

Additional Comments on Draft Variation 298 and issues raised at the public hearings.

Real Estate Institute of the ACT

Context of Debate

This sort of project is part of a broader debate on the use of land designated for one use in the past and now to be used for something else. One example is the potential changing use of Church and Community designated land.

From REIACT's perspective a broader review of the Territory Plan should be progressed. We need to look at land and the designated uses and see if this is appropriate in the context of today's and our future needs.

In property terms, land generally moves to its '*highest and best use*'. In the case of the ACT, land was set aside years ago for a particular use, anticipating a certain pattern in development. It is difficult for planners today to look at that old land use and see how it may work the context of current and future needs. The quarter-acre block for example, which used to be standard housing lot in the ACT now has many variations.

So while land was set aside for a particular use the need for that use into the future may not meet our needs. We should consider the use of land differently to what it was once designated for. The reallocation of the use of land that is no longer used for its original purpose seems to be a worthwhile consideration.

Rezoning is an issue for the community and has created some angst. I believe an area such as this part of the Belconnen Golf Course would not create the same reaction as an inner city rezoning, and as such it is perhaps an ideal way to introduce the change that is needed. There would be less opposition on this site being rezoned and it may be a way for people to become familiar with new uses of land.

There is an aim for a lower carbon footprint in Canberra, however some of the outcomes of the planning debate seem inconsistent with these desires. It is not clear how we are going to get there if we do not allow use changes to occur.

Affordability

The Proponents believe people in the area may wish to downsize and has therefore not restricted the development but it is being targeted to an ageing community. The Proponent also noted that affordability is important and that the price of the housing on offer needs to allow for wriggle room so the costs of buying and moving are not more than the value of selling an existing home.

Outer Belconnen does have lower priced housing in the established areas. People looking to downsize within the local area is consistent with current trends. I find no

difficulty with the figure suggest by the proponent of some 30 to 40 per cent of people wanting to move within their existing area. Canberra also has the odd Southside/Northside preference and people seek to remain in the regions that are familiar with, so the proponent's thoughts about where the buyers would come from are consistent with my understanding of the market.

In terms of value, the adjacent suburbs such as Higgins and Holt have a median below the ACT median. Some of the other suburbs such as Charnwood have some of the lowest established prices in Belconnen.

The impact of interest rates is lower in the ACT compared to other states. This is partly because the average household income is around \$134, 000 per annum and the percentage of income going towards a housing mortgage is around 18 per cent, compared to the average across Australia at 30 percent. In the outer areas of Belconnen the incomes may not be up to that median level. As such, given the level of affordable housing that is to be on offer, the proposed development will provide an opportunity for the local residents.

As a broad comment we are finding more people now do not see the idea of the traditional retirement villages as an ideal option, and this is especially with the "baby boomers". Market response suggests that people do like the idea of moving to a smaller residences as a "retirement" option. But in making this observation it should be noted that while the market is showing there is an increasing trend to high-density unit living, the "boomers" are not taking that up. The preference for the "boomer " generation is for a highly optioned residence on a smaller lot that allows for some land around the residence.

As an example of local buying patterns in the local area, a member recently provided advise on project at North Weston. The comments we have received suggests that most people purchasing sites were from the Weston Creek area. So in terms of the advice from the proponents that they will be targeting the local area for buyers I would concur with advice they have provided.

Two Storey Developments

REIACT is aware that there is discussion about townhouses being two storeys because of cost and planning controls.

The reason developers are forced to build to two storeys is because of the size of the land and the mix of the residences wanted by the market. The Plot ratios, design parameters and setbacks determine how a developer will achieve the guidelines, and most end up with two storeys to meet all those criteria.

REIACTs view is that in the market some of the solar access rules and energy ratings for blocks are less important than the solar access and energy ratings for final built form.

People live in the finished product and this means that we need the built form (that is the finished residence) to meet the energy star ratings. Focusing too much on the compliance of the land can cause other complications. It may sound good for marketing and has been used as such by some, but it is no indication of the finished product in which people live.

Gated Communities

Interest in gated communities in the ACT.

Gated Communities are essentially an American idea which have credibility in the US. It is peculiar to various areas in that market and seeks to address security concerns that exist. Although there are some on the Gold Coast in Queensland, I am aware of only one project in Canberra and that is located in O'Malley, and that is not a full gated community. I would not consider it a marketing edge and it is unlikely that there would be a market for it in the ACT.

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REIACT

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