



# INTERNATIONAL STUDY TOUR 2018

## LEARNINGS & INSIGHTS



### Official Study Tour Sponsors



### Study Tour Hosts & Supporting Sponsors







# INTERNATIONAL STUDY TOUR 2018



## Contents

03 CEO's Message

05 Itinerary

06 Urban Renewal

10 Aerotropolis

14 Build to Rent

18 Affordable Housing

20 Metropolis Governance

24 Photos

27 Study Tour 2019

## 3 CITIES | 19 SITES | 13 DAYS

### HONG KONG    MANCHESTER    LONDON





# UDIA NSW Study Tour 2018

## Learnings & Insights

The **UDIA NSW International Study Tour** has become a hallmark element of our annual events calendar. The driving purpose of the International Study Tour is to provide leaders in the Australian development industry (from both the private and public sectors) the opportunity to tour globally significant cities and gain insights on local approaches to urban planning and development. The 2018 International Study Tour visited Hong Kong, Manchester and London. This was the first time that European cities had been included in a UDIA Study Tour itinerary.

Building on the success of previous Study Tours the major themes for our 2018 tour were:

- **Major precinct scale urban renewal**
- **Metropolitan strategic planning**
- **Integrated mixed-use transit orientated development**
- **Aerotropolis planning & delivery**
- **Build-to-Rent**
- **Affordable housing**
- **Micro-apartments**

The 2018 Study Tour provided a powerful lens with which to examine these themes. The delegates and myself had invaluable first hand exposure to world class development and governance practice. In addition to the outstanding briefings and site tours, the UDIA Study Tour provided unique networking and business development opportunities across the two weeks. The purpose of this inaugural International Study Tour Learnings & Insights book is to gather together a range of stories, testimonials and images from our delegates and the UDIA team into one consolidated publication. On behalf of UDIA NSW, I hope you enjoy this summary publication and feel inspired and invigorated by the world-class urban development and urban planning in these three vibrant cities.

**STEVE MANN**  
UDIA NSW CEO

### Official Study Tour Sponsors



### Study Tour Hosts & Supporting Sponsors



# TESTIMONIALS



'This was my first UDIA Study Tour and I can truly say that it exceeded all my expectations! As a consultant to the property and development industry, I found the content relevant and extremely valuable in broadening my knowledge of the challenges faced by our clients here in Australia. I believe a global perspective is vital in exploring potential solutions, and the study tour was a great way to see how our counterparts are doing things differently around the world. Well done to the UDIA team - looking forward to next year!'

*Holly Westcott, New Development Specialist, Strata Choice*

'Just wanted to thank you all for a fantastic study tour. I really enjoyed it both professionally and socially. We visited some world class projects and it has given me inspiration for some of the things we can do at Oran Park and North Bringelly. I very much enjoyed the camaraderie on tour both day and night.'

*Mick Owens, General Manager – Property, Greenfields Development Company*



'Yet another highly informative and thoroughly enjoyable study tour. The itinerary which focused on themes such as Housing Affordability, Build to Rent, Urban Renewal, Transit Orientated and Aerotropolis Development are all highly topical for our industry and it was fascinating to see how these issues are being dealt with in other parts of the world.'

*Michael Parkinson, General Manager, Ingham Property Group*

'The UDIA NSW study Tour for 2018 to Hong Kong, Manchester and London addressed many of the key topics of the moment including a study of major transit orientated development, the 'Build to Rent' model and housing affordability. Thoroughly enjoyable and extremely well organised by the UDIA team, the trip represented a unique opportunity to learn from major organisations and key institutions around the world, speaking about issues directly applicable to Australia. I highly commend Steve, Toby, Victoria and the UDIA team for the delivery of an exceptional experience and would thoroughly recommend the tour to anyone.'

