Attachment A: Recommended next steps
Attachment B: Background report

1 BASIS FOR CONFIDENTIALITY

1.1 I recommend that this report be considered in Closed Session pursuant to section 275 (1) of the Local Government Regulation 2012 for the reason that the matter involves:
(h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

1.2 I recommend that the report/attachment be deemed non-confidential except for those parts deemed by the Chief Executive Officer to remain confidential in accordance with sections 171 (3) and 200 (5) of the Local Government Act 2009.

2 EXECUTIVE SUMMARY

On 17th October 2017, Council endorsed a phased approach for implementing the building height principles within City Plan. As part of this phased approach, it was identified that to determine appropriate building heights across the city, an understanding of the current planned dwelling capacity of the city’s infill/consolidation area was required.

As such, this report presents Part A of the 5 year Growth Allocation Project, including the project background, methodology and key findings, and to seek Councils endorsement of the key findings.

The purpose of Part A of the 5 year Growth Allocation Project was to determine City Plan’s theoretical planned dwelling capacity of the city’s infill/consolidation area, and to understand the likelihood of the theoretical planned dwellings being realised as built dwellings, as the basis to then adjust building heights and densities.

This project concluded that whilst the city has adequate theoretical planned dwelling capacity to meet the 2041 consolidation area dwelling targets within the new South East Queensland (SEQ) Regional Plan 2017, the realistic dwelling capacity based on historical conversion rates is lower than required, meaning dwelling targets would not be achieved based on current building heights.
That the drivers behind improving conversion rates be further investigated to understand the impact of different housing typologies (i.e. high rise versus low rise development), and the impact of planning policy settings including rezoning large areas versus sequential/targeted releases of land.

That the consolidation area planned dwelling supply continues to be monitored to inform future updates to City Plan.

3 PURPOSE OF REPORT

The purpose of this report is to present Part A of the 5 year Growth Allocation Project, including the project background, methodology and key findings, and to seek Councils endorsement of the key findings in order to make informed changes to building heights.

The purpose of Part A of the 5 year Growth Allocation Project is to determine the theoretical planned dwelling capacity of City Plan, and to understand the likelihood of the theoretical dwellings being realised as built dwellings.

4 PREVIOUS RESOLUTIONS

On 30th May 2017, an introductory paper was presented to Council advising that this project had commenced.

On 17th October 2017, Council endorsed the following to be Phase 2 of the Building height sequenced approach:

1) Utilise the findings from the Infill Capacity Assessment to inform potential updates to relevant overlay maps.
2) Retain the 50% exceedance test in the Strategic Framework.
3) Investigate the introduction of the Low-Medium Density Residential Zone.
4) Fix the remaining anomalies between zoning, height and density across the city (excluding the Light Rail Stage 3 corridor and the Spit).
5) Review available existing development data to improve the baseline for relevant overlay maps.
6) Remove the optional Community Benefits Bonus Policy and replace with improved built form provisions that can be applied more broadly.
7) Strengthen the scheme’s existing amenity controls to improve built form outcomes.
8) Consider the introduction of an impact assessment trigger when exceeding the provisions shown on the Residential density overlay map.

This report presents the findings of the ‘Infill Capacity Assessment’, which is now called the Part A of the 5 year Growth Allocation Project.

5 DISCUSSION

5.1 Background

The 5 year Growth Allocation Project was identified as an important component in understanding appropriate building heights and residential densities across the city. This
work will determine whether the City has enough capacity to accommodate the projected dwelling targets as set out in the new South East Queensland Regional Plan 2017.

In October 2017, a four (4) stage approach was endorsed by Council to re-define the city’s building height strategy.

Stage two (2) of this approach involved eight (8) actions to be delivered in March 2018, as outlined within the previous resolutions section above.

One (1) of these actions was to utilise the findings from the 5 year Growth Allocation Project to inform potential updates to the Building height overlay map and Residential density overlay map, provided it aligns with the appropriate provision of infrastructure.

It was also highlighted that to promote the right type of growth at the right time, in the right location and supported by the right type of infrastructure, building height cannot be considered in isolation. Decoupling building height away from residential density considerations leads to unplanned additional growth, which in turn, leads to unintended consequences and risks for Council.

Therefore, before it can be determined whether building heights need to change in our city, it needed to be determined whether the City Plan has enough capacity to accommodate the projected growth to 2041 as identified in the new SEQ Regional Plan. This is the purpose of this study.

