

Planning and Development in Townsville

Development Activity | Quarter 3 – 2021

Introduction

The following report provides development activity data from 2019 to quarter 3 of 2021.

It paints a picture of the Townsville Local Government Area and shows a meaningful insight into the trends and external factors that have influenced the industry throughout the period.

In particular residential land releases, considered a litmus test for consumer confidence, shows how stimulus through government grants can make a positive impact on the economy.

The government grants designed to counteract the adverse economic impacts of the COVID-19 pandemic, saw demand for residential lots significantly increase.

Positive economic flow ons supported a broad range of local industries that were either directly related to land development or indirectly, the building industry and suppliers.

Importantly local employment is also supported with an increase in the trades employment base as an example.

Residential lots approved and released

This graph shows the historical trend of land releases from 2019 and 2020 up to current releases of Quarter 3 of 2021.

The data is showing 2019 experienced a depressed environment for residential lot releases with an average of 52 per quarter developed for sale.

2020 did see a marginal improvement, however once the Federal Government Homebuilder grant was announced, lot releases greatly increased to meet the demand for residential land generated by the grant.

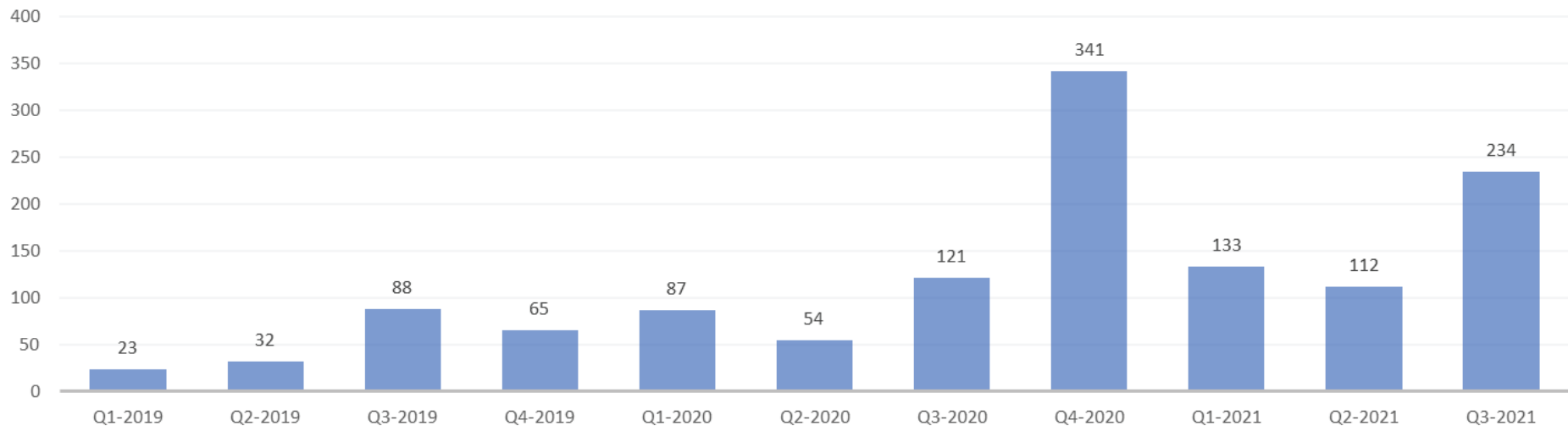
With the ending of the Home Builder grant, we may have expected to see demand for residential land taper back to pre-grant levels. This has not entirely been the case. So far 2021 shows an average of 159 lots per quarter.

Whilst quarter 1 and 2 of 2021 did see the expected retraction of demand, quarter 3 of 2021 has bucked the trend.

Quarter 3 shows a result greater than all previous quarters other than quarter 4 of 2020 which was at the peak of demand generated from the Homebuilder grant.

Placing to one side the increased lot releases generated from the grant, 2021 in comparison may conclude with healthier residential environment than in both 2019 and 2020.