*Steven Holmes, Principal Landscape Architect, Place Design Group*





## HONG KONG

### DAY 1

Depart Sydney

Arrive in Hong Kong

### DAY 2

**Meeting** with AECOM Hosted by Kelvin Law, Vice President, Design + Planning, Economics, Asia, AECOM

**Site tour** of Hong Kong Science Park

**Site tour** of Anderson Road Quarry Site Hosted by: Ivan Tsang, Construction Manager, AECOM

**Site tour** of Hong Kong Design Institute (HKDI) of the OPod Tube Housing Concept Hosted by: Dr Joseph Wong, Vice Principal (Academic), HKDI

### DAY 3

**Meeting and site tour** with MTR, Hosted by Samuel Yan, Deputy General Manager, International Business, MTR Corporation Limited

**Meeting** with Hong Kong Urban Renewal Authority and tour of the Urban Renewal Exploration Centre

**Site tour** of Parkes Residence micro apartments in Kowloon hosted by Centaline Property

### DAY 4

**Meeting** with Hong Kong Green Building Council

**Meeting** with Hong Kong Planning Department and tour of City Gallery Hosted by Alice Liu

Depart Hong Kong

## MANCHESTER

### DAY 5

Arrive Manchester

**Site tour** at Carrington Estate, Hosted by HIMOR & Future Carrington

**Site tour** at Hillside Central, Hattersley Hosted by Barrat Homes

### DAY 6

**Meeting** with Greater Manchester Authority hosted by Mayor Andy Burnham

**Meeting** with Airport City Manchester, hosted by John McHugh, Head of Strategic and Commercial Marketing, MAG Property

**Site tour** of build-to-rent project: Pomona Wharf, hosted by David Chilton, Development Director, Rawlinson

**Meeting** at Salford Quays hosted by Salford City Council

**Site tour** of MediaCity UK, hosted by Salford City Council

### DAY 7

Train to London

## LONDON

### DAY 8

Rugby 7s World Cup at Twickenham

### DAY 9

**Meeting and site tour** at Battersea Power Station Hosted by Gordon Adams, Head of Planning, Battersea Power Station Development Company

**Site tour** of affordable housing project by Pocket Living in Lambeth

**Site tour** of Elephant Park hosted by Lendlease

### DAY 10

**Site tour** of High Road West, North Tottenham, hosted by Lendlease

**Site tour** of build-to-rent project: The Rehearsal Rooms in North Acton, hosted by M&G Real Estate

**Site tour** of Kings Cross hosted by Will Colthorpe, Partner at Argent LLP

### DAY 11

Meeting with Greystar London, hosted by James Pargeter

**Site tour** of student accommodation in Spitalfields, hosted by Greystar

**Meeting** with Greater London Authority, hosted by James Murray, Deputy Mayor for Housing and Residential Development

**Meeting** with Alex Kirby from Final Approach on the Gatwick Aerotropolis

### DAY 12

Depart London





# Large Scale Urban Renewal

Written by Toby Adams,  
General Manager – Strategy and Research, UDIA NSW

Hong Kong, Manchester and London all have globally significant urban renewal precincts currently being developed which share a driving agenda to transform under-utilised and degraded inner city areas into reconceptualised built environments that meet contemporary living, working, educational and cultural needs. The 2018 Study Tour visited some very impressive different models of urban transformation.

## Battersea Power Station

Battersea Power Station is a remarkable urban renewal project involving an iconic site in London with an ultimate ambition to deliver 3,440 apartments, 930 affordable

units, 1,700,000 sqm commercial floorspace and 106,800 sqm retail floorspace, two hotels, a variety of cultural assets and 19 acres of open space. The 42 acre redevelopment site sits on the southern banks of the Thames river in South West London and is currently mid-way through an eight phase master plan.

The Power Station was decommissioned in 1983 and lay eees dormant for three decades with a chequered history of various development schemes being advanced and then abandoned. A common thread of the previously unsuccessful development schemes was the lack of coordination between government and private stakeholders, with the

lack of public transport servicing a key barrier rendering it an isolated island site. These are all startlingly familiar features which have stymied the redevelopment of Sydney's White Bay Power Station over a similar time frame.

