally come at some cost and will not be installed without some commercial recognition.

The current approach being taken to the application of the Change of Use Charge is stifling development and warrants a major review. Our members report that differences between their valuers and the AVO valuations for particular projects can be significant and that projects are simply not proceeding because of the high CUC costs. The CUC regime is intended to capture, for the community, a proportion (currently 50 per cent) of the increase in value of land which stems from a development approval. If the CUC charge actually causes a project to stall as is currently the case then clearly the charge is greatly exceeding any value increase and is wrong. Again, if a residential redevelopment proposal does not proceed then the result is fewer dwellings, less choice for homebuyers and less affordability.

New suburban development will continue to play a significant role in the growth of Canberra and that, for families, this is and is likely to remain the only affordable choice. A one bedroom apartment in an inner area can cost about the same as a three bedroom cottage in a new suburb. Recent greenfields developments have demonstrated much higher levels of sustainability than in the past. Every house and land package in West Macgregor for example has included a solar hot water system. The introduction of more efficient cars, includes hybrids and electric vehicles, will ultimately remove the impact of outer development on greenhouse gases. A balance between outer development and inner area renewal needs to be established to provide a basis for planning decisions making. Some years ago the Government had a “50/50” policy, with development being apportioned equally between inner and outer areas. **The Property Council considers the “50/50” policy to be an appropriate approach and recommends that the ACT Government work to achieve this outcome.**

In summary, the Property Council supports the initiative of introducing higher density development along major transport corridors and specifically in the RZ3&4 areas.

Yours sincerely

Catherine Carter
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Property Council of Australia