

Submission on the Draft City Centre Neighbourhood Plan

30 September 2015

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1. Introduction

Thank you for the opportunity to provide a submission on the draft *City Centre Neighbourhood Plan*.

For Brisbane to achieve the economic outcomes established in the *Brisbane 2022 New World City Action Plan*, the CBD must be able to respond to the demand for office, retail, residential and hotel space.

This means the planning framework needs to provide certainty along with flexibility, to enable the property industry to develop world class facilities that promote Brisbane as 'Australia's new world city'.

The Property Council congratulates Council on their efforts to simplify the planning scheme for the CBD by reducing the number of precincts from 18 to 5, reducing tower setbacks, the removal of GFA restrictions, and the assessment of buildings based on how they respond to individual site constraints through an urban context report rather than prescriptive requirements.

These measures provide the framework for the CBD to evolve over the next decade, however the Property Council has some concerns that we believe need to be addressed before the plan is finalised.

The following submission sets out our concerns and provides recommendations on potential avenues for resolution.

2. Summary of recommendations

1. Increase the maximum tower site cover for both non-residential and residential development to 50 per cent, or 55 per cent when utilising transferable site area, on sites with a primary street frontage of more than 20 metres.
2. Amend the definition of tower site cover so that it is calculated as the average area of the 20 largest levels.
3. Develop a plan that facilitates greater alternative uses of TSAs.
4. Remove the maximum 60 metre height limit for any tower in the 'mall tower area' within the retail precinct.
5. Place greater emphasis on building design through an urban context report for sites fronting the Queen Street Mall.

3. Property industry's contribution to the Queensland economy

The property industry in Queensland creates the homes we live in, the offices in which we work, and the shopping centres and recreational areas where we spend our leisure time.

It has a larger footprint on the Queensland economy than any other industry¹.

3.1 Contribution to Gross State Product (GSP)

The property industry directly contributed \$33.8 billion to GSP in Queensland in 2013-14, representing 11.4 per cent of total GSP.

It is estimated to have contributed a further \$49.9 billion to Queensland GSP through flow-on demand for goods and services.

3.2 Contribution to employment

The property industry directly employed 239,772 full time equivalent (FTE) employees in Queensland in 2013-14, representing 12.1 per cent of the state's workforce.

The industry also supported some 292,684 additional FTE jobs through flow-on activity.

Approximately 27.4 per cent of wages and salaries paid to Australian workers are generated by the property industry.

3.3 Contribution to government revenues

The property sector in Queensland contributed approximately \$9.9 billion in combined State Government tax revenues and local government rates, fees and charges revenue in 2013-14. This equates to 49.8 per cent of total State taxes and local government rates, fees and charges revenues in 2013-14.

3.4 Contribution to the Brisbane economy

In 2013-14, the property industry contributed more than \$12.69 billion to Brisbane's Gross Product (12 per cent) and provided full time work for more than 83,800 people- over 11.5 per cent of jobs in the Brisbane City Council area.

¹ All the statistics in this section are sourced from AEC group, 2015

4. Levels of assessment

Tower site cover

The Property Council notes that the draft *City Centre Neighbourhood Plan* removes Gross Floor Area as a trigger for impact assessment, with tower site cover controlling the level of assessment.

As the CBD grows, the scarcity of sites and the costs associated with redeveloping existing buildings requires a planning framework that facilitates feasible development outcomes via code assessable applications.

An analysis of the site cover restrictions shows that a site of 1800m² can comply with the tower setbacks outlined in A08.1, however in doing so, it would result in a tower site cover of 65%, making the application impact assessable.

If it is a requirement to lodge an impact assessable application to achieve what the plan stipulates is an acceptable solution, then the tower site cover restrictions need to be revised. This level of uncertainty has the potential to undermine investor confidence in Brisbane's CBD.