Since taking full-control of the site in 2012 the Battersea Power Station Development Company (BPSDC) has managed to forge a highly productive collaborative working relationship across various regulatory authorities. The critical key, however, to unlocking the development potential of the site was the connection of the renewal precinct to the tube through a 1.75km extension to the Northern Line. The complex negotiations involved in funding this catalytic





*Battersea Power Station*

by the borough councils. The councils and agencies contribute to the framework plan, thereby minimising the potential for downstream friction and providing clear directions.

When the delegation toured the development site there were an astonishing number of active cranes on site (circa 25) with a daily workforce of 3,000. The major commercial anchor for the precinct will be Apple with the European HQ to host 1,400 workers who are planned to be settled by late 2020. The outstanding briefing of the redevelopment project provided by Gordon Adams (Head of Planning @ BPSDC) and the subsequent site tour was truly one of the major highlights of the 2018 Study Tour.

## Kings Cross

Kings Cross is one of the largest and multi-faceted urban redevelopments in Europe. The 67-acre site located in the north-east of Central London has a rich and colourful history. What was an underused industrial wasteland is well underway to being transformed into a vibrant new part of London with an array of new apartments and town homes, retail and commercial office space, galleries, bars, schools and a University.

The redevelopment is serviced by two major railway stations (Kings Cross and St Pancras) which is serviced by 6 Underground lines and the terminus for the Eurostar making it the most accessible transport interchange in London.

Two of the stand-out features of the Kings Cross Redevelopment being led by the developer Argent is the attention to built-form design excellence sympathetic to the heritage context, in addition to the extremely high-quality of

infrastructure play have involved the establishment of an Enterprise Zone, enacting a Tax Increment Financing (TIF) program and an innovative developer contribution scheme.

A cornerstone of the BPSDC redevelopment vision for the site is to leverage the iconic place identity that the Power Station chimneys have created for the site – having has been immortalised as a cultural site of significance since appearing on the 1977 cover of the Pink Floyd 'Animals' album. Subsequently the Power Station has been utilised for various movies including 'Batman Returns'. To enable this outcome the chimneys were been reconstructed off-site and have now replaced the decaying originals in a remarkable

adaptive reuse/interpretation play.

In addition to the critical role that tube connectivity has made to the viability to the project the commitment to comprehensive and inclusive plan-making appears to been axial in the success of realising this project. A guiding framework plan was devised by BPSDC drawing central elements from previous council plans and incorporated the perspectives of key stakeholders, including the transport and heritage agencies. The plan identifies appropriate locations for a library, primary school, health and police facilities, and is accompanied by a detailed and costed infrastructure program, with priorities agreed



public domain featured across the precinct. This focus on the ground plain amenity and the importance of the “spaces between buildings” has underpinned the design ethos from project inception.

Buildings under construction at Kings Cross range from one to 19 storeys. The key development constraint is the protection of view lines of St Paul’s from Parliament Hill and Kenwood House. The development of Google’s new London HQ at Kings Cross are currently underway which will eventually house 7,000 workers in the Bjarke Ingels Group & Heatherwick Studio designed purpose-built campus.



*High quality placemaking at Kings Cross*

the construction of new with light rail connections to West Salford, and Manchester city centre.

nationally significant organisation such as the BBC to relocate and anchor the development. This was all achieved within the frame of a strong yet suitably flexible masterplan.

## Salford MediaCity

Located in a previously derelict industrial area fronting a shipping canal MediaCityUK at Salford Quays is now a leading international hub for the creative and digital sectors and a vibrant waterfront destination with digital creativity, learning and leisure at its heart. MediaCityUK has emerged from a joint venture between Peel Media and Legal and General Capital with the first development phase being completed in 2011. Now home to BBC North, ITV, Coronation Street, University of Salford and over 250 entrepreneurial businesses.

This stunning world class redevelopment project has created a vibrant new mixed-use hub with more people now working at the Quays than in its heyday as a major seaport. Salford Quays has evolved into a bustling popular residential hubA aided by

Key insights from this precinct for a Sydney renewal area such as the Bays Precinct includes the importance of achieving an extremely strong and collaborative planning process between the developer and Council, and the critical importance of attracting a



*BBC North HQ at Salford Quays MediaCity*



## The Hong Kong 'Rail-Plus-Property' Model

In Hong Kong the MTR Corporation has underwritten a unique network of transit-oriented urban renewal nodes across the territories based on its 'Rail-Plus-Property' model. This model has seen the delivery of excellent transit hand-in-hand with new and vibrant TOD neighbourhoods with a broad array of opportunities for real estate developers and small business. The entire model operates on a self-sustaining basis without the need for direct taxpayer subsidies.

