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Mr Tim Westcott (Project Manager)
Department of Environment, Land, Water and Planning,
PO Box 500,
East Melbourne VIC 3002

By email: tim.westcott@delwp.vic.gov.au

Dear Mr Westcott,

Better Apartments in Neighborhoods Discussion Paper

Summary of Issues

The Property Council of Australia (Victorian Division) (**Property Council**) welcomes the opportunity to make a submission on the Better Apartments in Neighbourhoods Discussion Paper. The objective of the discussion paper is to build on the *Better Apartments Design Standards* in the Victoria Planning Provisions, which were introduced in 2017.

The proposal outlines five policy aims for new apartments:

- Green Space
- High quality building facades
- Protection from wind impacts
- Attractive, engaging streets
- Better managed construction impact

For the reasons set out in this submission, the Property Council does not support the proposed amendments set out in the discussion paper.

Particularly, we submit that the proposed amendments are too onerous, impacting on the ability of developers to meet market demand, in terms of innovations, cost and amenity. In addition, the nature of the proposal will likely have the unintended outcome of increased red tape and extend delays in obtaining planning approval.

In preparing this submission, the Property Council of Australia met with two representatives from the Department of Environment, Land, Water and Planning (DELWP), Timothy Westcott and Alanna McWhirter. During the meeting, Phase Two and Three of the Better Apartment Program were discussed. This submission will primarily outline the concerns of the Property Council in relation to Phase Two, as well as outline some early concerns in relation Phase Three.

The Property Council of Australia

The Property Council is the leading advocate for Australia's property industry — the economy's largest sector and employer.

In Victoria, the property industry contributes \$45.1 billion to Gross State Product (12.4 per cent), employs more than 331,000 people and supports more than 400,000 workers in related fields. It pays more than \$21 billion in total wages and salaries per year, employs one in four of the state's workers either directly or indirectly, and accounts for 57.5 per cent of Victorian tax revenue.

In Victoria, the Property Council has more than 500 members. They are architects, urban designers, town planners, builders, investors and developers. These members conceive of, invest in, design, build and manage the places that matter most — our homes, shopping centres, office buildings, education, research and health precincts, tourism and hospitality venues.

This submission is informed by many of the Property Council's key member representatives and expert committee members.

PHASE TWO ELEMENTS

Green Space

The way in which green space is included in apartment developments needs to be considered in the context of the location of the development and existing local amenity. Under the proposed standards all apartment developments are required to include landscaped communal open space.

While green space plays an import role in creating attractive urban environments, mandating requirements around green space and landscaping can have unintended consequences including limiting housing diversity and creating a cost burden for owners (upfront and recurring costs), particularly on sites of less than 750 sqm. For example, an apartment building opposite or nearby a park should have a reduced requirement for green space. Where there is existing proximity to community green space, the requirement for mandatory green space for new development creates an unnecessary cost burden and creates an opportunity cost for alternative utility of the space (ie other shared facilities such as a gym, or larger floor plans).

We submit that the existing Apartment Guidelines set out landscaping objectives sufficiently to achieve the objective outlined in 2.4, although with the exception of allowing planters in lieu of deep soil areas.

Proposed changes to landscaping standards (all apartment developments) (Section 2.4 in the discussion paper)

Standard Table D2 requires a mandatory number of trees based on-site area. This rigid measure limits creativity and innovation in designed space and could have a negative impact on design outcome.

The deep soil requirements outlined in section 2.4 are unnecessarily burdensome. For sites in the CBD and inner-inner urban areas, the deep soil requirement is particularly onerous as the space necessary to fulfil the requirement impacts building yield. For projects to remain viable, these costs are passed on to end-users and impact on affordability.

Additionally, the appropriateness of canopy trees should be assessed on a case by case basis. In certain areas, the deep-rooted canopy could impact sub-terrain essential services or cause damage to road and drainage infrastructure. Similarly, some native fauna can be dangerous to both

property and persons in close proximity to apartments and houses, with falling branches causing damage to properties and roof infrastructure.