5.2 Study Area
The new SEQ Regional Plan, adopted by State government in 2017, defined the extent of the ‘infill’ area and during this process replaced this term with a new term, ‘consolidation’ area. In addition, ‘greenfield’ was also renamed and is now ‘expansion’. This map shows where these two (2) areas are within the city. The study area for this project is the ‘infill’ or ‘consolidation’ area.
5.3 Methodology

Below is an overview of the methodology used for Part A of the 5 year Growth Allocation Project.

<table>
<thead>
<tr>
<th>Part A: 5 year growth allocation project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Understand the number of theoretical planned dwellings</td>
<td></td>
</tr>
<tr>
<td>b) Understand the number of dwellings delivered previously within the infill/consolidation area</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step 1: Understand SEQ Regional Plan dwelling targets</th>
<th>Step 2: Calculate developable area by removing absolute constraints (e.g. flood, vegetation)</th>
<th>Step 3: Calculate planned dwelling capacity based on City Plan’s residential density and building height</th>
<th>Step 4: Consider the likelihood of planned dwellings being realised</th>
</tr>
</thead>
</table>

Part A will assist in understanding the extent of residential density and building height changes required to facilitate the achievement of the SEQ Regional Plan dwelling targets. These findings will then be addressed as part of Part B of this project which will be presented to Council at a later date.

5.4. Step 1: Understand dwelling targets

Below is a summary of the key findings from Step 1.

The purpose of this step was to understand how many dwellings we currently accommodate within the city and how many future dwellings we will need to accommodate to meet the SEQ Regional Plan:

- Current number of dwellings in the city is 234,639 (ABS census at June 2016). Of that, 196,276 dwellings are currently within the city’s consolidation area.

- 2041 dwelling target (25 year planning horizon) for the city is 393,539 total dwellings, which is an additional 158,900 dwellings.

- SEQ Regional Plan sets an aim for the future growth of the Gold Coast of 80% of all new dwellings to be within the infill/consolidation area.

- This means the current 196,276 dwellings within the city’s consolidation area will need to grow to 324,176 total dwellings by 2041. This is an additional 127,900 new dwellings within the consolidation area over the next 25 years, representing a 65% increase over 25 years. This means on average 25,580 new dwellings should be added within the consolidation area every 5 years or 5,116 additional dwellings every year.
To put this into perspective, our average annual consolidation dwelling target under the previous regional plan was 3,880 new dwellings. However, our average annual built dwellings in the consolidation area over the last 5 years (2011 to 2016) was 2,200 dwellings, representing 57% of our previous target or an annual average shortfall of 1,680 new dwellings.

Assuming our average annual dwelling growth continues at approximately 2,200 new dwellings without any policy changes, the task for City Plan is to facilitate an additional 2,400 new dwellings per year within the city’s consolidation area.

5.5. Steps 2 & 3: Calculating theoretical planned dwellings

A methodology was developed for determining the theoretical planned dwellings (refer to steps 2 and 3 in the methodology above). These steps involved using City Plan’s constraints mapping and development parameters (site coverage), and then applying development yield assumptions (including average number of bedroom per dwelling, average square metres per dwelling, average number of metres per storey). These assumptions are explained in detail within Attachment B.

Importantly, two (2) separate limiting factors were applied when determining the theoretical dwelling capacity of City Plan – 1) planned residential density and 2) planning building height. Below is a summary of the findings after applying this methodology.

<table>
<thead>
<tr>
<th>Column 1 Zone</th>
<th>Column 2 Theoretical dwelling capacity (Res. density as limiting factor)</th>
<th>Column 3 Theoretical dwelling capacity (Building height as limiting factor)</th>
<th>Column 4 Difference between planned density and height (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low density residential zone</td>
<td>93,175</td>
<td>93,175</td>
<td>0%</td>
</tr>
<tr>
<td>Medium density residential zone</td>
<td>57,426</td>
<td>368,040</td>
<td>540%</td>
</tr>
<tr>
<td>High density residential zone</td>
<td>23,397</td>
<td>244,810</td>
<td>946%</td>
</tr>
<tr>
<td>Centre zone</td>
<td>26,092</td>
<td>80,123</td>
<td>207%</td>
</tr>
<tr>
<td>Neighbourhood centre zone</td>
<td>1,612</td>
<td>7,001</td>
<td>68%</td>
</tr>
<tr>
<td>Innovation zone</td>
<td>1,368</td>
<td>2,305</td>
<td>370%</td>
</tr>
<tr>
<td>Mixed use zone (excluding Fringe business precinct)</td>
<td>950</td>
<td>4,466</td>
<td>370%</td>
</tr>
<tr>
<td>Limited development zone</td>
<td>282</td>
<td>3,642</td>
<td>119%</td>
</tr>
<tr>
<td>Emerging communities zone</td>
<td>1,271</td>
<td>1,913</td>
<td>50%</td>
</tr>
<tr>
<td>Sport and recreation zone (Bundall equestrian precinct)</td>
<td>283</td>
<td>545</td>
<td>92%</td>
</tr>
<tr>
<td>Special purpose zone (Special development areas precinct)</td>
<td>38,376</td>
<td>63,107</td>
<td>64%</td>
</tr>
</tbody>
</table>
ITEM 5 (Continued)
PART A OF 5 YEAR GROWTH ALLOCATION PROJECT
PD98/1132/04/51
CONFIDENTIAL