The MTR builds the rail line partnered with private developers to develop airspace envelopes. MTR receives a share of the profits that developers make from their real estate development. By capturing part of the value of the land and property around railway lines, MTR generates funds for new projects as well as for operations and maintenance. Revenues from R + P developments above stations along MTR's Tseung Kwan O line, for example, financed extensions to that line to serve a new town which has now grown to a population of 380,000.

MTR has applied the R + P model extensively. There are significant urban developments sitting over half of the system's 87 stations amounting to 13 million sqm. This model has become more than a source of railway financing – it is now a critical part of Hong Kong's urban development approach.





# Manchester's Aerotropolis

Written by Stephen McMahon,  
Vice President, UDIA NSW



Manchester's Aerotropolis

When William Blake penned the phrase *Among these Dark Satanic Mills* in the early part of the 19th century, Manchester was the dark heart of the first industrial revolution. Today, Blake wouldn't recognise the place.

On Thursday 31st May 2018, when the UK leg of the UDIA 2018 Study Tour touched down at Manchester Airport, the 25 UDIA members were greeted by an abnormal spring heat wave, a forest of cranes on the skyline.

"An aerotropolis recognises that the 21st century is the era of the 'just-in-time' aviation-based economy."

There were displays of positivity, entrepreneurialism and leadership from everyone from Government through to industry. It left us dumbfounded! The smoky chimney stacks of cotton mills, factories and collieries are long gone. If you thought that Sydney, with its booming population, impressive infrastructure investment and chart-topping economy couldn't learn from Manchester, you would be wrong. There is a lot to learn from Manchester.

## It's not just an Aerotropolis: it's a Powerhouse

With 'Aerotropolis' the buzzword around town right now (it's both 'Nation-Building' and 'Transformational' in case you haven't heard), it was a refreshing surprise to hear the word rarely mentioned. In Manchester the focus is on the Northern England 'Powerhouse'.



The genesis of the Northern Powerhouse was a speech by Chancellor of the Exchequer George Osborne in 2014. He recognised that the lack of economic and physical connections between the cities and regions of the North of England was holding back their growth. He recommended that the solution to the dominance of South East England and London was the creation of a Northern Powerhouse. He noted "not one city, but a collection of northern cities – sufficiently close to each other that combined they can take on the world."

Collectively the UK's northern cities are home to 10.7 million people. However they have grown at only half the pace of London and the South East in terms of population and economy. The Cities are lower in every social and economic indicator. Yet they contain 23 universities and an abundance of geographic, social and built assets to accommodate new development and economic growth.

At the heart of this Powerhouse is Manchester and particularly the role of Manchester Airport. It takes centre stage.

The Central Government has invested a lot in the Northern Powerhouse. Manchester was the first recipient of a UK 'City Deal'. This involved the devolution of a number of powers from Central Government in Westminster and the ten Borough Councils that make up Greater Manchester to a new 'Greater Manchester Combined Authority' (GMCA). It has its own popularly elected mayor, currently Andy Burnham.

## Connectivity is Key

The driver of the Aerotropolis is connectivity. Airports like Manchester are now driving economic location and urban development in a global sense, just as ports, highways and railways did in a regional sense in the centuries before.

## What is an Aerotropolis?

An approach to urban planning and economic development that focuses planning around an airport. The surrounding region benefits through the integration of planning, transport and economic initiatives. An aerotropolis recognises that the 21st century is the era of the 'just-in-time' aviation-based economy.

Connectivity creates competitiveness and Manchester Airport is at the hub of this connectivity with:

- Immediate access to a Junction of the M56 Motorway.
- A 4-hour drive catchment that extends across the whole of the UK from Scotland in the north to the south coast of England
- A light rail link to the Manchester CBD (16 kilometres)
- A heavy rail link to the CBD and other northern cities.

