



Urban Living Network covers news about new homes and apartment developments, retail trends, job locations, density related to railway stations, urban projects on city fringes, strata and planning reforms. We aim to provide real data on trends, housing supply and demographic change. ULN is essential reading for all those involved in urban living including politicians, councils, planners, architects, developers, financiers, legal firms, real estate agents and strata bodies.

Tom Forrest
CEO - Urban Taskforce Australia

27 MAY 2022

The Federal Election results are in: more housing supply, inclusivity and regard for climate change



The Federal election campaign has revealed a major shift in the mood of the Australian electorate. There was a clear shift towards government doing more to address climate change. Housing Supply is front and centre in the debate right across Australia. And there was a shift toward a more inclusive political tone.

The election outcome presents no surprises on climate change for Urban Taskforce members. In fact, our members are way ahead of Government in this space. We talk to customers every day. Mini-focus groups take place across the country and they tell our members they want to buy or rent safe, sustainable homes, supported by public transport, close to work, with green space and amenity. Budget determines how many of these options a purchaser can afford – but the environment is increasingly a consideration.

Increasingly, new apartments and many new homes accommodate EV power stations. (In fact the constraint is often the capacity of the electricity sub stations, not the cost of installation). A combination of solar panels, green public and private open space, the use of recycled building materials, solar panels, BASIX and NABERS performance, and grey water recycling are all increasingly demanded by our customers. Even industrial developers are responding to the demands of their customers and are miles ahead of Government regulation in this space.

For example, Government still makes decisions on the number of car spaces you can have with reference to data derived 20 years ago. Many families prefer to have one or two car spaces but choose not to use their cars if there are alternatives available. More car spaces do not necessarily equate to more trips. The number of trips is determined by the number of people in the dwelling and the availability of alternative modes, not the number of car spaces. Car space limits actually stop young families, tradies and down-sizers moving into apartments. Why would you do this? This is something that a National Council can examine in detail.

The Business Council and the National Farmers Federation have been calling for Government to take the lead in this space, set minimum standards and let the market get to work on innovative solutions. Urban Taskforce is working with NSW Treasurer Matt Kean and Planning Minister Anthony Roberts to give practical effect to the targets that the NSW Government has taken the lead on with its Net Zero Plan. The key to reaching any target is allowing for private sector innovation and not having the government (which is almost always late to the party) prescribe or mandate the pathway to the outcome.

For the property development and construction sector, housing supply became a key to the election platform of all sides of politics..

A National Perspective and an objective analysis of the performance of each State.

Urban Taskforce is very supportive of the new Government's plans to establish a **National Housing Supply and Affordability Council**.

The Commonwealth has been absent from the field of housing supply policy beyond demand side stimulus like the Homebuilder package. Having a properly resourced National body to look at all aspects of housing supply is very welcome. The new National Housing Supply and Affordability Council will bring a national focus to increasing housing supply. Having a single source of truth from a national body will be critical for undertaking independent research and measuring the performance of each of the States. It will also deliver the empirical base for the development and implementation of Labor's National Housing and Homelessness Plan.

Critically, Labor Prime Minister Anthony Albanese has committed to working with all government agencies, non-government bodies and the private sector.

Urban Taskforce supports the proposed **Housing Australia Future Fund** and Labor's to create a \$10 billion fund to build 30,000 new social and affordable housing properties in its first five years. But let's be clear, this will not scratch the surface. Supply is short across most of Australia. Rents are going up. This least able to afford increases in rent are being made homeless. Only a substantial increase in all forms of housing (social housing, affordable housing (sometimes called key worker housing) and market housing) will address the housing supply shortage.

Urban Taskforce supports the work of the **National Housing Finance Investment Corporation (NHFIC)** in this field. The property industry leaders see the work of NHFIC as a central plank of National Council going forward. Our industry will work constructively with the incoming Government to maximise the benefits in terms of housing supply.

Urban Taskforce welcomes the commitment from Labor to support the **Regional First Home Buyer Support Scheme**. This Scheme offers a government guarantee of up to 15 per cent for 10,000 first homebuyers who have been living in the region for at least 12 months (outside of Sydney). This is important for encouraging mobility and opening up opportunities for families while assisting older Australians downsize into more appropriate accommodation.

