Planning and Development in Townsville

Development Activity | Quarter 2 – 2021

Introduction

The following report provides a snapshot of development data for Quarter 2 of 2021. The data is compared with 2020 and 2019, to provide a meaningful insight into the development activity and associated trends in the Townsville local government area.

Looking back to 2020, the city's development industry experienced an intense second-half, generated from the economic stimulus measures introduced by all levels of government to counteract the adverse economic impacts of the COVID-19 pandemic.

Results for quarters 3 and 4 of 2020 show the positive effects of the measures, with a sharp increase in demand for residential lots and new dwellings. This had a flow-on effect for Planning Services in terms of the volume of applications and pressure to reach decisions to support the industry and fulfil demand.

Quarters 1 and 2 of 2021 reveal a less intense period, however the stimulus package is still clearly having a positive impact on residential development.

The HomeBuilder grant, which provided a grant for new dwellings and significant renovations, concluded on 31 March 2021.

The eligibility requirements of the HomeBuilder grant to meet certain timeframes meant that demand for residential lots slowed in Quarter 1 of 2021.

Residential lots approved and released

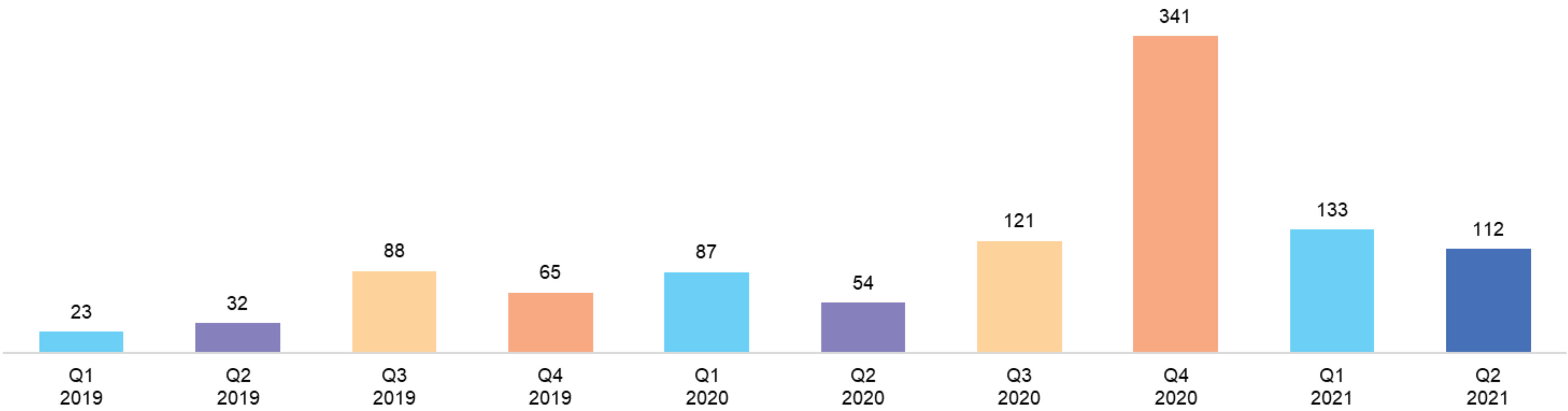
This data shows the historical trend of land releases from Quarter 1 of 2019 up to current lot releases during Quarter 2 of 2021.

Quarters 3 and 4 of 2020 show the influence of the introduction of the Home Builder grant and the resultant increase in demand for residential land. Quarters 1 and 2 of 2021 now show the demand weakening with the Home Builder Grant concluding on 31 March 2021.

Quarters 1 and 2 – 2021 does however continue to show lot releases in excess of all presented historical periods prior to Quarter 3 – 2020.

If this trend continues throughout 2021, we may witness a stronger result in comparison with 2019 and early 2020. This would show that even without incentives driving the market, the stronger demand for new residential lots remains evident.

This would be an encouraging result and may show the strengthening of the local economy.



