

26 July 2023

Hon Dr Steven Miles MP

Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning
and Minister Assisting the Premier on Olympic and Paralympic Games Infrastructure

1 William Street
Brisbane QLD 4000

Dear Deputy Premier

Kurilpa Sustainable Growth Precinct TLPI

The Property Council welcomes the opportunity to provide feedback on the Temporary Local Planning Instrument proposed for the Kurilpa Sustainable Growth Precinct (Kurilpa TLPI).

Given the current housing crisis, any opportunity to increase the supply of housing is welcomed by industry. Through the fast-tracked pathway provided by a TLPI, the Kurilpa TLPI allows for much-needed supply to be brought forward ahead of an amendment to the planning scheme.

The Kurilpa TLPI and its focus on increasing housing supply is welcomed by the property industry, as is its focus on performance-based planning outcomes.

Kurilpa is centrally located and well-serviced by existing infrastructure, providing an ideal location to increase housing supply and diversity, while providing additional amenity and benefit for the community. As such, the move to effectively offer development proponents two options (comply with the existing South Brisbane Neighbourhood Plan, or achieve higher density residential outcomes by applying new provisions that will provide community benefit) is endorsed by industry.

Due to Kurilpa's central location and connectivity, an increase in dwelling supply in this strategic location also aligns with the priorities of all levels of government around 'well-located density'.

Most notably, the Kurilpa TLPI explicitly refers to the opportunity for Build-to-rent housing, which all three levels of government have supported via a range of recently announced incentives. The Property Council believes that Build-to-rent's potential to provide long-term rental security should be acknowledged and encouraged in the final TLPI.

Additionally, Brisbane is currently experiencing record demand for Purpose Built Student Accommodation (PBSA) with a zero per cent vacancy rate since February and lengthy waitlists of potential occupants. PBSA is an essential component of Queensland's housing mix, as the provision of PBSA reduces the number of students competing in the broader rental market. Kurilpa's close proximity to various universities reinforces the need for the facilitation of PBSA to be directly acknowledged in the final TLPI.

The Property Council also provides the following commentary on specific components of the Kurilpa TLPI:

Inclusion of affordable housing

The Property Council appreciates the need to ensure a level of affordability within the Kurilpa precinct, however, it is important to note that any move to introduce the mandatory inclusion of below-market housing may jeopardize or limit investment that would otherwise boost the overall supply of housing.

As such, the Property Council welcomes the TLPI's approach of identifying the delivery of affordable housing as one of a suite of potential community benefits developers may deliver. The reality of the current construction market is that many 'at market' dwellings are not feasible to deliver. Adding additional requirements that would effectively see the cross-subsidisation of housing from one dwelling to another, will render more projects unviable.

The introduction of mandatory affordability requirements would significantly affect the ability of the market to deliver any new housing in the precinct, thereby undermining the intent of the Kurilpa TLPI.

Infrastructure Charges

The Property Council understands that the proposed TLPI seeks to establish additional infrastructure charges to be applied to the increased density. These additional charges would be applied over and above the capped infrastructure charges.

While the Property Council recognizes that the intent is to enable value capture of the additional density in order to accelerate the major community infrastructure planned for the precinct, there needs to be further clarity on the nature, extent, purpose and justification for such costs.

Tower Site Cover

The proposed tower site cover (TSC) provisions applicable to a 'higher density residential building' represent a reduction on the current Neighbourhood Plan provisions and a reduction on well-established approval precedents in the precinct. Under the existing South Brisbane Neighbourhood Plan towers are able to be built at circa 60-80 per cent tower site cover under a performance-based approach.

As such, the Property Council is concerned by the potential that the increased heights which are enabled under the TLPI would be offset by the requirement to reduce tower site cover for the whole tower.

As an example, a residential building that is 70 per cent TSC over 30 levels on an 1800sqm site would have approximately 31,800sqm saleable area (with the assumption of 200sqm per level for lifts, stairs, corridors). By comparison, a 36 storey tower on the same site with maximum 60% tower site cover will have the same saleable area, combined with increased construction costs and a less efficient building.

Any reduction in TSC applied via the Kurilpa TLPI will mean that additional height will be required. This will result in increased costs and a corresponding increase in dwelling cost.

As such, the Property Council suggest that TSC thresholds are increased in all precincts to enable the increase in height without compromising development yield.

Carparking

As previously highlighted, Kurilpa is centrally located with excellent connectivity. This provides the potential to increase dwelling supply and explore new promising housing typologies (e.g. Build-to-rent) that do not have the same reliance on carparking.

As such, with the additional heights and density envisaged the Property Council supports the proposed maximum carparking rates.

However, due to the reasons outlined above (Kurilpa's central location and connectivity) the Property Council questions why reduced carparking requirements are not included for buildings that are not considered "higher density residential." Amending this requirement provides an opportunity to improve dwelling supply and reduce development cost.

Public Art Contribution

The Property Council notes that the current Public Art contribution is 1 per cent of development costs and suggest that this should be brought in line with the 0.25 per cent of development costs required in the CBD.

Thank you once again for the opportunity to provide feedback on the proposed Kurilpa TLPI. If you would like to discuss this further, please have no hesitation contacting me on 0448 432 936 or jwilliams@propertycouncil.com.au.

Yours sincerely,



Jen Williams
Queensland Executive Director