Prime Minister Albanese was the "first mover" on housing policy and set the bar for the coalition which it was unable to overcome. But the Commonwealth must work with the States and the private sector to address housing supply. This is a matter of national imperative. We must have population growth and it must be driven by skilled migration to support areas already suffering from serious shortages. But this must come with matching housing supply.

Urban Taskforce has consistently called for the Commonwealth to take a more pro-active approach to housing supply and affordability. In addition to the positive initiatives proposed by Labor, Urban Taskforce will be urging the incoming government and likely Minister, Jason Clare, to consider the following:

- **Stimulate housing supply by establishing targeted local infrastructure grants:**

The Commonwealth Government should make targeted investments in local infrastructure in communities that welcome urban growth and increased density. Urban Taskforce recommends that the Commonwealth establish a Local infrastructure fund (for community, green and hard infrastructure) targeted at Councils to drive new housing supply above that which was planned through existing published strategies. This would ensure that Councils and communities are motivated to over-achieve on housing supply and housing approvals.

- **Remove the tax discrimination against Build to Rent housing:**

The Urban Taskforce calls for reform of the existing tax model for the Build-to-Rent residential assets to make these projects more attractive to both domestic and foreign investors. The Commonwealth should change the GST treatment of Build to Rent (BTR) residential assets to allow the construction costs to be instantly off set on the proviso that the asset is held for a minimum period as rent deriving asset. The Commonwealth should remove the discrimination inherent in its withholding tax arrangements within a managed investment trust.

- **Reform Stamp Duty:**

Urban Taskforce supports Premier Perrottet's calls for the Commonwealth to work with the States in leading tax reform on housing transactions. Every tax review since the 1984 Tax summit has recommended the removal of property transaction taxes because of their inefficient economic consequences. The Commonwealth government should initiate discussions with the States to abolish Stamp Duty and replace it with a broad-based tax. This reform will stimulate housing market transactions and activity, and more fairly generate funds for new infrastructure that will enable growth and stimulate the economy. This is a policy reform supported by economists across the spectrum.

Letter to Premier Perrottet on Infrastructure contributions



The Urban Taskforce called on the NSW Government to delay the payment of local infrastructure contributions from the issuance of a Construction Certificate (CC) (before work commences on the construction of a building project) to the issuance of an Occupation Certificate (OC) (the completion of construction and the certificate required to trigger occupation and payment for outstanding monies owed).

In the context of COVID, as a temporary measure, a Ministerial direction was issued to defer the payment of infrastructure contributions for large-scale developments to the issuance of OC. This temporary COVID measure ended on 31 March 2022.

At the time of the announcement of the COVID 19 temporary measure, in a press release entitled “Contributions deferral to drive job creation” the NSW Government acknowledged that the change [“will help kick-start the NSW economy.”](#)

The permanent delay in payment of local infrastructure contributions from CC to OC was also supported by the NSW Productivity Commission.

In November 2020, the Productivity Commission recommended ([Recommendation 4.10](#)) that the NSW Government defers payment of contributions to the OC stage and called for changes to the NSW Planning Portal so that the release of occupation certificates is contingent upon payment of infrastructure contributions.

In a letter to NSW Premier Perrottet, Minister Anthony Roberts and Treasurer Matthew Kean, the Urban Taskforce called for the measure to be implemented on a permanent basis. This is critical to supporting housing supply and economic activity in NSW.

Requiring payments at the point of CC is effectively an upfront tax on economic and employment activity. It seriously impacts on cashflow and is a barrier to many housing and commercial development projects progressing at all.

2022 NSW Flood Inquiry



The Urban Taskforce is currently preparing a submission to the NSW Flood Inquiry and consultation with our members is underway.

In March, the NSW Government commissioned an independent expert inquiry into the preparation for, causes of, response to and recovery from the catastrophic flood event across the state of NSW.