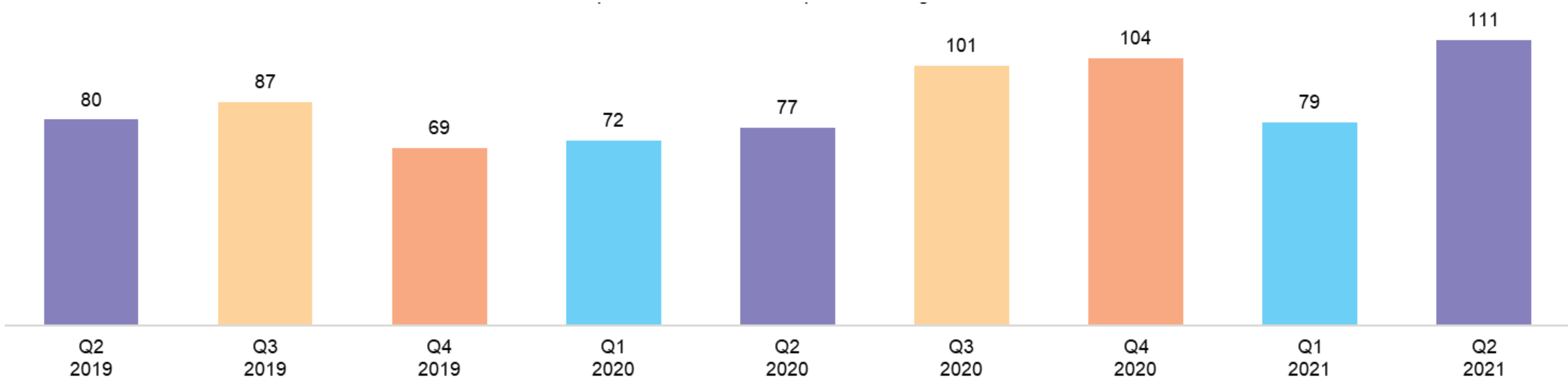
Development Applications Lodged

Quarter 2 of 2021 shows the volume of development applications lodged and achieving properly made, higher than all presented historical data.

This is driven primarily from increases in all application types excluding development building works which has tapered off from previous quarters.

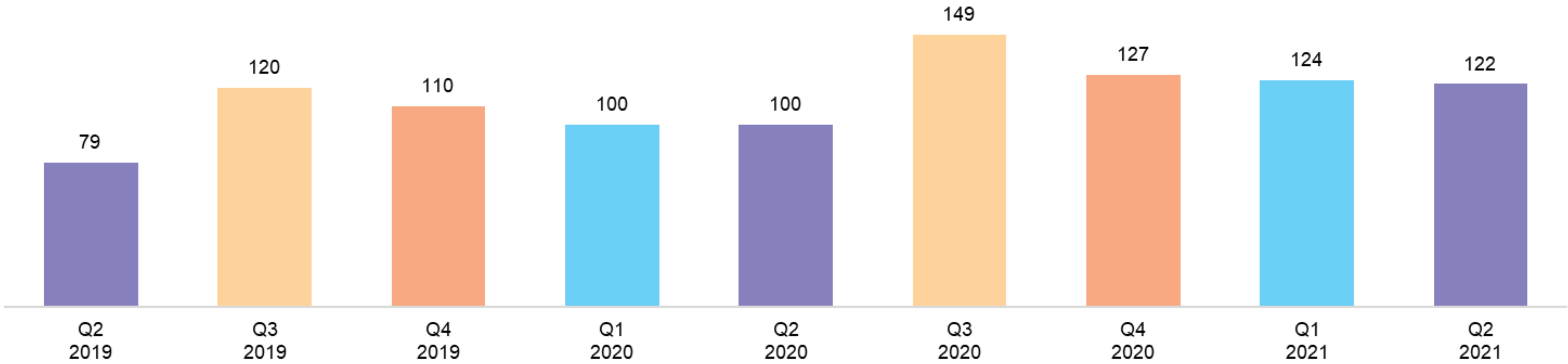
Some interesting results for quarter 2 of 2021:

- Material Change of Use applications has shown an increase in lodgements to 35 applications for quarter 2 of 2021 opposed to an average of 22 applications per quarter for the previous 3 quarters. This has been driven primarily by residential and industry applications.
- Reconfiguration of a Lot applications has shown a similar increase in lodgements to 23 applications for quarter 2 of 2020 opposed to an average of 16 application per quarter for the previous 3 quarters. It is also interesting to note quarter 2 of 2021 shows the total of new lots lodged for assessment during that period amounts to 197 opposed to an average of 114 lots per quarter for the previous 3 quarters.



