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February 13, 2017

Hon John Rau
Minister for Planning
GPO Box 464
ADELAIDE SA 5001
Via email: agd@agd.sa.gov.au

RE: Design Guidelines

Dear Minister,

As you would recall, at a recent Collaborative Advisory Team meeting the UDIA raised with you that some of our members have been concerned about the reference to design when seeking development approvals.

In response, you kindly invited us to provide some information to you on this matter which you will now find attached.

We would be pleased to discuss this with you using actual plans of projects to illustrate, or even to visit some sites with the CBD if it would assist.

We also look forward to working together with the Government Architect, as you suggested, prior to the new guidelines being released so we can ensure both viable and good quality development in Adelaide can continue.

Your Sincerely

A handwritten signature in black ink, appearing to be 'J Stimpson', is located below the text 'Your Sincerely'.

John Stimpson
UDIA PRESIDENT

Background

Since the release of the first 30 Year Plan, the Government has made a concerted effort to focus on greater density within the existing suburbs of metropolitan Adelaide, as well as encouraging increased city living. We have also seen the introduction of an urban growth boundary to prohibit any further development in fringe areas.

It is recognised that one of the most critical issues with respect to increased density in development across Adelaide is community acceptance. This is proposedly achieved both in terms of facilitating lifestyle choices, as well as managing the expectations of neighboring residents as they see their neighbourhoods change shape and feel.

There has been success within the CBD where large and medium apartment blocks have been given approval and developed efficiently, and we have also seen the advent of medium rise apartment buildings along some inner metro council corridors.

While some of this success can be attributed to some Councils actively pursuing community acceptance as an agenda, other factors, including land economics and the appropriateness of planning laws, have, and will continue to largely dictate viability.

As the Government attempts to ensure community acceptance in an attempt to accelerate these types of developments, understandably there has been a strong focus on design principles and aesthetics and we understand that this is the reason for an overhaul of the medium density guidelines under consideration.

It is also apparent through some of the current feedback that UDIA members have provided when seeking planning approval, that guidelines from other states are now being referred to and often implied as a requirement for approval.

Unfortunately, these interstate guidelines, if allowed to permeate through to South Australia, would lead to a stifling of development in South Australia, and inevitably jeopardise the Government's targets in addition to limiting jobs and economic growth more generally. Due to industry factors, specific to South Australia, many of these standards simply do not work here. If they were adopted in South Australia several developments bilaterally and consensually hailed as great success stories in SA would never have proceeded.

This causes us great concern, particularly as we are also aware that some of these guidelines which exist interstate are causing issues for the development sectors in those markets already – markets historically and markedly more resilient than ours.

To facilitate collaboration and to recognise that there is a need for good design principles, some preliminary work has been completed by UDIA SA in reviewing the Victorian guidelines to highlight where these are incompatible with the South Australian building industry, providing reasons for these shortcomings.

We acknowledge there is a need to embrace improved design and believe that it should be modelled on flexible performance guidelines rather than fixed templates. If there are to be templates, it is critically important suitably flexible guidelines accompany them. Fair and informed balance is critical in ensuring prolonged and sustainable success and we look forward to assisting the Government to achieve this goal.

The South Australian Context

The acceptance of apartment living is relatively new to South Australians and the 30 Year Plan for Greater Adelaide supported by the Planning Development and Infrastructure Act 2016 has created the planning platform that supports development in metropolitan Adelaide.

These important planning and economic initiatives are fully supported and welcomed by the UDIA.

Apartment development has always had to contend with the price premium of apartment construction relative to medium density housing as well as being limited in location by a lack of suitably zoned land.

Brick veneer housing can be constructed from \$1000/m²+ for single storey, to \$1250/m²+ for terrace housing to \$1500/m²+ for two storey compared with low rise apartments from \$1850/m² to high rise construction in the order of \$3000/m².¹

With little population growth in South Australia the apartment market is supported by investors, first home buyers and family formations comprising singles and couples, young and old.

Apartments are becoming an affordable option but must remain competitive with townhouses.

Any impediment to the design of apartments that incurs unnecessary higher costs relative to medium density housing will severely limit the commercial viability of apartment development for the developer and the investor/owner occupier.

The recent restrictions by banks to lending on apartments to developers and purchasers has yet to fully impact on the market however we are already

¹ Evidence on construction costs is contained in the THE APARTMENT CONSTRUCTION COST DEMONSTRATION PROJECT commissioned by Renewal SA found

witnessing many approved projects that are simply not proceeding due to financing.