This could be a tangible sign the local economy is showing a trend toward a recovery irrespective of the stimulus.



Development Applications Lodged

The graph shows development applications lodged for 2019, 2020 and up to and including quarter 3 of 2021.

For the full period shown, the average lodgement rate is 86 per quarter with the slowest year being 2019 at 74 per quarter and 2020 at 88 per quarter.

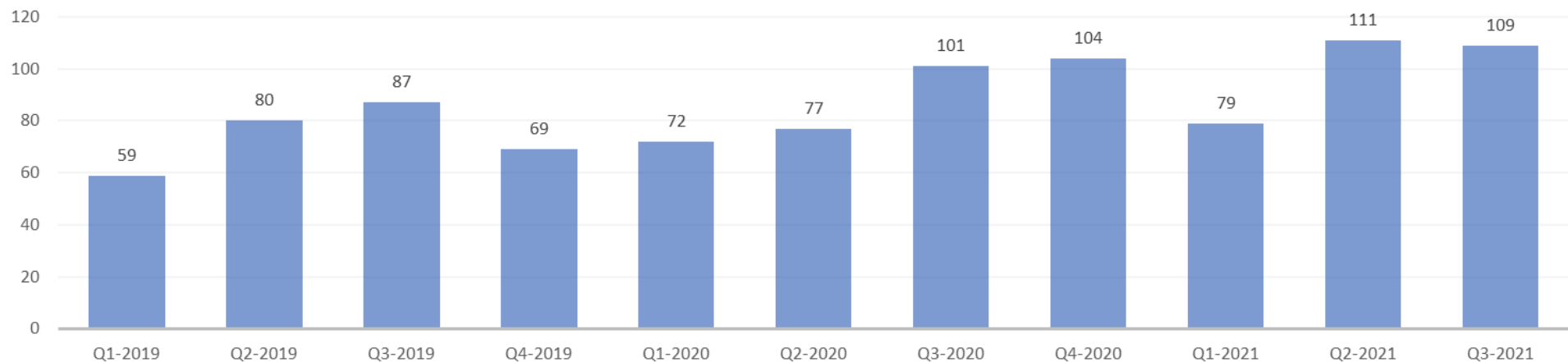
2021 so far to date is showing an average of 100 per quarter which represents an increase in business activity which is welcome.

A common land use snapshot of quarter 3 – 2021 shows the following Material Change development category types represented in the lodgements: Residential – 9; Retail – 7; Industry – 5; and Education – 3.

It should be noted these figures do not represent the business development activity taking place without the need for planning approval.

A number of development types are prescribed under the Townsville City Plan as accepted development. Providing codes are complied with, no planning approval is required.

In summary the results show business activity as represented by this data, is firming.



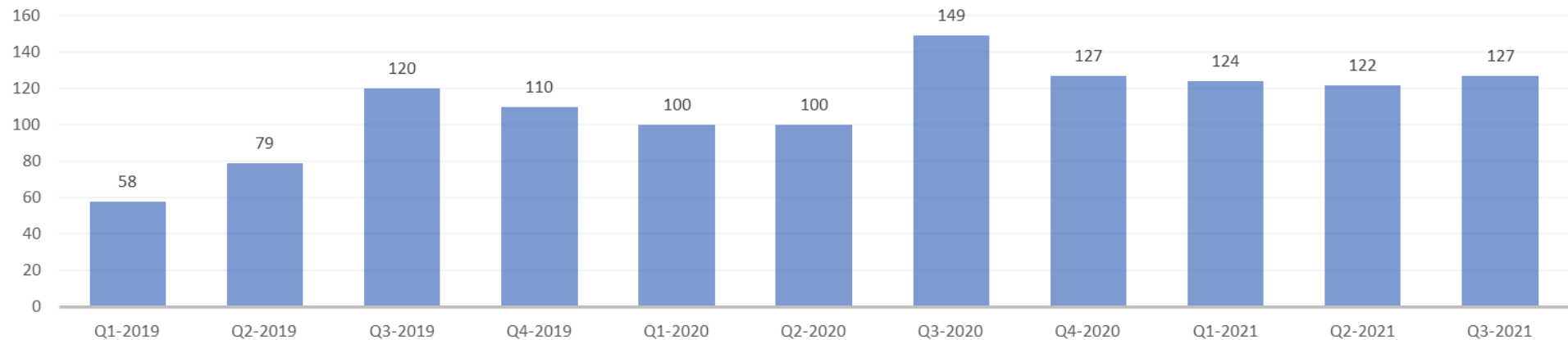
Concurrence agency applications lodged (siting and design and building over services)