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

An average of 115 applications are lodged on a quarterly basis. These applications are primarily an indicator of smaller building projects such as sheds and carports that are assessed due to non-compliance with siting, design or are proposed to be constructed over Council infrastructure.



Building data

The data clearly shows the effects of the Home Builder grant on the local building industry.

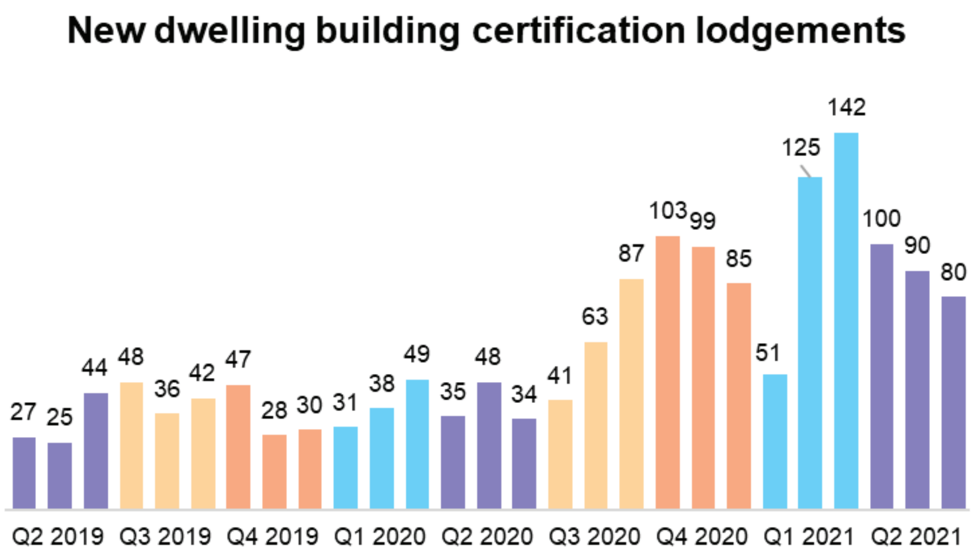
Earlier data shows the new home dwelling approvals showed a consistent average of 38 dwellings per month. During the period when the federal government Home Builder Grant had the most effect (mid-2020 up to the close of quarter 1 -2021), the average monthly new dwelling approvals increased to an average of 94 per month.

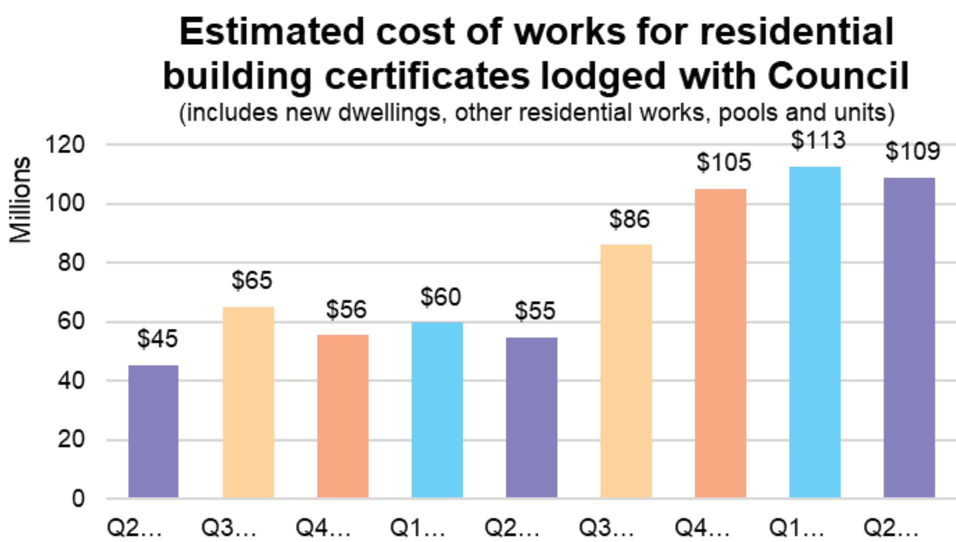
Quarter 2 – 2021 has seen an expected retraction in approvals. Whilst some residual approvals continuing to be given during this period, it is still unclear to what level the new dwelling figures will level out at further into 2021.