Housing does not suffer the same restrictive policies from banks that apartments are exposed to.

Apartments in South Australia sell principally to locals with a limited take up by interstate buyers through property spruikers. Deposits are a barrier to entry and job security in South Australia is an ongoing concern to prospective buyers of apartments.

There are numerous codes that inform good design practice in apartments regarding important issues such as noise, energy efficiency, ventilation, etc. and these are all thoroughly prescribed in the Building Code of Australia (BCA) and the National Construction Code (NCC). These codes of practice are regularly reviewed in the national interest and compliance is mandatory.

Recommendations

The recommendations in this report will maintain quality apartment living standards whilst ensuring that building economics applicable to the South Australian context promote a financially viable apartment supply in South Australia.

1. Building Set Back

Any setbacks to side and rear boundaries will have a very serious detrimental effect on the amount of developable land particularly in the Adelaide CBD. There are numerous completed apartment developments in the city where building on the total foot print of land produces a desirable and affordable design solution.

The design of a podium for car parking and an inset tower above is also a proven design technique on larger sites and provides the necessary provisions for daylight and outlook on suitable sites.

The concept of tiered set-backs for high rise towers is not a consideration in Adelaide given the limitations of the market and constraints imposed by the flight paths of the Adelaide Airport.

The new developments at Bowden demonstrate that building set backs are not required for medium rise apartment developments in suburban redevelopment and that a high quality living amenity has produced affordable and saleable apartments.

The interface between developments on main suburban arterial roads and adjoining established residential areas is an appropriate situation to introduce a rear tiered set back in relation to bulk and shading.

Recommendation - The current set back provisions are working and the imposition of greater set-back provisions would render many sites not able to be developed economically. No change to current policy.

2. Room Depth and Ceiling Height

There is a view being proposed by interstate planning authorities that an apartment should have a room depth to ceiling height ratio in the order of 2:1. This proposal has the detrimental effect of seriously constraining the design efficiency of the single aspect apartment and effectively establishes a fixed floor plan design template for all apartment designs.

The implications of this policy would be disastrous for apartment development in South Australia.

The majority of all apartments under construction now would not comply nor could comply with this provision.

The current design standards for natural light, ventilation, ceiling height and room depth in the South Australian context are working well and any attempt to introduce provisions more than the Building Code of Australia and the National Construction Code would render most projects unviable and increase significantly the cost of apartments that could comply.

Recommendation - Continue with current design standards established by the National Construction Code (NCC). The NCC reviews apartment standards nationally through a Regulation Impact Analysis and this is the appropriate body to review and set the standards.

Do not arbitrarily introduce new design standards that will have very serious, detrimental and unintended impacts on apartment development in South Australia

3. Light Wells

The current design provisions are working and do not require amendment.

Recommendation - Continue with current design standards established by the National Construction Code (NCC).

The NCC reviews apartment standards nationally through a Regulation Impact Analysis and this is the appropriate body to review and set the standards.

4. Windows

There is a view that all habitable rooms should have access to daylight by requiring a window to be directly visible from any point in the room.

This requirement would severely impact design efficiency and yield and borrowed light has many sound design applications that enable apartments to be produced at affordable prices with no loss in living amenity.

Studio and one bedroom apartments would be severely impacted and bedrooms or studies with only a direct external window would become very difficult to design in most apartment projects.

The impact would produce only expensive apartments and the inability to provide affordable accommodation in the South Australian market.

The apartment feasibility would become uncompetitive for developers who would focus on medium density housing that has none of these impediments.

Recommendation - Continue with current design standards established by the National Construction Code (NCC) and the Australian Building Code (ABC).

The NCC reviews apartment standards nationally through a Regulation Impact Analysis and this is the appropriate body to review and set the standards.

Do not arbitrarily introduce new design standards that will have very serious, detrimental and unintended impacts on apartment development in South Australia.

5. Storage

It is appropriate to provide storage space that allows people to live comfortably and provide for different space requirements.

Apartments should provide for bedroom wardrobes, linen, brooms, pantry and where possible some additional storage for items such as suit cases.

Bicycle parking is also a current requirement.

Recommendation - Ensure sufficient storage is provided relative to the size of the apartment.

Conclusion

The points highlighted in this report are extremely important to the viability and growth of the apartment market in South Australia. We know that changes that impose guidelines that may be considered appropriate in other states are not necessarily workable in South Australia which has a different

apartment market and we would urge you to consult with the UDIA before the public release of any documents.