

PTCS NOTES – RICHARD NASH

Opening Remarks

- A move to an outcomes based system is overall a positive one.
 - o Implementation is key!!
 - o Current staged system for assessment may be more open to differences of interpretation between officers during the assessment process.
 - o More open dialogue between developers, assessors and the community is recommended to assist.
- RZ1, RZ2 and CZ4 changes are a good start but could go further to achieve 70% urban infill.
- The system appears to provide more flexibility to adapt the Territory Plan to meet changing requirements of the Territory.
- There appears to be more flexibility for proponents and Assessors to achieve good outcomes.
- The move to a more subjective system is likely to bring challenges, at least in the initial phases.
 - o Subjectivity for developers in deciding to go for a proposal has more uncertainty at feasibility stage. It is potentially unclear what can be achieved, particularly on larger sites (although I think this will come with time).
 - o Subjectivity with decisions means interpretation by the community and the tribunal is potentially unknown. This arguably gives Senior members more ability to refuse/support 3rd party appeal, bringing more uncertainty for developers.
- The level of documentation has increased, and the relationship between documents is not self-evident for newcomers (and in some cases experienced operators). I think this will be challenging for the broader community to understand the process.
- This review is coming to early. We don't yet know confidently what will happen as the new system is implemented. Recommend to review again in one year.

Process

- Ultimately with any change there will be teething issues, particularly with sweeping changes to the assessment tools
 - o Responding to Assessment Outcomes, I suspect, will be difficult at first, but will evolve as the system beds down.
 - o It currently seems cumbersome as to how Design Guides will be employed in responding to assessable outcomes.
- I am concerned that ACAT matters will become more challenging without a Rules based system.
 - o It is unclear how Senior Members will be educated to deal with outcomes.
 - o This is quite subjective and is generally decided by a trained planning professional. When introducing subjective elements it is unclear how it will be treated.



Engagement

- The move away from Mandatory Pre-DA Consultation is noted
- It is currently unclear how involved the proponent will be in the public notification process
 - o For major developments, it is recommended that Proponent, Community and Government come together as part of a joint forum to discuss aspects of certain proposals during the assessment process.

Changes

- RZ1 changes to increase density are welcomed.
- The 120m² limit does not, in my view, provide sufficient flexibility to provide for families wishing to move into established areas.
 - o Knockdown and rebuilding on RZ1 should arguably allow for duplexes of equal size, in keeping with the character of the neighbourhood. New builds enable a greater level of sustainability in the long-term, and with two of equal or similar size will attract more families into such an arrangement.
 - o Footprint, height and character controls will mean that desired character can be retained, with the desired level of tree planting, deep soil zones and densities.
 - o The big brother, little brother approach will arguably not achieve desired outcomes of urban infill in its current form.
- RZ2 changes are welcomed
- CZ4 changes are welcomed

Pre-prepared Questions from Committee

If we build more housing do you think the price of housing will come down?

- Housing price behaviour is never quite this easy unfortunately.
- In general, if the net rate of building dwellings (houses, units or semis), after accounting for demolitions and construction, is less than the rate at which population is growing then upward pressure will remain on prices.
- Some other issues that will drive price behaviour are:
 - o Appropriate housing: If the market is seeking 3 or 4 bedroom homes and there are none being built, prices in that segment will grow [and so forth].
 - o Location: some areas will remain popular (close to school, work, services) and no matter how much is built there will be more demand than supply.
 - o Taxes and costs: if the annual impact of local, state, and federal taxes continues to grow faster than incomes there will be less available for housing. Similarly, if any of the costs mean people do not have an incentive to develop or sell, it will lock up land in inefficient housing utilisation, lowering supply and increasing prices.
- The question for this committee is whether general planning settings, and reforms to the TP, will lead to a lowering of housing costs directly. In short the answer is generally no.

How successful do you think the uptake of the 120m² dual occupancy that is unit-titled will be? Is the dual occupancy development model something that will attract developers?

- Serious developers will not be interested in the reforms as the paperwork, constraints, taxation, and unit titling costs will lower returns below anything like a commercial return. It may attract less sophisticated and 'mum and dad' style investors.
- If this is what the policy is trying to achieve then so be it, however it is unclear at this stage what the policy is meant to do.