The below tables compare the theoretical dwelling capacity of City Plan with the SEQ Regional Plan dwelling targets.

<table>
<thead>
<tr>
<th>Theoretical dwelling supply – residential density</th>
<th>Theoretical dwelling supply – building height</th>
<th>SEQ Regional Plan dwelling targets - based on population growth (demand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Plan consolidation areas</td>
<td>City Plan consolidation areas</td>
<td>Current dwellings in consolidation area</td>
</tr>
<tr>
<td>205,856 dwellings</td>
<td>806,020 dwellings</td>
<td>196,276 dwellings</td>
</tr>
<tr>
<td>SDA/PDA areas</td>
<td>SDA/PDA areas</td>
<td>Additional dwellings required over 25 years</td>
</tr>
<tr>
<td>38,376 dwellings</td>
<td>63,107 dwellings</td>
<td>127,900 dwellings</td>
</tr>
<tr>
<td>Total dwellings planned</td>
<td>Total dwellings planned</td>
<td>Total dwellings required</td>
</tr>
<tr>
<td>244,232 dwellings</td>
<td>869,127 dwellings</td>
<td>324,176 dwellings</td>
</tr>
<tr>
<td>Compared within SEQ Regional Plan dwellings required</td>
<td>Shortfall of 79,944 dwellings</td>
<td>Compared within SEQ Regional Plan dwellings required</td>
</tr>
<tr>
<td>79,944 dwellings</td>
<td>Compared within SEQ Regional Plan dwellings required</td>
<td>Excess of 544,951 dwellings</td>
</tr>
</tbody>
</table>

It has been found that if relying on the residential density provisions of City Plan, the 25 year dwelling targets will not be achieved, i.e. 244,232 planned dwellings compared with 324,176 targeted dwellings equals a shortfall of 79,944 dwellings. In contrast, if relying on the building height provisions of City Plan, the 25 year dwelling targets could be achieved, with an excess of 544,951 dwellings over the SEQ Regional Plan dwelling targets.

As such, it is acknowledged that the residential density capacity of City Plan is significantly lower than the building height capacity of City Plan. This shows that there is a significant misalignment between City Plan’s density and height provisions, and this misalignment is recommended to be rectified. An example of where this misalignment occurs is Chevron Island, which was recommended by Council to be resolved as part of Major update 2 to City Plan.

Notwithstanding the above, as building height is the stronger policy position within City Plan (i.e. building height is a level of assessment trigger and has clear policy contained within the Strategic Framework), it is recommended that the building height calculations be used to determine the planned dwelling supply of City Plan. Further analysis of this theoretical capacity based on building height provisions is provided below.

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CONFIDENTIAL
Analysis of dwelling numbers

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total dwellings planned (based on Building height)</td>
<td>869,127 dwellings</td>
</tr>
<tr>
<td>Current dwellings in infill/consolidation area</td>
<td>196,276 dwellings</td>
</tr>
<tr>
<td><strong>Additional dwellings planned by City Plan</strong> (based on Building Height)</td>
<td><strong>672,851 dwellings</strong></td>
</tr>
<tr>
<td>(869,127 minus 196,276)</td>
<td></td>
</tr>
<tr>
<td><strong>Additional dwellings required by SEQ Regional Plan</strong></td>
<td><strong>127,900 dwellings</strong></td>
</tr>
</tbody>
</table>

In summary, City Plan (based on building height provisions) plans for approximately 5 times the number of dwellings required to accommodate the 2041 population growth, i.e. comparing 672,851 dwellings with 127,900 dwellings.

The final step (step 4) of the methodology is to consider the likelihood of this theoretical planned dwelling supply being realised.