Rail access is subject to significant planned improvements. Of significance, the Airport is planned to be part of the UK's proposed north - south high speed rail spine; the £56 billion (Aus\$98 billion) HS2. HS2 will, among other things, link Manchester Airport directly to London by 2033. The journey time between London Euston Station and the Airport (230 kilometres) will be a mere 56 minutes. A third High Speed Rail line – east west from Leeds to Liverpool is also being proposed by 2030 (known as the £10-15 billion "Northern Powerhouse Rail" and less commonly HS3). It will directly link an additional 8.3 million people by a 90 minute high speed rail journey to the airport.

Manchester Airport may be well connected today, but it will be incredibly well connected in the future.

## Stag Parties and Business People

In the early 2000s it wasn't like this. Manchester Airport's growth was lacklustre. While the airport enjoyed a good freight business, passenger numbers had declined to 17 million by 2010 and the primary function of the airport was charter based and low cost airline tourism.

Today, however, the airport is the third busiest in the UK (After Heathrow and Gatwick). In 2017 it flew 27 million passengers to 199 destinations on carriers including Emirates and Singapore Airlines. The airport comprises three passenger terminals and a goods terminal, and is the only airport in the UK other than Heathrow to operate two runways over 2,999 metres in length. According to John McHugh, Head of Marketing at Airport City Manchester (the airports owners' property development arm) who presented to the UDIA, the airport still suffers from the legacy of its evolution. There is occasional conflict between high spirited party goers who have imbibed possibly too much duty free spirit prior to heading off to Ibiza (and other Mediterranean destinations) colliding with business people in the departure lounge focused on heading off to European business meetings.



## Proactive Networking

Apart from its air-side operations however, the airport has been proactive and entrepreneurial in pursuing the development potential of its landholdings. As a result of this economic activity, the airport has now become the southern growth node of the City.

It has benefited from local government support that has allowed it to grow incrementally over time; for example the buying of land in anticipation of growth. It has also secured significant Policy support, with its land-side property being included in the UK Enterprise Zone initiative.

The Centrepieces of the Airport's land-side development are the Airport City North and Global Logistics Precincts. The statistics are impressive. They are part of the broader 116 hectare Enterprise zone with a development value of £1.0bn (Aus\$1.76bn), a potential 500,000 sqm of floor space, 11,400 jobs and 2,400 hotel beds. Partners in the development include the Beijing Construction Engineering Group. Since 2014 76,000 sqm of floor space has been built and 3,000 new jobs created. Amazon and DHL already call the Zone home. In the next four years, by 2022, this is forecast to have doubled.