The Urban Taskforce will submit:

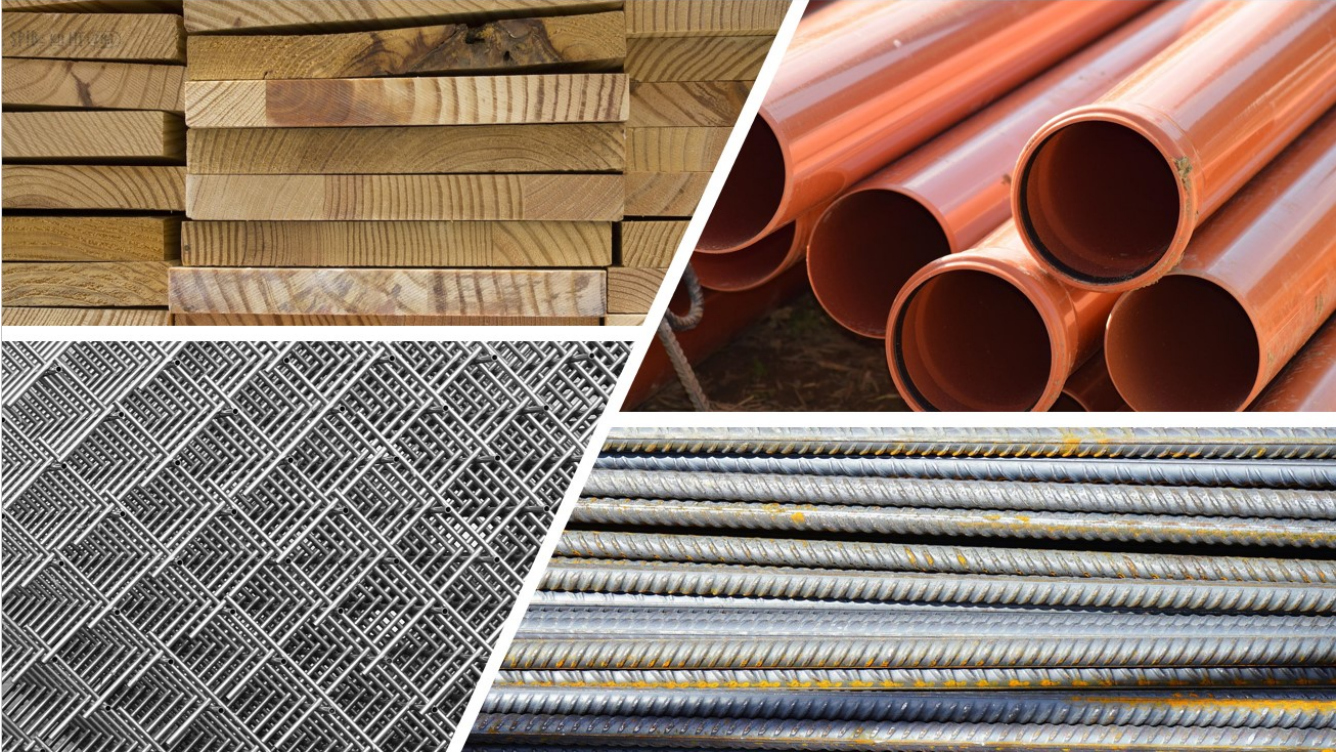
- Amidst all the confusion and misinformation on the flood event of 2022, the NSW Government should use the 2022 NSW Flood Inquiry Report as a single source of truth. Any evaluation of the flood damage, flood risk and recommended policy changes should be commensurate of the science and empirical data.
- Government should consider a traffic light approach to flood zoning. Red – no-go zone; Amber – areas where risk exists but there is a possibility for mitigation; and Green – OK for development. Further, a clear set of guidelines is required for what is appropriate development in each flood prone category (residential, industrial, commercial, recreational, agricultural, etc). Any variance must be supported with detailed flood mitigation plans. These may include up stream engineering, on site works, down stream solutions or building measures which mitigate risk. This work must be undertaken consistently and should be overseen by DPE. More importantly, it must be undertaken before land is zoned for development by Government.
- Early identification of no-go and high-risk areas is key for successful land use planning. Flood risks maps should be a standard component of any early plans for development of regions or precincts.
- Consistent and reliable data on flood risk is needed. Accurate and easily accessible information on flood data and events will support the insurance industry in providing adequate insurance for communities at various levels of flood risk.
- New planning and reporting requirements for councils should not slow down development. any recommendations from the 2022 NSW Flood Inquiry for additional strategic plans and documents should consider how each recommendation will affect councils’ capacity to implement those recommendations.

Similarly, in the response and recovery stage, State agencies should also maintain the same level of service and issue reports in response to DAs, even when there are natural disasters.