- If it is designed to allow RZ1 blocks to bear some of the heavy lifting to achieve the 70% infill target, it will not work with a 120m² limit.
- From a planning perspective:
 - The model will not successfully optimise land use
 - There is no logic to an arbitrary dwelling size if we are trying to increase supply in existing RZ1 areas.
 - It would be more appropriate to look at land use strategically and focus development potential into areas that can accommodate more housing easily and create incentives to achieve that development.
- From a market perspective:
 - Secondary dwellings have been available in the ACT for some time (without unit tilting, max 90m²). They have not taken off. Excluding Mr fluffy blocks, our rough estimate of RZ1s with dual occupancies is 455 blocks. There are another 1,577 which have a Unit Title number, and another 143 with more than 3 addresses that are not corner blocks which are generally larger multi-unit developments. Nevertheless, 2,032 out of 100,119 blocks is not a massive uptake (2%).
- In 1987-88 the average size of a new house in the ACT was 165m², by 2021-22 the size had increased to 258.9 m². In what the ABS call 'other residential', which includes units and semi-detached dwellings, in 1984-85 the ACT recorded an average size of 98.3 m², which increased to 117.9m² by 2002-03, and was 125.8m² by 2021-22.
- Apart from very distinct markets, where density is valued, it appears there is little evidence to support demand for dwellings at or below 120m².
- The reforms will not assist with the 'missing middle' as they do not promote the types of dwellings (townhouses, small unit complexes etc) in a broad range of locations.
- By 2060 the ACT needs to build around 105,000 dwellings to accommodate an approximate population bump of 331,500 people.
- 92% of urban land is RZ, of this 80% is RZ1.
- RZ1 accounts for 74% of all blocks within urban zoning. The gross number of blocks that might be affected (>800m², no future urban area overlay) is 44,216 (44% of RZ1). Of these 42,076 appear to be single dwellings without constraints (42%). This number is likely to be further reduced when considering block shape, orientation and presence of significant trees etc.
- With this reform we are still asking RZ2-RZ5 and CZ zones (26% of current urban zones) to do the heavy lifting. If this is the decided approach, then there needs to be strategic decisions made about how these zones can accommodate housing demand.
- Removing the maximum 120m² requirement will enable more flexibility for RZ1, and could potentially enable development of dual occupancies of equal or similar size on existing blocks.



- For example
 - 800m² block with 50% site coverage
 - footprint of 400m² (200m² each at single storey)
 - Further controls relating to the second storey for duplexes could be employed. The Housing Design Guide provides guidance on this already.
 - Controls protecting desired character are set in the policy outcomes
 - Minimum block frontages included in the controls to avoid “crowding of the street”
 - This would result in greater take up for a larger range of the community including young families, moving to established areas, leveraging existing infrastructure, and enriching existing suburbs.
 - Making our city more compact.
 - Small developers more likely to be interested as they have a saleable product
 - Caters better for the missing middle

What are the strengths of the new Territory Plan for developers?

- The addition of apartments into RZ2 zoning
- The shifting of storey and height limits in the RZ2-5 zones means there may be more flexibility to increase the GFA in some developments, and potentially the return from equivalent land compared to the old TP.
- It is useful for the Territory to flag future investigation areas to assist longer term development planning. It would be helpful to release some into the market to create competitive tension.
- Despite all of this, there remains the issue of incentives to maximise the value from development, in particular the impost of LVC in addition to planning controls, building controls, stamp duties, rates, land taxes and the whole raft of other fees involved in development.
- Time remains one of the biggest costs to developers, which subsequently drives up housing prices. If processing and assessment times could be improved this would apply some downward pressure to pricing.

Is the DA assessment process up to the task of delivering good outcomes?

I hold the assessment team in very high regard. Highly professional group in a challenging role. I do have concerns about resourcing, there just aren't enough people on the team.

The previous Territory Plan was arguably not the main problem with assessment times, it was resourcing for assessment. Timing for NCDRP is also an issue with 6 month wait times at present.

I believe the new system arguably gives assessors a lot more power as the arbiter. The process itself may need some strengthening to deal with the additional interpretation.

I would like to see more collaboration between developer and assessor to achieve these outcomes which the current system doesn't preclude, but also doesn't promote.

Having a dedicated assessor taking carriage of the process from the start, and as a touch point throughout the process is recommended, however resourcing will need to be increased to accommodate this.

The two phase Public Notification process could be run as a forum between developer and community with the assessment team as mediator/observer.