If the demand for residential lots continue to exceed 2019/early 2020 figures, the demand for new dwelling should also follow this trend.

The estimated value of residential works (new dwellings, units, pools, and other residential works) shows an average of $103 million over the past 4 quarters. This is in contrast with an average of $59 million in the previous 4 quarters.

This is a significant injection into the development industry and is the result of the Home Builder Grant both for new dwellings and renovations.





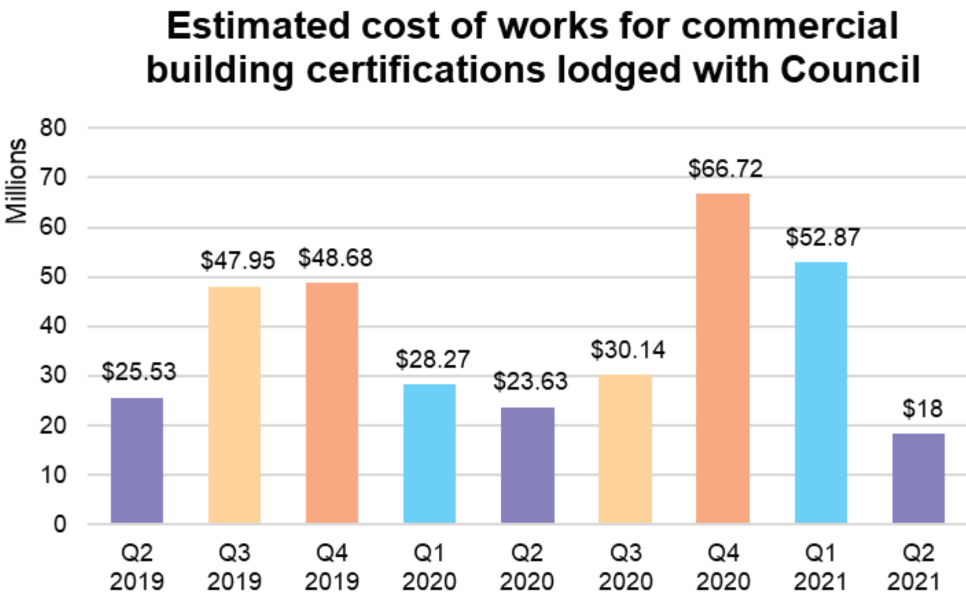
Building data (continued)

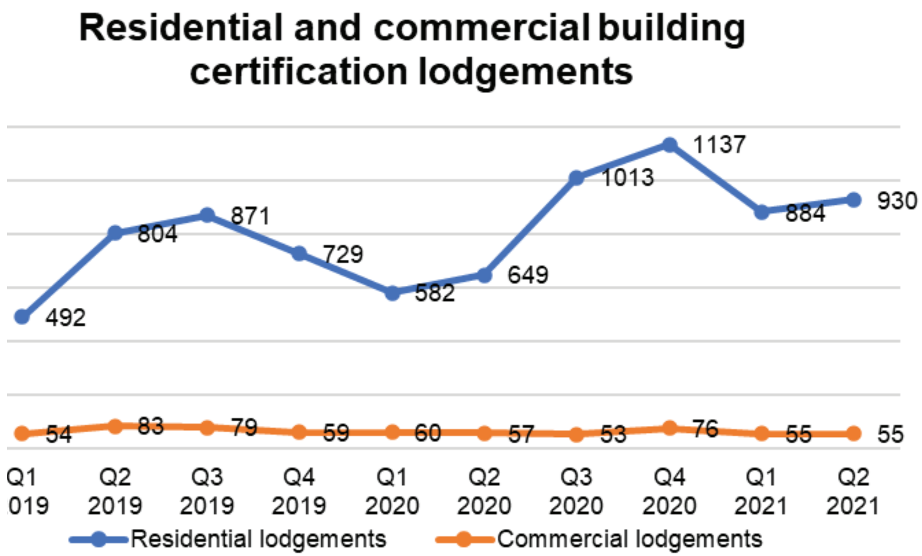
This data show the investment is commercial construction. Included in the investment in quarter 4 of 2020 and quarter 1 of 2021 are the following projects:

- Two projects in Health Services with an investment of $22.12 million;
- One project in manufacturing with an investment of $16.83 million;
- One project in education with an investment of $42.16 million; and
- One project in Port Services with an investment of $9.09 million.