- Better risk mitigation is needed by management of waterways. While waterway management is expensive, it has the highest positive impact on flood risk management.

Urban Taskforce will complete its submission to the Inquiry at the end of next week.

Rising cost of building materials



The Urban Taskforce has repeatedly warned of the rising costs of building materials.

In 2021 we saw the highest growth on record for NSW and, according to CoreLogic, the costs were rising at the fastest rate since the introduction of the GST.

This month Master Builders NSW reported that building material costs are now increasing at their fastest rate since 1980. Just in the first quarter of 2022, prices have increased by +4.2 per cent.

Master Builders NSW [reports](#) that over the year to March 2022, the sharpest price increases included:

- Reinforcing steel (+43.5 per cent)
- Steel beams/sections (+41.5 per cent)
- Structural timber (+39.2 per cent)
- Plywood and board (+29.8 per cent)
- Electrical cable and conduit (+27.1 per cent)
- Plastic pipes and fittings (+26.5 per cent)
- Copper pipes and fittings (+25.7 per cent)
- Terracotta tiles (+21.5 per cent)
- Metal roofing and guttering (+19.9 per cent)
- Insulation (+14.0 per cent)

This trend will have negative effects on both housing supply and housing affordability. While initially the price spike affects the construction companies, the cost will eventually be passed to homebuyers.

It is essential that any new planning regulations consider the rising costs that developers face. The latest data and price increase projections should be included in NSW Government's cost-benefit analyses.

Byron Shire Council: Affordable Housing Contribution Scheme



Affordable Housing Contribution Scheme 01 Exhibition Version Byron Shire Council

Byron Shire Council is amending the Byron Local Environmental Plan (LEP) 2014 in order to introduce an Affordable Housing Contribution Scheme on certain land in the Shire.

The affordable housing levy contribution which will be made to Council is 20% of the total area of residential lots for development in the following affordable housing contribution areas:

Mullumbimby

- [List of properties\(PDF, 74KB\)](#)
- [Locality map\(PDF, 264KB\)](#)

Bangalow

- [List properties\(PDF, 76KB\)](#)
- [Locality map\(PDF, 195KB\)](#)

Byron Bay

1 property – Corner Ewingsdale Road and Kendall Street, part Lot 350 DP 7555695

- [Locality map\(PDF, 157KB\)](#)

The form of contribution will be determined by Council and may comprise fit for purpose land within the development, monetary contribution, or dwellings within the development.

The [planning proposal](#) and [Affordable Housing Contributions Scheme](#) are open for feedback.

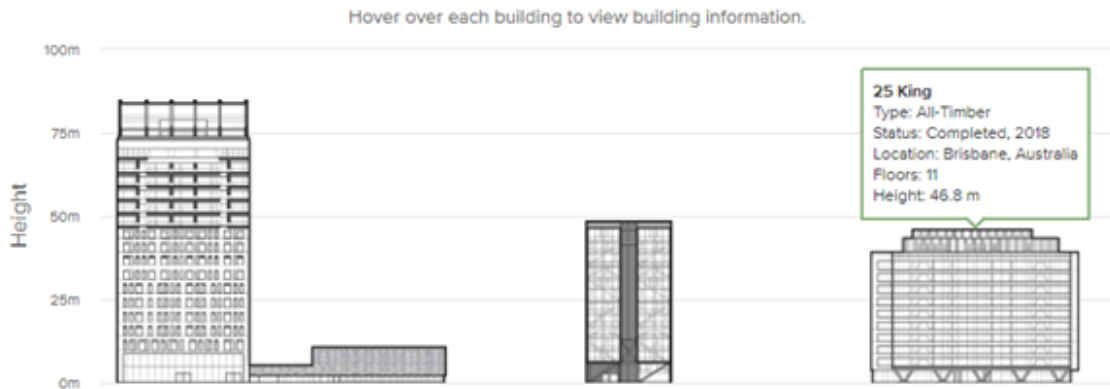
Both exhibitions close on 29 June 2022.

Feedback on the planning proposal can be provided [here](#).

For the Affordable Housing Contributions Scheme feedback can be provided [here](#).

New study reveals increased interest for tall timber buildings worldwide

Tallest All-Timber Buildings, Complete or Under Construction



A [study](#) by the Council on Tall Buildings shows that there are 84 mass timber buildings around the world of eight stories or higher, either complete or under construction.