The graph shows lodgements of Concurrence agency applications lodged in 2019, 2020 and up to and including quarter 3 of 2021.

For the full period shown, the average lodgement rate is 111 per quarter with the slowest year being 2019 at 92 per quarter and 2020 at 119 per quarter.

2021 so far to date is showing an average of 124 per quarter. The increase in lodgements over the period indicates residents have an increasing wish to invest further in their properties with carports, sheds, and other property improvements.

This can be one of the indicators that residents of Townsville have the confidence to outlay funds for improvements to their existing homes.



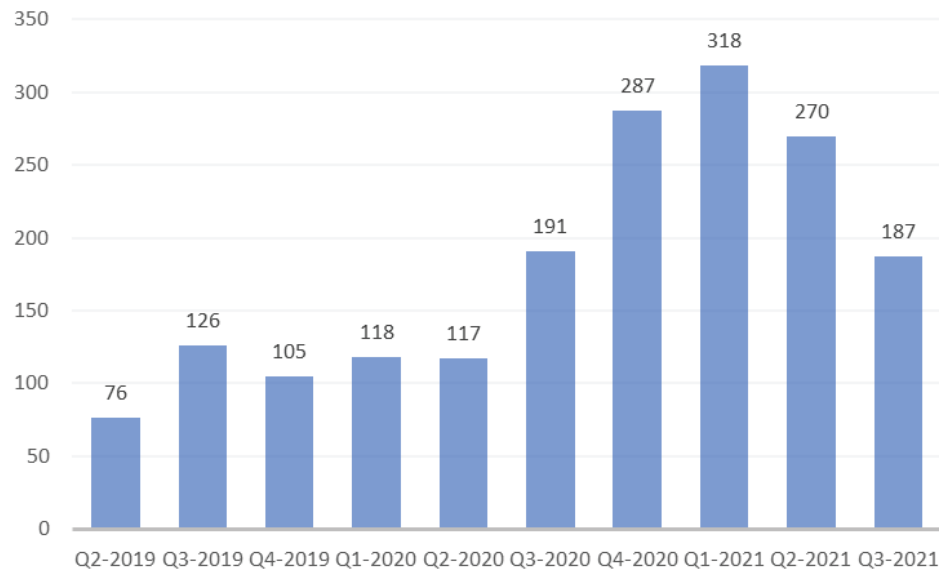
Building data

As expected, the new dwelling certification lodgements largely reflect the residential lot release trend. With the quarter 3 increase in residential lots approved for release, the delayed flow-on of house approval should reflect in the forthcoming quarter 4.