5.6. Step 4: Consider likelihood of dwellings being realised

REDACTED
Applying the historical conversion rates to the theoretical planned dwelling capacity of City Plan (672,851 dwellings), it is expected that over the next 25 years the city has approximately 67,285 dwellings of realistic dwelling supply. This is significantly less than the 127,900 dwelling targeted by the SEQ Regional Plan 2017.

Therefore, it is concluded that whilst the city has adequate theoretical planned dwelling capacity (672,851 dwellings compared with 127,900 dwellings) to meet the SEQ Regional Plan dwelling targets, the realistic dwelling capacity (67,285 dwellings compared with 127,900 dwellings) is lower than required to meet the dwelling targets.

5.7. Next steps
6 ALIGNMENT TO THE CORPORATE PLAN, CORPORATE STRATEGIES AND OPERATIONAL PLAN

The City Plan is identified as a key deliverable in ensuring the themes of the Corporate Plan are achieved. Accordingly, all the themes (the best place to live and visit, prosperity built on a strong diverse economy and people contribute to a strong community spirit) of the Corporate Plan are applicable. A robust City Plan is essential to achieve the desired outcomes detailed in the Corporate Plan.

The City Plan is an initiative in the Operational Plan.

7 GOLD COAST 2018 COMMONWEALTH GAMES IMPACT

Not applicable.

8 FUNDING AND RESOURCING REQUIREMENTS

Not applicable.

9 RISK MANAGEMENT

This activity supports the mitigation of Planning and Environment Directorate Risk number CO000510:

‘City Plan delivers inadequate and/or ineffective strategic/development policy (e.g. poor planning, built form, growth, social and environmental outcomes - including flood impacts).’

10 STATUTORY MATTERS

No City Plan policy changes are recommended as a result of this report. Part B of the 5 year growth allocation project will contain City Plan recommendations.

11 COUNCIL POLICIES

Not applicable.

12 DELEGATIONS

Not applicable.

13 COORDINATION & CONSULTATION

<table>
<thead>
<tr>
<th>Name and/or Title of the Stakeholder Consulted</th>
<th>Directorate or Organisation</th>
<th>Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinator, Environment Planning</td>
<td>City Planning</td>
<td>Input on the assumptions used for constraint mapping.</td>
</tr>
<tr>
<td>Coordinator, Natural</td>
<td>City Planning</td>
<td>Input on the assumptions used for constraint mapping.</td>
</tr>
</tbody>
</table>

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14 STAKEHOLDER IMPACTS

14.1 External stakeholder impacts

External consultants were engaged to assist with the preparation of this report. This included input on the planning methodology used, planning assumptions, and recommendations about the economic aspects of the findings.

The findings of this report will help inform Major update 3 to City Plan. Major update 3 will be publically consulted at the appropriate time within the statutory process for a minimum of 30 business days. This will provide an opportunity for the community and the development industry to be engaged broadly.

14.2 Internal stakeholder impacts

The recommendations resulting from this analysis do not directly affect any internal stakeholders. However, the results will be used to inform future strategies and projects relating to strategic land use planning and economic development, especially in relating to improving the city’s conversion rates. Part B of this project will consider City Plan policy changes which will be consulted with internal stakeholders.

15 TIMING

Part B of the 5 year growth allocation project will be presented to Council shortly, pending Councils consideration of this report.

16 CONCLUSION

In conclusion, this report presents Part A of the 5 year Growth Allocation Project, including the project background, methodology and key findings, and to seek Councils endorsement of the key findings.

The purpose of Part A of the 5 year Growth Allocation Project was to determine the theoretical planned dwelling capacity of City Plan, and to understand the likelihood of the theoretical dwellings being realised as built dwellings.

The project concluded that whilst the city has adequate theoretical dwelling capacity to meet the SEQ Regional Plan dwelling targets, the realistic dwelling capacity based on historical conversion rates is lower than required.

Recommendations have been made to address the findings of this report.
17 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That the report and attachments be deemed non-confidential except for those parts deemed by the Chief Executive Officer to remain confidential in accordance with sections 171 (3) and 200 (5) of the Local Government Act 2009.

2 That the recommended next steps of Part A of the 5 year Growth Allocation Project be endorsed as per Attachment A.

3 That the background report for the Part A of the 5 year Growth Allocation Project be noted (Attachment B).

4 That a future report be brought back to Council for consideration containing Part B of the 5 year Growth Allocation Project.

Author:
Nicole Bennetts
Acting Executive Coordinator City and Regional Planning

Authorised by:
Amanda Tzannes
Acting Director Economy, Planning and Environment

19 February 2018