Proposed changes to the communal open space standard (Section 2.5 in the discussion paper)

The proposed new threshold mandating all apartment dwellings to have open space doesn't reflect market requirements or buyer sentiment. It is often the case that owner-occupier apartment buildings, which are generally smaller in scale with larger apartments, do not need communal space because residents do not want the burden of management of common areas and the associated costs. Similarly, since the introduction of minimum internal apartment, the requirement to have common spaces (which typically feature in student housing, co-living arrangements and high density apartments), are not necessarily sought by residents who have sufficient amenity within their adequately sized apartments.

We believe that a thorough post-occupancy analysis should be undertaken of completed buildings designed under Phase One of *Better Apartment Design Standards* to assess the extent to which the communal space is being utilized.

We submit that a threshold should only be a requirement if there is a critical mass of 40 apartments, consistent with the existing guidelines.

We are supportive of the definition of open space including allocated internal common area (not corridor circulation space) as well as external area to be able to provide space that responds to the site context and meets market demand.

Proposed changes to the design response for landscaping (Section 2.6 in the discussion paper)

We object to the addition of the requirement for plans to include water and drainage infrastructure pre-commencement, as it is a costly undertaking at the pre-approval stage. It is reasonable for details to be a condition for pre-commencement, but not required at the application stage.

Proposed changes to the landscaping section in the Apartment Design Guidelines for Victoria (Section 2.7 in the discussion paper)

Maintenance of communal green space provides an ongoing cost to ownership through owners corporation levies. These costs are often passed on to renters, forcing up the cost of rent in new apartments.

Whilst it is possible to make green space a permit condition, there is no mechanism to ensure owners corporations sustain that green space. Owners corporations may neglect to maintain the space for cost or other reasons and green space plants can be left to die, creating a public eyesore. A high profile example of this is "The Block" building in South Melbourne.

Appearance of the Building

Proposed new external walls and materials standard (Section 3.4 in the discussion paper)

The proposed standard requires external walls and materials that are visually interesting. In order to support planners in implementing this standard, clarity needs to be provided about how 'visual interest' will be defined. Council officers are often not architects and making visual interest a permit condition could ultimately have the unintended consequence of introducing a discretionary threshold which will be determined by planning officers.

Similarly, clarity needs to be provided about what constitutes 'durable'. Where the guidelines are too prescriptive, materials, such as painted render which is easy to maintain, may be excluded. It is our assertion that all external walls will require maintenance and the threshold of durable "for the life of the building" doesn't consider the opportunity for maintenance or the proposed "life expectancy" of the building.

Proposed changes to the design response (Section 3.5 in the discussion paper)

We support this condition. However, it is recommended that resources be developed to assist planning assessors to better understand the façade materials being proposed, and opportunities for maintenance.

Proposed changes to the Apartment Design Guidelines for Victoria for external walls and materials (Section 3.6 in the discussion paper)

It is questionable whether this proposal could be enforced in practice. Rather we suggest that it be amended to provide a 'strategy for maintenance' by the owner's corporation to adopt instead of requiring information on how the external walls 'will be maintained'.

Wind Impact

Proposed new standard for wind impacts (Section 4.4 in the discussion paper)

The proposed standard outlined in 4.4 is aimed at ensuring the design and layout of development does not generate unacceptable impacts within the site or on surrounding land. The Property Council is supportive of the desired objective of the standard, however, the requirement set out in the standard goes further than required to achieve this standard.

We submit that landscape elements should be allowed to be included in modelling. Further, any requirement for wind reports and or tests should be limited to particular buildings defined by scale and/or location.

The proposed assessment distance outlined in section 4.2 exceeds the requirements necessary to ensure the desired outcome of the standard.

Where the application is part of a precinct development (eg under an approved Development Plan), wind assessments should be considered upon completion of the final stage. Consideration should be given to the benefit of the shelter provided by future stages that may not yet have been constructed.

