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The Secretary
Standing Committee on Planning and Environment
ACT Legislative Assembly
GPO Box 1020
CANBERRA CITY ACT 2601



Dear Ms Jaireth

**Re: Inquiry into Draft Variation to Territory Plan No. 257
Suburb of Crace, Gungahlin**

Thank you for your invitation to make a submission to the Committee on its Inquiry into the Draft Variation to Territory Plan (DV257) for the proposed new suburb of Crace in Gungahlin.

HIA has prepared a written submission, which is attached, for your attention. I can also arrange for it to be provided in an electronic format if that is required.

HIA hopes that its comments and suggestions can raise the level of debate on the future of residential planning in ACT. I would be pleased to discuss this submission and answer any questions that may arise, at your convenience.

Yours sincerely
Housing Industry Association Ltd

Caroline Lemezina
Executive Director ACT/Southern NSW

Inquiry into Draft Variation to Territory Plan No. 257 Suburb of Crace, Gungahlin

The proposed suburb of Crace with about 1,000 new dwellings, will offer a unique opportunity for planning and housing innovation in the ACT.

Location

The proposed new suburb of Crace is well located in regards to existing services and transport connections. Future residents will be well served by the Barton Highway and a wide range of existing services will be conveniently available at both the Gungahlin and Belconnen Town Centres. This location can also be very beneficial for those seeking affordable accommodation.

Innovative Planning and Housing Choice

HIA believes that the neighbourhood planning policies used for many years in the ACT are not suitable for the evolving City. HIA believes that the planning for Crace should not be a repeat of Canberra's existing suburbs. Current planning policies, which protect and repeat the neighbourhood planning concept, fail to recognise the obvious demographic changes of the aging population and its needs.

For example, the desire to affordably age in place within a familiar area and with known services is of increasing importance to the Territory's aging population. There is an identifiable need for many of Canberra's maturing population to sell their house, move to a new house on an accessible and small block of land with a requirement that all costs are covered by the sale of the their house. This is an important part of the housing affordability debate which is gaining little recognition. Existing sites suitable for small scale redevelopment in A10 core areas are selling for well over \$400,000, which then makes the raw land cost for redevelopment place the total project price out of the affordable definition.

There is gathering market evidence of an underlying and increasing component of the housing market which is not being met. There is a demand for affordable single level townhouses. It is needed to be accessible and located in established areas, and although it has been identified for aging empty nesters, it could also be suitable for anyone who has limited time or little interest in maintaining a large garden. A unit in an apartment block is not always suitable for these sectors of the market, and an increasingly important choice in the residential market in ACT is being severely restricted. The only choice currently available for new accommodation in ACT is between the low rise outer suburbs and the high rise town centres.

The demand for smaller blocks of land with new accessible houses can be understood in the context that gardens are becoming more difficult to maintain. The standard of the garden city which was able to be achieved for many decades, is now well below that originally intended. With time poor residents and continuing restrictive water use, the appearance of the City is unlikely to improve.

HIA believes that Canberra's neighbourhood planning concept needs to fully reviewed and more radical change must be seriously considered and debated. The value contained in aging public housing stock, underutilised schools, unmaintained open spaces and underperforming local centres could be far better used if planning

policies to encourage innovation and choice were introduced. The very limited and marginal changes which have occurred through past planning policies are an expensive and frustrating way to address ACT's housing affordability problem. The better use of land in new urban areas to demonstrate alternative planning and housing policies is critical for the Territory's future. Maximising the potential value of new land will create a City which embraces change and provides a range of housing types and levels of affordability.

There are many possible innovations which could be introduced at Crace. HIA suggests that planning for the new suburb could include a range of block sizes, with varying setbacks, heights and plot ratios, establishment and maintenance of useable public open spaces, viable neighbourhood facilities, and communal water recycling systems. Mixed land uses, flexible leases, and choices of dwelling types and costs could also be considered for the new suburb.

Affordability

The cost of land is a critical component in the issue of housing affordability, and the Commonwealth should be encouraged to demonstrate its support for easing the high cost of housing for first house buyers by reducing its charge for the redundant land at Crace.

Land Release

The release of this new suburb into the market needs to be sensitive to the market situation and competitiveness at the time of its readiness. Depending upon the market situation at the time, the large number of potential releases could result in a welcome competitiveness or a flooding of an already struggling land market. HIA suggests that the design, documents and approvals be prepared as soon as possible, so as to provide maximum flexibility for the timing of the land releases. An appropriately timed land release, with a competitive choice of land in a well serviced location, with a range of block sizes and dwelling types, will be of great benefit to future house purchasers.

Summary

HIA advocates that a choice of suitable and affordable housing, covering low, medium and high density should be available throughout the City. Unsustainable residential planning policies can be rescinded, and Crace can be used to demonstrate the benefits of innovative planning policies.