This data shows the volume of private certification lodgements for building approvals based on residential and commercial projects.

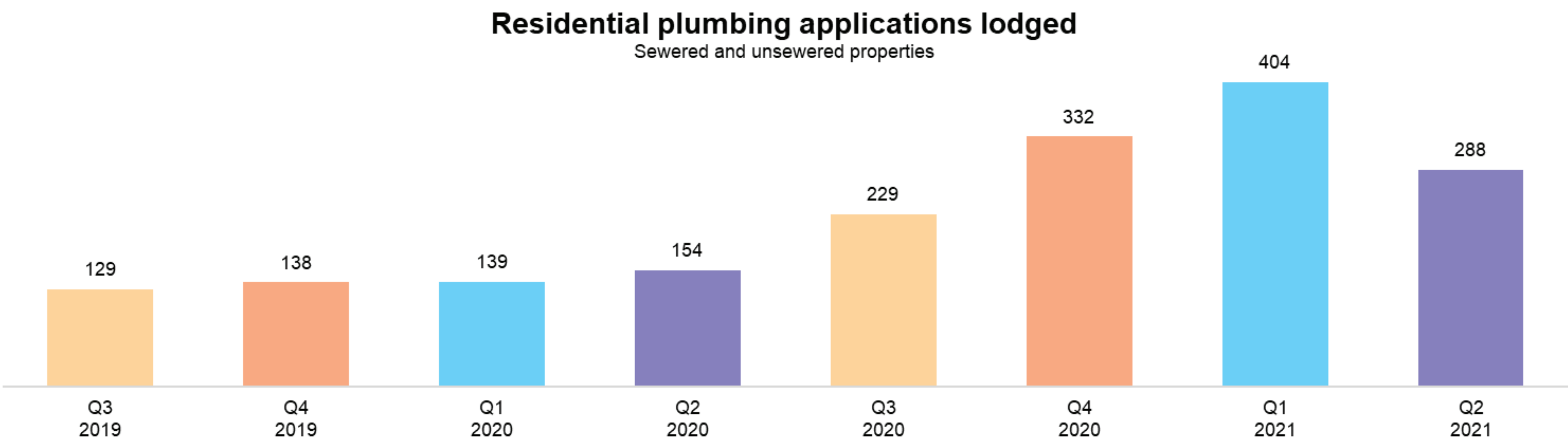
Whilst the commercial sector of the building industry remains quite consistent, as expected the residential sector clearly shows the investment in residential construction resulting from the Home Builder Grant.





Plumbing and Drainage applications lodged – Residential

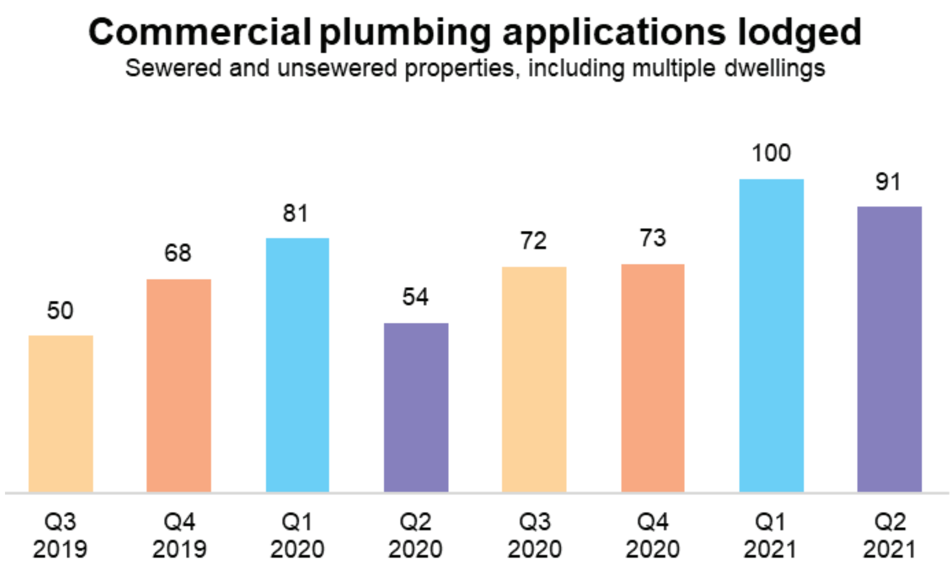
The residential requests for plumbing and drainage assessment as expected show the same volume pattern as the residential dwelling approvals.