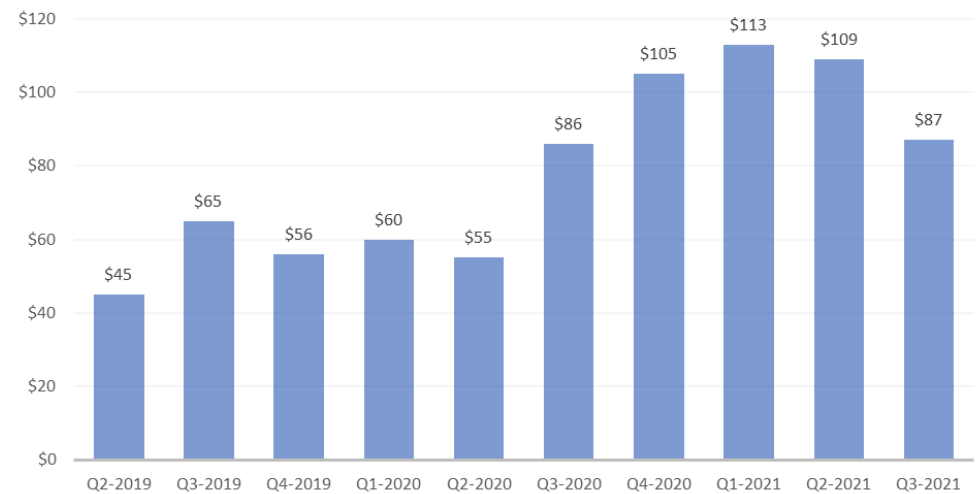
That being the case 2021 looks sets to be an improved year for new home construction.

The above data represents the value of all residential approval lodgements. New house construction continues to be the larger proportion of outlay at \$59 million for quarter 3 – 2021.

New dwelling building certification lodgements



Estimated cost of works for residential building certification lodged with council (includes new dwellings, units, pools and other residential works in millions)



Building data (continued)

This data show the investment in commercial construction. For Q3 of 2021, the following developments in excess of \$1M in value are noted below:

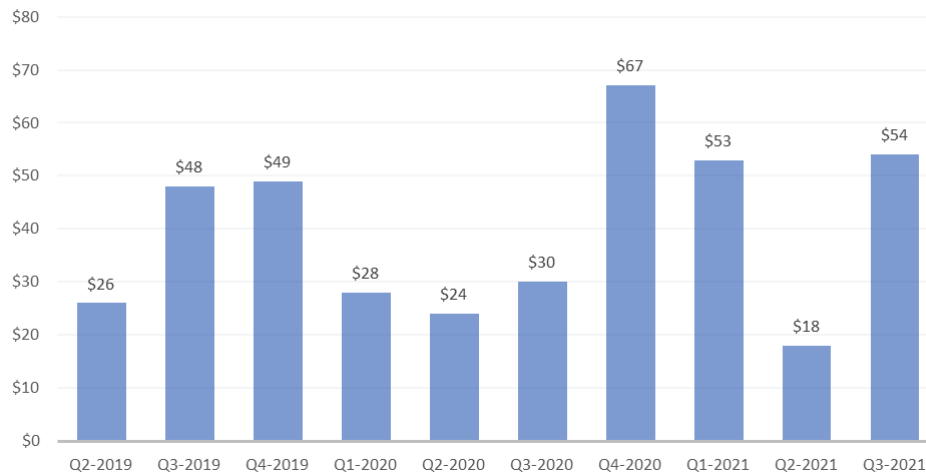
- Education (private) – 3 approvals to the value of \$12.13 million;
- Industry - 3 approvals to the value of \$3.45 million;
- Retail – 3 approvals to the value of \$9.25 million;
- Specialised uses (port) – 1 approval to the value of \$9 million; and
- Rural – 1 approval to the value of \$1.07 million