9 of those buildings are in Australia and are ranked in the following way according to their height:

7th place: 55 Southbank, Melbourne
69.7m high. 19 floors. Mixed-Use. Completed in 2020.

8th place: Wellington, Melbourne
65m high. 15 floors. Office. Under Construction, to be completed in 2023.

17th place: Ngytan Koriayom, Greater Geelong
52m high. 12 floors. Under Construction, to be completed in 2022

21st place: 25 King, Brisbane
46.8m high. 11 floors. Office. Completed in 2018.

33rd place: Monterey, Brisbane
37m high. 11 floors. Residential. Under Construction, to be completed in 2022.

36th place: Aveo Bella Vista, Sydney
36m high. 11 floors. Residential. Completed in 2018.

48th place: Forte, Melbourne
32.2m high. 10 floors. Residential. Completed in 2012.

59th place: The Gardens Macarthur, Sydney
27m high. 8 floors. Residential. Completed in 2018.

In addition to the above, 5 more timber buildings are proposed in Australia.

While majority of mass timber buildings have mixed material structure (a combination of timber, concrete and steel), 25 King is all-timber office building and the engineered timber has a lower carbon footprint than traditional building materials. This project, developed by Urban Taskforce member Lendlease, is the third all-timber building in the world.

Australia is posed to claim the 1st place with the world's tallest hybrid timber tower which will house Atlassian HQ in Sydney. Standing at 40 storeys tall, the proposed building will target a 50 percent reduction in embodied carbon and energy compared to conventional construction.

In January, the Urban Taskforce published a discussion paper outlining the 'green' impact of high rise buildings. Compared with other developments, such as townhouses or suburban homes, high rise developments have lowest embedded carbon-emissions and provide the best opportunity for increased energy efficiency. Click [here](#) to read [Standing Tall: High rise buildings to help Sydney become a green metropolis.](#)

Other News

ABS: Construction Work Done during the March quarter

ABS reported that the total construction work done in Australia fell -0.9% during the first three months of 2022.

Building work done fell -1.3% while engineering work done fell -0.4%.

In NSW, there was a fall of 7% in new residential projects. 10.5% drop for new houses and 3% for apartments.

[Click here](#) to read the ABS media release and download the full dataset.

THIS
WEEK...

\$2.4 million for 'Smart Spaces' in regions

The NSW Government announced \$2.5 million for the Smart Regional Spaces: Ready, Set, Go! Project.

The project will enable 91 regional councils to invest in new technology and data-driven solutions and to create smart places strategies.

[Click here](#) to read the media release.

Members News

URBAN TASKFORCE MEMBER NEWS

The project, led by property developer **Toga** and fund manager AsheMorgan, has been described as a "once in a lifetime" opportunity to revitalise Oxford St. Boutique shopping, bars, restaurants, public art installations, a hotel and office space set to attract a mix of cultural, creative, tech and start-up companies will be a feature of the refurbished heritage spaces... [read more...](#)

The Daily Telegraph, 24 May 2022

Sydney-based property fund manager **EG** is upping the investment stakes in the burgeoning proptech sector with plans to grow the portfolio of its technology incubator by a further \$100 million... [read more...](#)

The Urban Developer, 20 May 2022

The heritage development, being overseen by architecture firm **FJMT**, will mark the first major refurbishment of these commercial spaces in more than 25 years. **Toga Group** managing director Allan Vidor said the planned development would pay homage to the historic buildings along Oxford Street while enhancing the precinct... [read more...](#)

The Urban Developer, 19 May 2022

Michael Easson, executive chairman of **EG**, said the company was committed to working closely with the Carlingford Rotary Club to ensure these markets will continue on in the proposed North Rocks Village... [read more...](#)

The Daily Telegraph, 20 May 2022

Dexus has capitalised on Melbourne's tightening industrial property market, offloading a property in Kislyth for 17 per cent above book value. Dexus Industrial REIT sold the property at 147-153 Canterbury Road for \$22.17 million...[read more...](#)

The Urban Developer, 23 May 2022

The now has an auction quietly underway via real estate agents **CBRE Group**, and are understood to be thinking about a \$250 million to \$300 million price tag... [read more...](#)

Financial Review, 24 May 2022

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