

4th October 2011

Strategic Planning Team
Greater Bunbury Strategy
Department of Planning
6th floor, 61 Victoria Street
Bunbury WA 6230

By email: brod.meredith@planning.wa.gov.au

Dear Sir

Greater Bunbury Strategy

The Urban Development Institute of Australia (WA) is pleased to make this submission to the Department of Planning on the draft **Greater Bunbury Strategy**. UDIA (WA) is the peak body representing the urban land development industry in Western Australia. UDIA is a membership organisation with members drawn from the development, planning, valuation, engineering, environmental, market research and urban design professions. Our membership also includes a number of key State Government agencies and Local Government Authorities from across the state. Nationally, UDIA represents the interests of thousands of members and includes all the major land development companies, both public and private, and specialist consultancy firms.

UDIA supports the development of the strategy as Bunbury is one of Western Australia's key regional cities whose future growth relies on economic growth, liveability, a healthy environment and affordable housing supported by social and economic infrastructure. The draft strategy proposes a compact and connected growth pattern based on improved public transport to accommodate future population growth however there are a number of issues that we believe will impact on the successful delivery of the strategy and require further consideration.

- **Population projections may be underestimated**

The strategy is based on the population projects of *WA Tomorrow* (WAPC, 2005) and proposes a population for Greater Bunbury of 100,000 by 2031. This is at odds with ABS projections for Greater Bunbury of 121,172 in 2026 and more than 100,000 by 2021. The risk is there will be a shortfall of dwellings to accommodate the future population and inadequate infrastructure.

- **Adequacy of future land supply**

The strategy estimates that a population of 100,000 in 2031 will require 8,000 new dwellings and according to the preferred 'compact and connected growth model' these will be provided on an increased number of smaller lots and smaller dwellings at an average R40 density. *WA Tomorrow* has been widely criticised for being conservative and this will impact on land supply estimates.

UDIA's concerns are as follows:

- Population may be underestimated
- Dwelling requirements may be underestimated
- Gross density yields may be overestimated
- The potential for infill development is overestimated
- Housing affordability and consumer preference are not taken into account

If the population projections are not realistic and the gross density yields are overestimated there will be a shortfall in the forecast land supply and the same supply issues that were experienced a few short years ago.

The absence of an urban expansion plan is a concern and the intention to not permit rezonings to Urban or Urban Deferred in the next 10 years is not supported by UDIA. It is our view that the strategy should consider Urban Expansion Areas and Urban Investigation areas for potential rezonings in the same manner as *Directions 2031* as this would allow greater assurance of a steady supply of land to meet future demand. We suggest that the authors of the draft strategy communicate with their counterparts in Perth to establish a methodology for determining Urban Expansion and Urban Investigation Areas.

- **Infill targets**

UDIA is surprised that the strategy mandates a blanket R40 zoning over development areas and does not permit rural-residential development. The strategy assumes that the 'compact and connected growth model' can be achieved through this requirement however the benchmark is inconsistent with *Directions 2031*.

Some increases in densities are supported consistent with *Liveable Neighbourhoods* and to provide variety and choice of housing. The target of a blanket R40 in greenfield areas is unrealistic for many developments because of the extensive land requirements for shops, schools, employment uses, public open space, conservation areas, wetlands and buffers, drainage channels and buffers to other uses.

Industry is experimenting with high density (R60) developments in greenfield locations in Perth, for example Cockburn Central and Brighton, however the overall impact on gross densities is marginal. One and two bedroom apartments are not price competitive with standard 4 bedroom 2 bathroom houses in development areas and market preference for a standard product will likely override the intention of planning policy to limit low density development to provide a more compact urban form.

The perceived benefits of infill are that it provides mature public infrastructure such as schools, universities, hospitals, public open space and recreation facilities; the use of existing infrastructure; reduced car dependence; more efficient land use and higher population densities to support local businesses. However infill development has its own set of challenges which accounts for the relatively low rate of infill development even in WA's capital city.