As expected, residential certification lodgements have tapered off

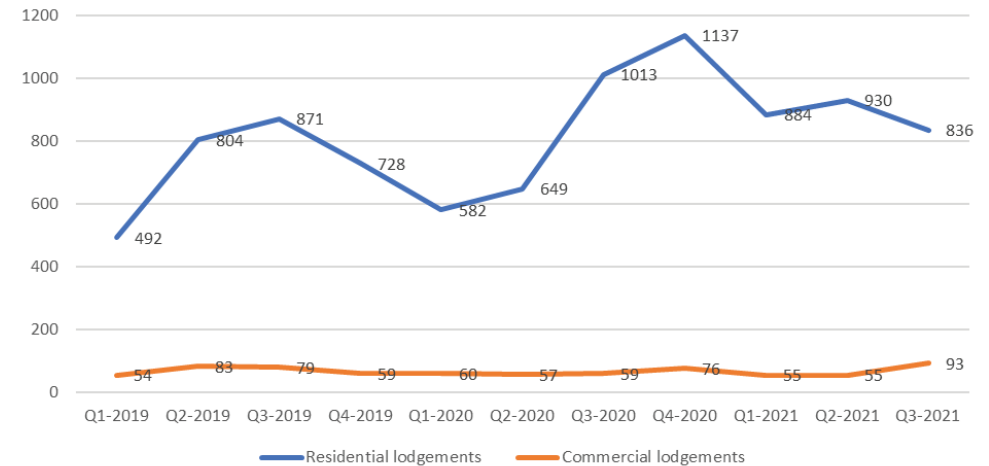
marginally in quarter 3 of 2021. With the increase in residential lots released for quarter 3, the delayed flow-on of house approval should reflect in the forthcoming quarter 4.

Commercial certification lodgements show a strong result for quarter 3 of 2021 with approvals lodged exceeding all prior quarterly data. This is encouraging as the Townsville commercial sector is a large employment base and these results may show a strengthening economy in that area.

Estimated cost of works for commercial building certifications lodged with council in millions

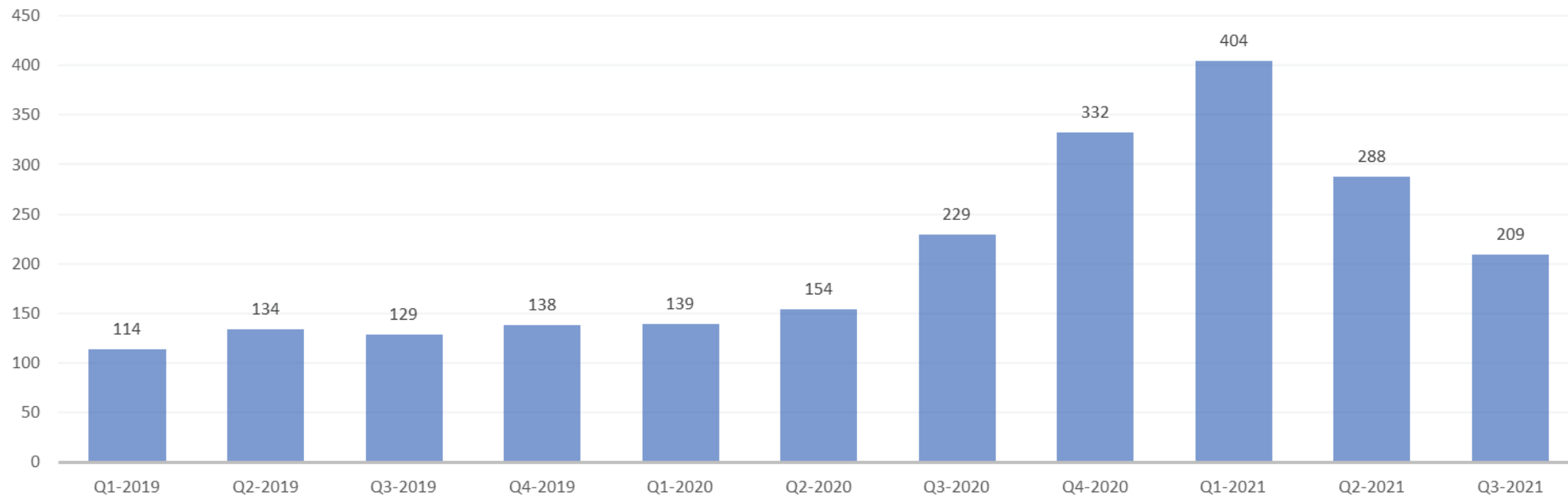


Residential and commercial building certification lodgements



Plumbing and Drainage applications lodged – Residential

As expected, the residential plumbing and drainage data trends similarly with the releases of residential lots. There is some lag however between the release and sale of the lot before the subsequent plumbing and drainage application related to residential construction is lodged. This is evident in the results for quarter 3 – 2021 when compared to the lot releases data.