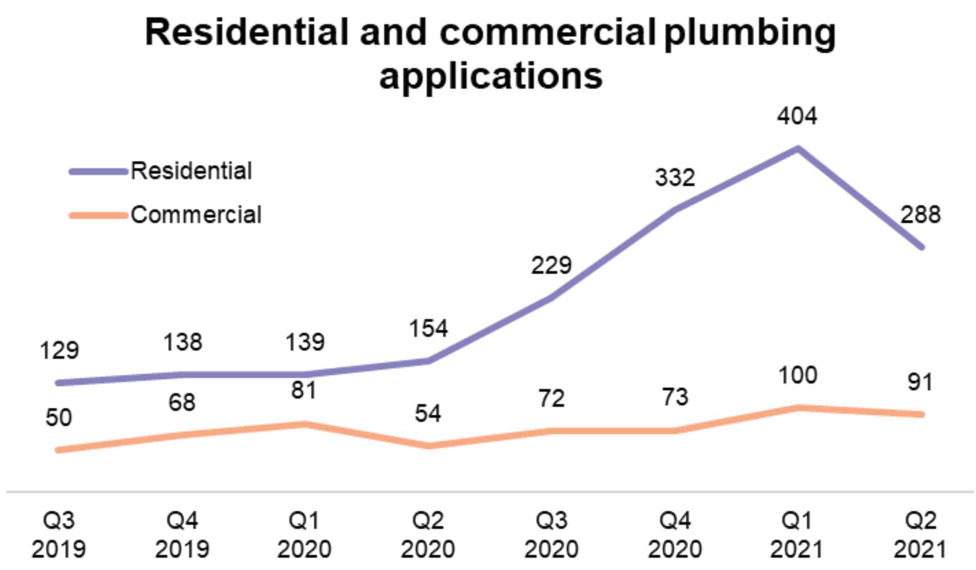


Plumbing and Drainage applications lodged – Commercial

The applications lodged for commercial development remain consistent over the data period. This reflects the volume of commercial building approvals.

This data shows the comparison between commercial and residential plumbing and drainage applications. It reflects the consistent nature of the commercial sector and the residential sector demand from government stimulus measures.