Other Considerations (Section 4.3 in the Discussion Paper)

It is impractical that wind modelling required under the standard be considered upfront in the planning and design phase. We submit that wind modelling results should be a pre-commencement condition. We propose a desktop study by a wind expert be appropriate rather than a wind tunnel modelling exercise at application stage. We note that wind tunnel modelling services are provided by a limited number of businesses and therefore it is unfeasible to undertake this prior to permit approval, particularly where the determination of the permit may affect the model that is required for the wind study, requiring further wind modelling.

Street Interface

Proposed changes to integration with the street standard (Section 5.4 in the discussion paper)

The amendments outlined in section 5.4 are aimed at promoting integrated layouts and active street fronts. The Property Council accepts the general approach outlined in the Discussion Paper for delivering better streetscape quality.

We propose that the requirement for active street fronts should not extend to all street frontages, ie rear or side laneway. We submit that active street fronts, while preferred, are unfortunately not always practical. Specifically, the requirement that buildings should provide for residential, commercial, retail or other active uses may have the unintended outcome of oversupplying retail space in any particular market.

Proposed changes to vehicle access standard (Section 5.5 in the discussion paper)

We support this standard.

Proposed changes to site services standard (Section 5.6 in the discussion paper)

We support this standard, subject to the standard not requiring services to be concealed or off street.

Proposed changes to Apartment Design Guidelines for Victoria for site services (Section 5.7 in the discussion paper)

We support this standard.

Construction Impacts

It is the submission of the Property Council that the standards outlined in Section 6 which aim to consider construction effects are misplaced in the Apartment Design Guidelines and should be struck out. Beyond being misplaced, we are concerned that the inclusion could trigger an increase in pre-permit objections.

Construction Management Plans (CMP) require the input of a builder which is appointed to construct the project. As this is not determined at the time of submitting a planning application, it is inappropriate to make this a condition. We submit this is a matter that should be dealt with by Councils, ie requirements for CMP or hours of work, which, in most Councils is a requirement prior to construction commencing.

If the standards in Section 6 are implemented, we submit that it would only be appropriate to include this standard as a permit condition but not as a pre-permit condition. Further, it may be appropriate for DELWP to produce a template for a CMP to improve quality of any submitted under a permit condition.

As a further consideration, in instances where Councils require CMPs, they often have variant and inconsistent expectations. We propose a guidelines be developed to facilitate a consistent approach to CMPs at a Council level this would enable better quality and consistency in CMP development and compliance and ensure greater consistence in approach.

Currently, inconsistent approaches to CMP requirements between Councils contribute to significant development delays. This often occurs at a critical stage in the delivery process. Guidelines that help achieved consistency between Councils would be an appropriate tool to reduce delay in the planning process.

Fast Tracking Pre-Approved Apartment Designs

Earlier this year, the Property Council of Australia met with two representatives from the Department of Environment, Land, Water and Planning (DELWP), Timothy Westcott and Alanna McWhirter.

At the meeting, an initial discussion about Phase Three of the Better Apartments Program took place. We recognise that this phase has not yet been fully developed, however, wish to express our early concerns around the development of a scheme that would allow for the fast tracking of apartment developments if the scheme required the projects to follow a heavily prescribed pro forma model.

Our concern is that this approach would lead to bad design outcomes for emerging suburbs as the obvious appeal of fast-tracked planning would lead to a bulk rollout of standard, cookie-cutter apartments. An example of this would be the replicated blocks of government housing that already exist in areas such as Prahran and Fitzroy.

Next Steps

In principle, the Property Council is supportive of the desired outcomes behind Phase Two of the Better Apartment Guidelines, however, we are concerned the bluntness of the proposed standards will result in unintended consequences.

The Property Council welcomes the opportunity to work with DELWP on developing a set of guidelines that enable the achievement of the State Government's objective, whilst also ensuring positive design and development outcomes for property businesses and the community.

If you require further information or clarification, please contact Emily Young, Senior Communications & Policy Advisor, on 0447 020 329 or eyoung@propertycouncil.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Cressida Wall', with stylized loops and a horizontal line across the middle.

Cressida Wall
Executive Director, Victoria