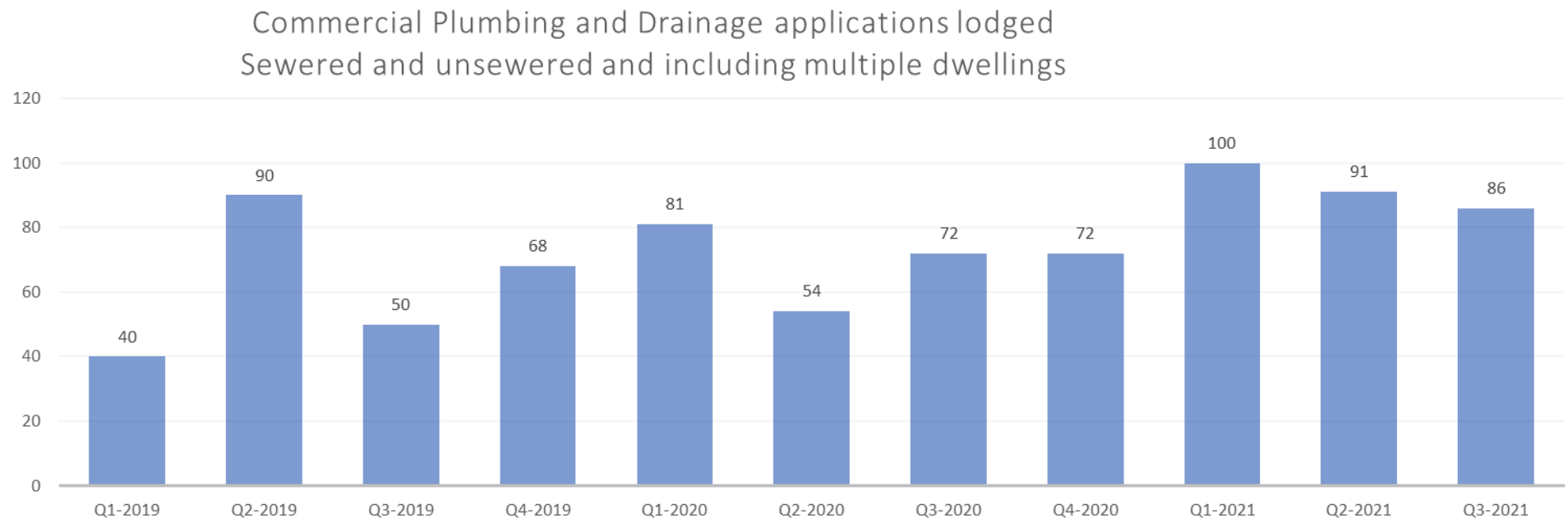


Plumbing and Drainage applications lodged – Commercial

The commercial plumbing and drainage applications shows a consistent increase over the overall data period.

In 2019 and 2020 the average quarterly lodgements was 62 and 70 respectively.

2020 to date sees the average lodgements increase to 92 per quarter. Without the stimulus of a grant scheme, the commercial sector is still showing an increase in development activity which is welcome.