To ensure the CBD remains commercially competitive compared to other states and attracts international investment, the Property Council recommends that on all sites (non-residential or residential) with a primary frontage of more than 20 metres, the maximum tower site cover for code assessment be 50 per cent, or 55 per cent when utilising transferable site area. The maximum tower site cover variations in table 7.2.3.7.3.C are confusing and unnecessarily trigger impact assessment.

The Property Council also recommends that Council adopt the same method outlined in City Plan 2014 for calculating site cover, this being the average area of the 20 largest levels, rather than the combined total area of the largest storey of each building, as outlined on page 38 of the document.

The current definition, provides the ability for an application to not trigger impact assessment if the podium exceeds the maximum height by a marginal amount, and promotes good design outcomes.

Recommendations:

Increase the maximum tower site cover for both non-residential and residential development to 50 per cent, or 55 per cent when utilising transferable site area, on sites with a primary street frontage of more than 20 metres.

Amend the definition of tower site cover so that it is calculated as the average area of the 20 largest levels.

5. Transferable Site Area (TSA)

As previously outlined, the Property Council is supportive of Council's move to simplify the planning framework for the CBD, and the removal of GFA calculations is seen as a positive move that will allow for future growth.

This change however, when combined with the ability to only use TSAs for commercial developments on sites less than 3000m² with a primary frontage of greater than 20 metres, will result in a significant loss in value of TSAs, thereby impacting on the property rights of the owners of heritage buildings. Since their establishment in the 1987 town plan, a market has developed to a stage where TSAs are now commercially valued and are taken into consideration when a property is sold with its attached TSAs.

It is our understanding that there is approximately 25,000m² of TSAs currently in the market, with a value in the vicinity of approximately \$50 - \$60 million.

To ensure that TSAs values are preserved through this iteration of the *City Centre Neighbourhood Plan*, Council needs to develop a comprehensive plan in consultation with TSA owners to facilitate their use and ensure the value of these valuable heritage assets is not undermined.

This plan would likely include a range of solutions both planning and financial. Below are some of the measures that should be investigated further:

- Allow TSAs to be used for both non-residential and residential developments as was previously the situation, noting there is limited scope for their use in draft plan
- The use of TSAs in exchange for greater numbers of car parks in commercial developments
- Credits against infrastructure charges
- Credits against General Rates
- Discounts towards the Mall levy
- The establishment of a Heritage Maintenance Fund for the CBD

Recommendation:

Council develop a plan that facilitates greater alternative uses of TSAs to ensure owners are not penalised. The Property Council would welcome the opportunity to work with Council in developing this plan.

6. Queen Street Mall

For the Queen Street Mall to remain one of the most successful malls in Australia, and to contribute to Brisbane becoming a new world city, Council needs to ensure that there is the ability to redevelop and enhance the mall offering into the future.

The draft *City Centre Neighbourhood Plan* provides a barrier to achieving world class development outcomes in the heart of CBD, by limiting the height of buildings to 60 metres and the requirement of a 20 metre setback, for sites that front the Queen Street Mall.

These restrictions place a disincentive to redeveloping underutilised sites in this precinct, when the plan should be facilitating efficient use of scarce land in the CBD.

Similar to other areas of the CBD, each individual site should have the ability - through an urban context report - to demonstrate how it achieves the overall outcomes of the draft *City Centre Neighbourhood Plan*, without placing commercially unviable restrictions for both height and setbacks.

Recommendations:

Remove the maximum 60 metre height limit for any tower in the 'mall tower area' within the retail precinct.

Place greater emphasis on building design through an urban context report for sites fronting the Queen Street Mall, rather than implementing restrictive setback requirements that will make developments in this precinct unviable.

7. Conclusion

The Property Council would like to again thank Council for the opportunity to provide feedback on the draft *City Centre Neighbourhood Plan*.

If you have any further questions about the Property Council or the detail included in this submission, please contact Chris Mountford on 07 3225 3000, or cmountford@propertycouncil.com.au.

Yours sincerely

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