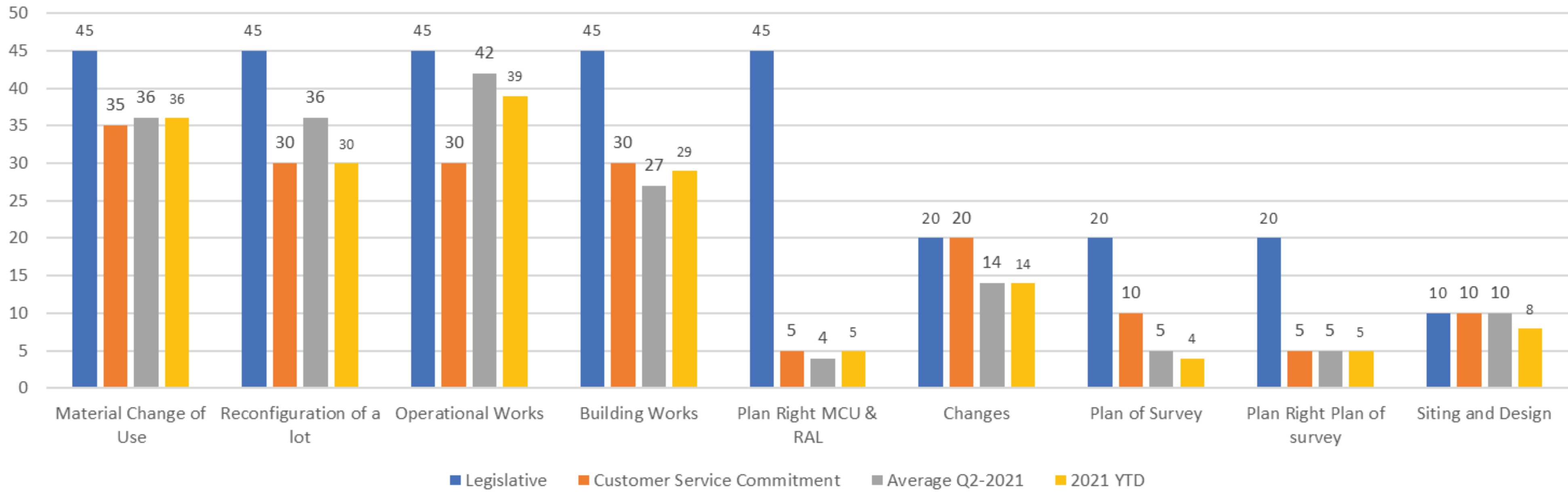
Development Assessment Customer Service Commitments

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

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

Whilst timeframes for quarter 2 of 2021 are within those prescribed by legislation, promised assessment timeframes under the Customer Service Commitment are not met for reconfigurations and operational works. This has occurred due to the high volumes of applications that were assessed, due to the government grant.

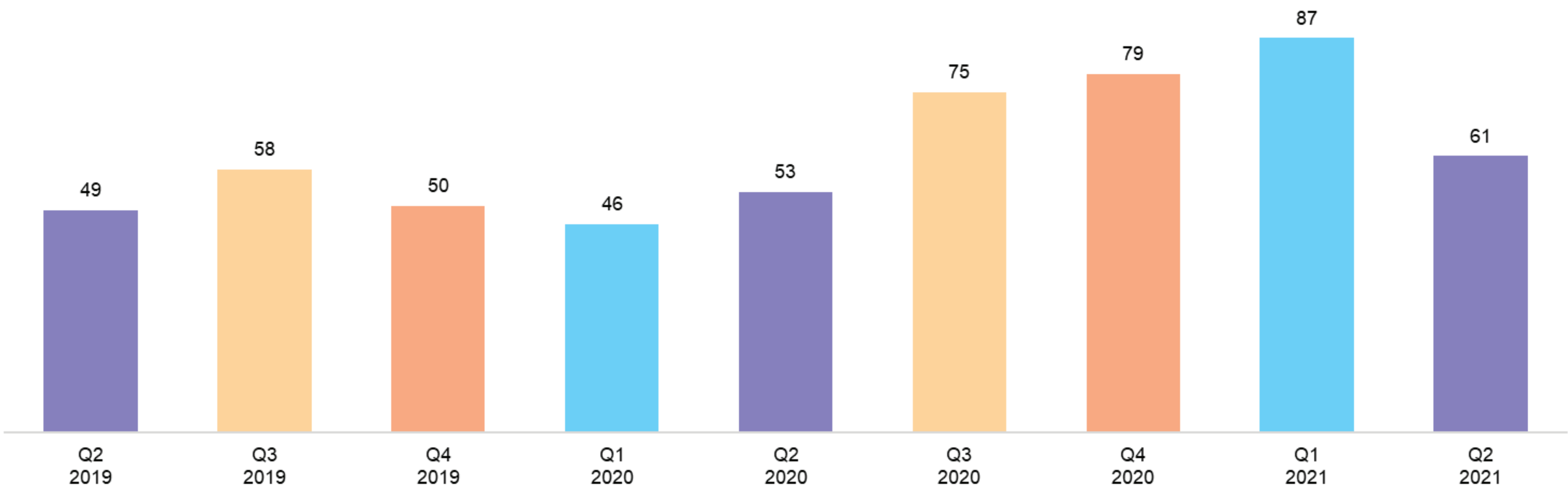
Average Assessment Timeframes - Q2 - 2021



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.

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.

City of Townsville