## The Power of Good Leadership

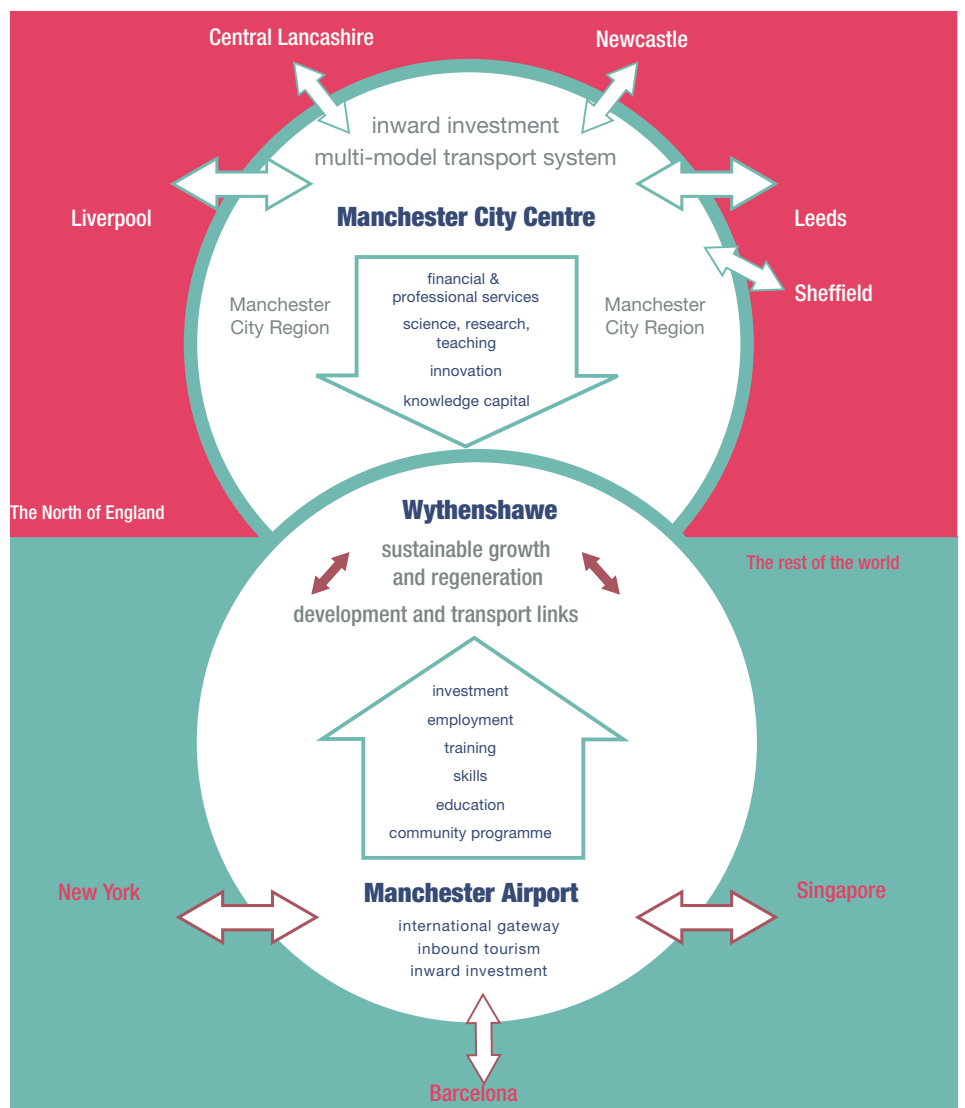
The story of Manchester and its Airport is distinguished by champions. Since its inception as a RAF aerodrome during the Second World War until 2013 Manchester Airport was publicly owned. This makes the Airport's entrepreneurial zeal even more exceptional. Manchester Airports Group plc (MAG) is the holding company. It is owned by the ten Boroughs and operates commercially at arm's length from its public owners who only take

a dividend from profits. Over the years it has been busy variously acquiring other major airports in the UK including Stansted and East Midland. In 2013 it opened up to private investors in order to provide extra capital for future investment and today Australian investment fund IFM Investors owns 35.5% of the Group (Manchester City Council owns a matching 35.5% shareholding). So, ironically, we here in Australia enjoy a share in its success. However, this leadership extends beyond MAG. The architect of the Manchester City Deal, the Chief Executive of the City Council for 18 years Sir Howard Bernstein, is widely credited for his stewardship in guiding the rejuvenation of the

city and its return of confidence.

Local politicians on both sides of politics including Osborne (Conservative) and Burnham (Labour) have continued that legacy.

UDIA members left Manchester feeling inspired. We have high hopes for Western Sydney's Aerotropolis.



Manchester Airport and its City, Region and Global Linkages



## Transport

Good transport connectivity is paramount. It doesn't come cheap and there will always be critics who question its effectiveness when studiously assessed against business case criteria. The broader qualitative benefits to a region, however, can never be fully quantified.

## Connectivity

Connectivity is global and national, not just local and regional. The Precinct must be conveniently accessible to business, technology, research and a host of other activities that seek agglomeration. The airport precinct cannot be the domain of discount tourism airlines.

## Global Economy

A thorough understanding of the global market that the Precinct will operate in is required. This obviously involves comprehensive research to identify an attractive and robust economic offer (what does the site have to offer? What exists in Sydney already?). However, it also requires an open minded attitude to explore innovative ideas and opportunities for investment and ownership. 'Business as usual' will not work; an entrepreneurial outlook is required.