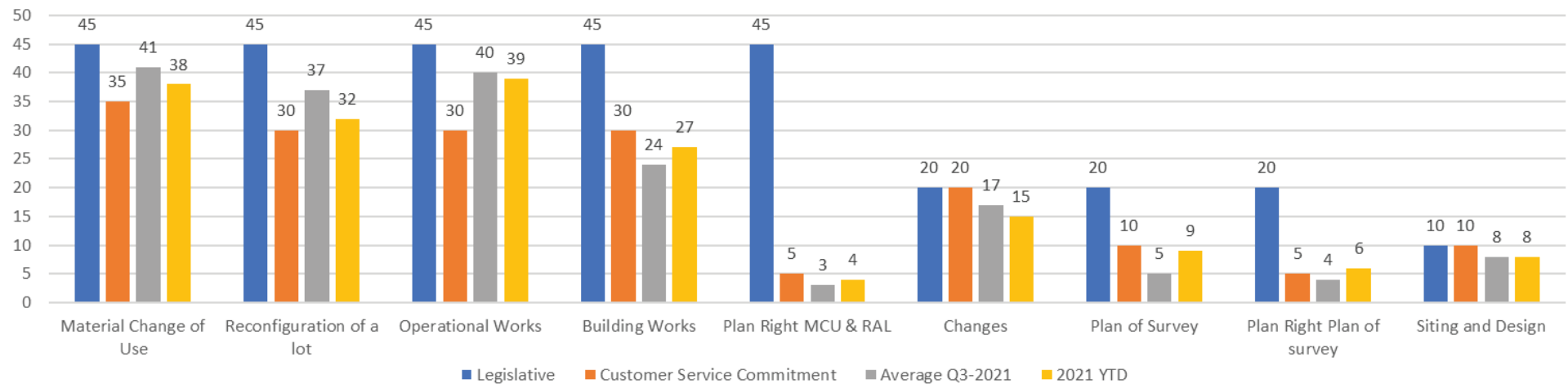
Development Assessment Customer Service Commitments

The graph above shows actual average assessment timeframes compared to legislative requirements and those promised under the Customer Service Commitment.

The graph also shows the year to date assessment timeframes to even out any peaks and troughs in the results.

The results show the assessment times continue to comply with legislative requirements. Core applications of Material Change of Use, Reconfiguration of a lot and Operational Works timeframes to complete assessment has slightly increased due to the increase in application numbers.

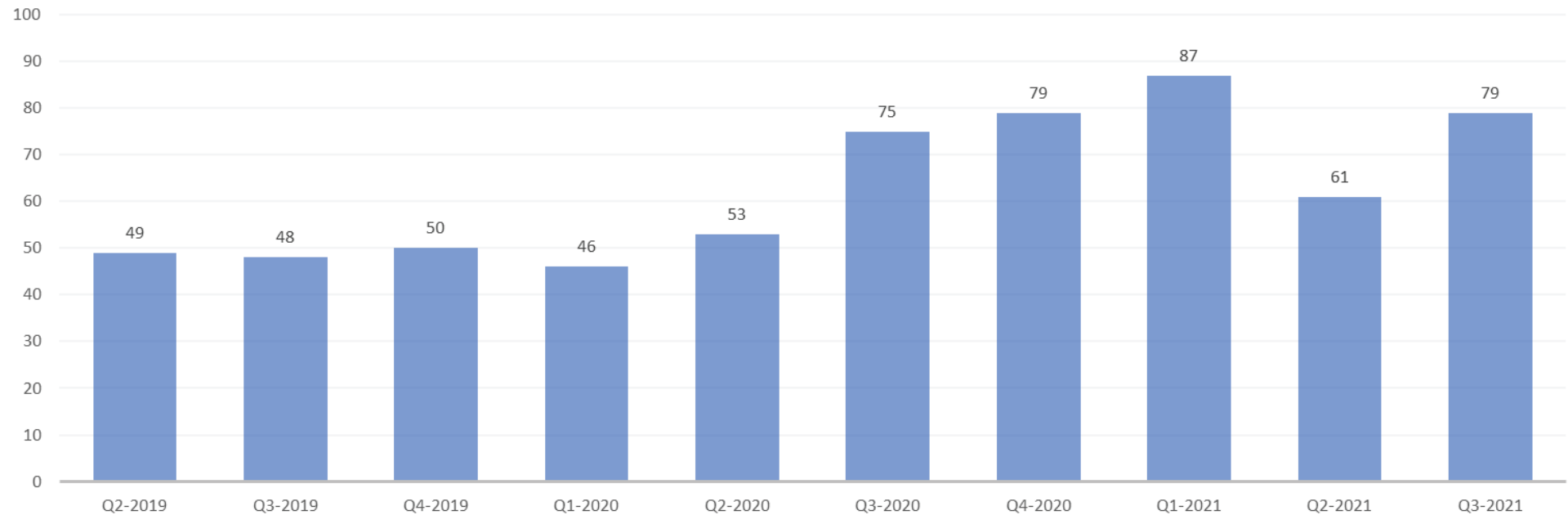
Average Assessment Timeframes - Q2 - 2021