Barriers to infill range from obstructive and lengthy regulatory processes; community resistance to increased density; consumer preference and housing cost/affordability factors because of the higher raw land cost in established areas; fragmented land ownership which results in sub-optimal outcomes; and the capacity of existing water, power and telecommunications infrastructure to support higher densities. Where infrastructure is inadequate, the cost to upgrade or retrofit can be prohibitive and this will impact on industry's capacity to deliver the infill target without significant government commitment and incentives to make projects viable.

We are unconvinced that the blanket R40 stipulated in the strategy can be achieved in a regional setting where consumer preference extends to single lot homes with a garden and lifestyle benefits of open space, attractive natural settings and value for money compared to other locations. The likelihood of infill development in the small rural towns of Harvey, Brunswick, Capel, Dardanup, Boyanup and Binningup that are anticipated to take up some of the projected population increase is questionable as there is limited demand for medium density and infill development in these locations. UDIA also questions the role of a planning document to 'encourage' future population towards these localities because of a deliberate restriction of available land closer to the principal regional centre.

UDIA believes that the *Directions 2031* targets of 15du/ha in greenfield areas and 47% infill target are unlikely to be achieved in a **metropolitan setting** without the required infrastructure and public transport networks to support increased densities. It will also require a shift in consumer sentiment for higher density living.

- **Impact on affordability**

The proposal for high levels of infill development will have a negative impact on housing affordability in the Greater Bunbury region. UDIA has investigated the cost differential of single level development and multi-storey development. Figure 1 shows there is a large discrepancy between development types and the cost per square metre for multi-storey development is significantly higher than single storey construction.

Figure 1 Comparison of Construction Costs of Single and Multi-Storey Dwellings

Type of Dwelling	Construction Cost	Price per m2	Dwelling size
Single Storey	\$ 250,000	\$ 800	313 m2
Double Storey	\$ 250,000	\$ 1,200	208 m2
3 Storey Walk up	\$ 250,000	\$ 2,600	96 m2
10 Storey Apartments	\$ 250,000	\$ 4,000	63 m2
Over 10 Storey Apartments	\$ 250,000	\$ 6,000	42 m2

Source: UDIA

The Department should recognise that market acceptance of infill development is tentative and is unlikely to be the first choice of households moving to a regional centre. The Department should also be aware that the cost of construction in regional areas is 30% higher than Perth which further compounds the affordability of multi-storey development.

- **The capacity of infrastructure to support increased density**

The 'compact and connected growth model' is predicated on a significant investment in public transport networks based on increased residential densities and a decreased area to service. While UDIA understands the logic of this approach the outcomes will remain uncertain where there is no commitment from the government or service providers to facilitate greater density. Higher rates of infill cannot be achieved without extensive upgrading of existing infrastructure and cross government commitment to support the planning framework. The strategy acknowledges that service infrastructure will require significant improvement over the next 20-25 years to support both infill areas and increased densities in greenfield locations

Conclusion

UDIA supports in principle the Department's approach of a compact and connected city supported by efficient public transport but we have reservations regarding the adequacy of sufficient urban land. The blanket R40 mitigates against the reasons people move to regional areas and there must be recognition of lifestyle as an attractor to regional living with the expectation of room to park the boat and the vegetable garden. The restriction of R40 over all future development will discourage population movement to the region.

In summary, there is a need for the following:

- A clear explanation of the assumption and methodology used to forecast population, housing demand, the level of infill development and the gross density yield of 15 du/ha.
- A review of the forecast urban land requirements taking into account more realistic assumptions particularly regarding infill potential and gross dwelling density yields.
- An extension of the planning horizon to allow a longer lead time for planning and infrastructure programming with sufficient zoned land for 30 years.
- Less reliance on rigid staging and sequencing programs and a more performance based approach which delivers affordable housing in attractive communities consistent with broader planning objectives.

We trust that you will give due consideration to the issues raised in the submission when finalising the Greater Bunbury Strategy.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Debra Goostrey', with a stylized flourish at the end.

Debra Goostrey

Chief Executive Officer