

8 November 2022

Cr Adam Allan  
Chair of the City Planning Suburban Renewal Committee  
284 St Vincents Road  
Banyo QLD 4014

### **Tower Site Cover – City Centre Neighborhood Plan**

Dear Cr Allan,

On behalf of the Property Council of Australia, I am writing to flag ongoing concerns expressed by members regarding the assessment triggers for Tower Site Cover in Brisbane's CBD.

As you would be aware it has been a challenging period for Brisbane's city centre following the onset of the COVID-19 pandemic. While our office buildings and commercial centres have proven resilient there is no doubt that the pandemic has changed the nature of work and will continue to have an ongoing impact on the city centre.

Due to this, the Property Council has worked with Council on several initiatives to stimulate activity in Brisbane's CBD and is committed to working with policymakers to ensure that the city retains its importance as the centre of Queensland's economy.

This includes working to ensure that the property sector has the settings in place to continue to invest in and develop Brisbane's city centre so that it is equipped to weather future challenges and positioned to thrive in the lead up to the 2032 Olympic and Paralympic Games.

Essential to achieving this objective will be maintaining appropriate planning settings that align with the expectations of the market and community, so the development sector is enabled to build office buildings that are commercially viable and cater to the changing needs of tenants.

Unfortunately, in their current form the Tower Site Cover restrictions (TSC) for Commercial Towers under the City Centre Neighbourhood Plan regularly impede this objective. The current site cover trigger of 50 per cent TSC (or 55% when using TSA's or achieving sustainable development criteria) for sites less than 3000m<sup>2</sup> and 45 per cent TSC (or 50 per cent when utilising TSA's or sustainable development criteria) for sites greater than 3000m<sup>2</sup> makes it difficult to deliver a commercially viable office project while remaining a code assessable application.

Instead, applications for standard commercial towers are routinely pushed into the impact assessable category when trying to deliver spaces in line with the market's expectation. This

issue is set to be exacerbated as tenant demand is evolving towards larger floor plates due to a greater focus on social distancing requirements and growing demand for larger break out and team areas (including balconies). This trend towards larger floor plates is evidenced by the fact that the majority of surplus office supply is concentrated in older A or secondary grade office buildings with smaller floor plates.

The examples provided below from an analysis undertaken by Urbis into a range of CBD sites highlights that for a significant portion of sites it is difficult to deliver commercially viable office projects in Brisbane under the 50 per cent threshold for code assessable applications included in the City Centre Neighbourhood Plan.

This analysis included numerous case studies from a cross section of sites and site areas within the city centre and identified the resultant TSC and floor plates achieved when complying with Council's acceptable outcome for front, side and rear tower setbacks within the City Centre Neighbourhood Plan. The following provides examples of the work undertaken.

#### Massing Exercise: Site = 932m<sup>2</sup>

- Complying setbacks = 382m<sup>2</sup> floor plates
- Limited application for commercial development
- Results in TSC of 41 %
- Code assessable



#### Massing Exercise: Site = 1460m<sup>2</sup>

- Complying setbacks = 920m<sup>2</sup> floor plates
- Limited commercial viability
- Results in TSC of 63 %
- Impact assessable
- Code assessable requires 730m<sup>2</sup> floor plates (limited commercial viability)



### Massing Exercise: Site = 1700m<sup>2</sup>

- Complying setbacks = 1040m<sup>2</sup> floor plates
- Lower end of commercial viability
- Results in TSC of 61%
- Impact assessable
- Code assessable requires 850m<sup>2</sup> floor plates (limited commercial application)
- TSC of 70% to achieve 1200m<sup>2</sup>



### Massing Exercise: Site = 2575m<sup>2</sup>

- Complying setbacks = 1700m<sup>2</sup> floor plates
- Commercially viable
- Results in TSC of 66%
- Impact assessable
- Code assessable or 50% TSC could be achieved with 1287m<sup>2</sup> floor plates



### Massing Exercise: Site = 7294m<sup>2</sup>

- Complying setbacks = 2 x 2960m<sup>2</sup> floor plates. Results in TSC of 74%
- Exceeds market requirements
- Bulk & scale impact. Preference for multiple towers with appropriate separation distances.



As the examples illustrate, the scope to deliver commercially viable product under a code assessable application is limited for sites above 1000m<sup>2</sup>. For sites between 1000m<sup>2</sup> and 3000m<sup>2</sup> using compliant setbacks generally resulted in an impact assessable TSC of between 60-69 per cent. For sites over 3000m<sup>2</sup> code assessable applications would result in excessive setbacks that penalise the property owner. Furthermore, developments on these sites would need to incorporate multiple office towers and consider appropriate setbacks between the towers.

In addition, a review of recent approvals in the CBD has identified that approved applications for commercial office towers often pushed into the impact assessable category. In these cases, the applications were impacted by time, cost and risk associated with their delivery.

Examples of such applications include, 205 North Quay and 343 Albert Street, Brisbane City, both approved by Council but later subject to submitter appeal. Whilst these applications were subsequently approved by the Planning and Environment Court, they highlight that the current impact assessable threshold of 50 per cent adds unnecessary risk and cost to the delivery of commercial office towers which were supported by Council due to compliance with other relevant built form controls and which met market demand.

In the current challenging environment, it is imperative that the CBD has the settings in place to grow and provide spaces that businesses want to occupy. As such, the Property Council recommends the following changes for Council consideration to assist in stimulating much needed development activity in Brisbane's CBD over the next decade.

These changes include a combination of amendments to both the level of assessment criteria and built form acceptable outcomes within the City Centre Neighbourhood Plan as follows:

#### **City Centre Neighbourhood Plan Level of Assessment Criteria**

- Remove the Tower Site Cover limit entirely from category of assessment (this would be similar to what is employed by other Councils including the Gold Coast, Sunshine Coast, Cairns)

#### **City Centre Neighbourhood Plan Acceptable Outcomes**

- Increase tower site cover for lots over 1000m<sup>2</sup> to 65% for commercial developments
- Increase tower site cover to 65% for sites over 3000m<sup>2</sup> with additional assessment criteria to include building length to address massing issues
- Exclude balconies from Tower Site Cover to assist with encouraging Buildings That Breathe principles

Thank you for considering the issues raised within this letter. If you have any questions or would like to discuss these issues further, you can contact me on 0448 432 936 or at [jwilliams@propertycouncil.com.au](mailto:jwilliams@propertycouncil.com.au).

Yours sincerely



**Jen Williams**

Queensland Executive Director