Prelodgement Meetings

The data shows an increase in requests for formal discussions with council normally associated with new development. The increase in the latter of 2020 and into quarter 1 of 2021 reflects the activity generated by the government grants. Quarter 2 of 2021 shows a return to normal levels of requests.

Prelodgement meetings are encouraged by council and are delivered at no cost to the applicant. The meetings serve to ensure applicants are aware of town planning and engineering requirements associated with a potential development.



Notes

BUILDING APPROVAL DATA

State government development information is not required to be given to Council. Therefore, the building approval data only includes a small proportion of State government work, and this should be taken into consideration when analysing the information (i.e. the estimated value of works may not include developments such as works to schools, hospitals or defence).

The number of building works for the most recent two months also needs to be used with some caution. While private building certifiers are required to provide the information to Council within five business days of the decision notice being issued, this does not always occur. Data is regularly reviewed for accuracy; however, minor representation errors may still occur.

VALUE OF WORKS DATA

The estimated value of works needs to be used with some caution. As this is provided at the planning stage of works, this may not accurately reflect the final cost of works.

ASSESSMENT TIMEFRAMES FOR PLAN OF SURVEY

The assessment days for the release of Plans of Surveys are calculated from the date all required information is received by Council and all conditions of approval have been met.

Concurrency Agency response applications

Concurrency Agency applications, in the context of this report represent two areas of assessment. Firstly, where a residential development does not comply with the codes of the Queensland Development Code (QDC).

The QDC prescribes amenity and design guidelines. These guidelines as an example dictate the sighting and height of structures on the lot. The Local Government Authority has the delegated rights from the State to assess applications where the property owner wishes to gain a relaxation of the codes.

Secondly the QDC prescribes guidelines in relation to structures being built over or within the influence of a council asset such as sewer infrastructure. It allows the Local Government Authority to assess if the proposed structure poses any risk to the infrastructure.

Glossary

OPW – OPERATIONAL WORK

In the context of day-to-day business, operational works commonly includes infrastructure works associated with development, such as sewerage, water, roads, and stormwater.

This may also include excavating or filling, clearing vegetation, road works, and advertising devices.

DBW – DEVELOPMENT BUILDING WORK

Assessment of proposed building works on lots that are located in zones such as Character Residential Zone or where the property is encumbered by an overlay such as Coastal Environment.

RAL – RECONFIGURING A LOT

The subdivision, amalgamation, and realignment/rearrangement of lot boundaries, Creating and easement and agreements for Community titles schemes (CMS).

MCU – MATERIAL CHANGE OF USE

Required when a material change of use of premises, e.g. starting a new use, re-establishing a use that has been abandoned or changing the intensity or scale of the use.

POS – PLAN OF SURVEY

POS lodgements are associated with the approval of a Plan of Survey. This allows newly created lot/s to be registered and introduced to the market for sale.

PROPERLY MADE

An application must be deemed properly made to allow assessment to proceed. Legislation prescribes the minimum requirements for an application to be properly made.

PLANRIGHT APPLICATIONS

PlanRight applications are those identified application types that are assessed by approved external consultants. Once lodged, council issues the decision notice via an accelerated process.

