

Submission to the QLD Productivity Commission Construction Productivity Review - May 2025

We are a small property developer who have been working in the middle ring north west suburbs of Brisbane over the last 18 years. In that time we have focused on the design and production of affordable homes, townhouses & units, and can attest to a lived experience of all of the issues that have gradually mounted to now make producing affordable homes essentially unachievable. A simple example is our current next project, (on hold due to the issues noted below), a seemingly straight forward, replacing a 50 year old house with 6 new Townhouses development 11km from the city, a prime example of what South East Queensland desperately needs more of and clearly noted as a desired outcome in the States SEQ Shaping SEQ Report. Services, transport, infrastructure, parks, schools, shops are already in place in the suburb with the area now ready to take on more density to bring in more residents & families to fully utilise all of the valuable available community amenities. We have 2 options to produce new housing on this project. Option 01; We can knock down the existing old house & build the 6 townhouse project or Option 2; we can knock down the existing old house and build 1 new one.

OPTION 1 - knock down & build 6 new townhomes.

The realistic timeframe to gain all required approvals before we can start construction is 12 -15 Months.

Here are the minimum number of different entities and hurdles we need to coordinate / engage / jump over to get approvals & complete from the initial design to completion of the 6 townhouses. These are all separate steps that generally require independent approvals before you can proceed to the next step and any one of these steps can bring the whole project to a stop. Some approvals take 3 weeks, some take 6 to 9 months and that's per line item, some can go concurrently but most need one step done before the next can start. They all lead to increased uncertainty in delivering a project in a reasonable timeframe. In approximate order they are:

- architect / building designer for design / da & ba approval
- town planner for da approval
- civil engineer for stormwater da approval
- traffic engineer for da approval
- landscape architect for da approval
- civil engineer - stormwater / earthworks / for da & operational works approval
- statutory water authority approval for sewer / water connections approval to simply connect to the water & sewer lines already in place (Currently this time alone sits at around 4-5 months)
- hydraulics engineer - for plumbing approval
- council plumbing department approval cannot proceed without the statutory water authority first.
- structural & foundation engineer design & certifications
- building certifier for ba approval
- energy efficiency consultant for ba approval
- Electrical engineer for comms & nbn design
- NBN approval
- Energex approval
- Energex approved only contractor to do the works
- NBN approved contractor works
- water / sewer civil contractor for connection works

- landscape designer for design certification
- landscape contractor for completion and final certification
- builder (includes all the builders separate subcontractors, carpenters, plumber, electrician etc)
- council plumbing inspection officers
- surveyor for setout & certification
- town planner at the end for plan sealing application
- council building compliance officers during construction and at the end
- council town planning department plan sealing approval officers at the end of the project, separate offices to the first ones.
- mortgage consent approval to register new titles from the bank
- Qld Land titles office approval for registration of new titles.

Again, this is for only 6 townhouses, a minimum of 28 hurdles to jump just to complete a simple small affordable 6 home project, because it is a multiple dwelling all these entities need to get involved.

It creates a ponderously slow and costly process that is incredibly frustrating to complete and is the reason why less and less of this type of development is being built in our cities.

OPTION 2 - knock down & build 1 new home.

The realistic timeframe to gain all required approvals before we can start construction is only 1 - 2 Months.

Here are the number of entities & steps to build one house on the same lot

- architect / building designer for ba approval.
- building certifier for ba approval.
- builder (builder takes care of all other design, compliance and certification tasks to completion)

3 hurdles, sometimes only 2 if you use a project builder as the design is already done. The process is comparatively simple and straightforward to complete.

Is it any wonder that the vast majority of our housing stock is single dwellings. It should be the opposite of the above & far easier and quicker to get a small affordable dwelling project approved and built than a single large house, but it's simply not.

Increases in construction costs, difficulty in obtaining finance for this type of development and compliance with the new NCC are all additional challenges to this sector and all add to the difficulty however the challenges noted above are the number one reason we don't have a good supply of affordable homes in our cities.

¹Solutions noted on page 3

SOLUTIONS

The following 2 simple steps could be taken by the state government to turnaround the affordable housing crisis and help produce more affordable homes.

Step No 1. It needs to be easier to design & build an affordable home project than ANY other housing option.

This should be an unashamedly publicly stated goal that informs all other decisions in housing. What member of the public would not support this goal. Affordable homes come first, all others next. Affordable homes being either townhouses, apartments or small homes on small lots. People with more means and more ability to buy larger, more expensive properties will always make their own choices regardless but everyone should at least have the opportunity to purchase or rent a home for themselves and family that they can afford, whatever income they are on. Social and community housing can then be the support network for those who then need further assistance.

Actions to take to implement this rule would include streamlining all approvals in all areas of this type of housing & development, preferably reducing the bodies and steps and simply the process altogether for affordable homes; legislate maximum & short time frames for this type of development approval & apply the same rules to all statutory bodies, electricity, NBN, water / sewerage, titles office so no one can slow down a project. Possibly setup a specific body to oversee & help councils & regulatory bodies implement this step and help create measurable outcomes so we know we are making a difference. Simply put, speed up all approvals and get all the key players involved in the solution. State government can encourage &/or legislate to make this happen.

Step No 2. It needs to be more feasible to produce an affordable home than any other option.

If a project is more feasible and quicker to do, more people will do it and that will achieve a faster increase in supply. To achieve this step, the government could offer incentives for owners and developers to build this type of housing for example; lower or zero council contributions, grants for completing this type of project or financial incentives to encourage assistance that will promote this type of housing as the number one priority over others. Grants must be simple, easy to apply for and streamlined in decisions to increase confidence and certainty about what businesses and owners can do and rely on going forward.

Current programs that selectively support community housing agencies and large listed developers to produce some social and affordable housing in their projects to enable them to turn better profits for them is not enough and fundamentally not fair. Everyone should be encouraged and supported to get more affordable homes out of the ground and the whole regulatory and compliance framework should be designed fairly for everyone working together to achieve that outcome.

Take these 2 steps with genuine courage and desire to get the job done and the state government can make a real difference. The current generation of young adults looking to get into their own homes in the near future are relying on you.