## Holistic Placemaking

Make the Western Sydney Airport Aerotropolis a place, not a business and logistics park. It needs to offer a wide range and fine grain mix of activities, land uses, access and employment that makes it an integral part of its host community. It needs to have an inviting 24 hour public domain. The Western Sydney Aerotropolis cannot be a Monday to Friday 9 to 5 destination.

## Identify a Champion

Identify a predominant Champion for Western Sydney. That person needs to have the skills that can create and implement the vision, bring good leadership to the process, effectively and sensitivity manage and empower all stakeholders and be able to speak to business and attract investment.

## Land Supply

Make sure that there is a good supply of affordable, available and unconstrained land. Sydney is suffering an acute shortage of employment land at present and cannot compete in terms of both supply and price with its interstate competitors. No relief appears to be on the horizon, despite the current planning endeavours.

## Engage Government

Engage with Government agencies. The success of Manchester Airport is underwritten by broad Government policy support. NSW Agencies need to work together and this requires strong and collaborative leadership with a clearly communicated vision.

## Local Patronage

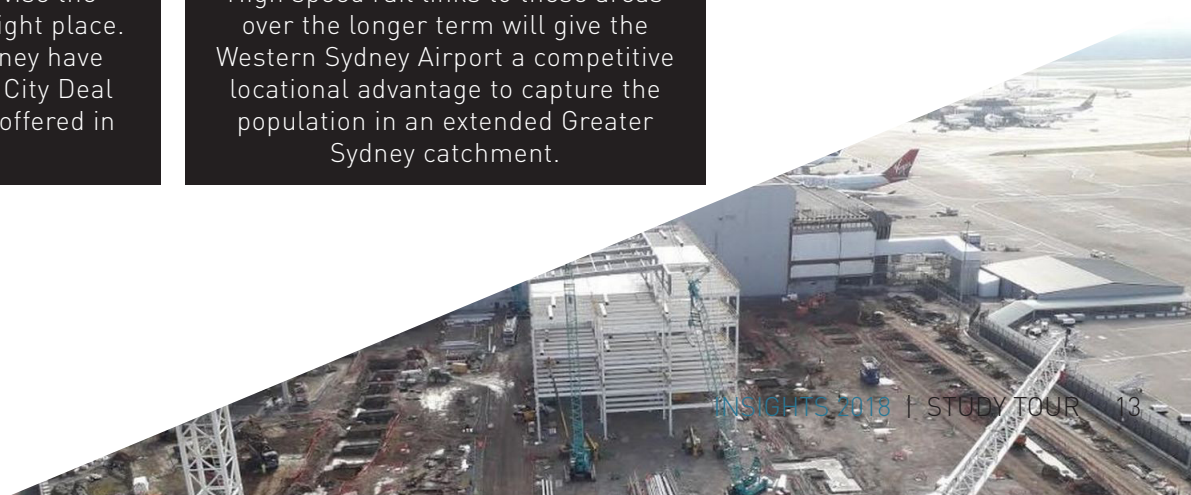
There needs to be patronage in its catchment. It is too easy to say that the 10+ million people in Manchester Airport's catchment could never be replicated here. However that airport does not operate in a bubble. There is a cap on flight movements to 61 per hour and there are competing airports in its catchment (e.g. Liverpool, Newcastle, Birmingham and Heathrow). Connectivity is the key. The Western Sydney Airport will have only one competitor – Kingsford Smith – that is disadvantaged by its difficult and expensive access and curfew. Furthermore, with the rejection by the communities and politicians in Sydney's inner suburbs of urban densification, Sydney can now only grow west, south west and along its Central and Illawarra Coastlines. High speed rail links to these areas over the longer term will give the Western Sydney Airport a competitive locational advantage to capture the population in an extended Greater Sydney catchment.

## Engage Community

Engage with the local community and local leaders. Why couldn't a consortium of Western Sydney Councils under an umbrella Combined Authority have a majority shareholding in the Western Sydney Airport?

## Policy Reform

Support the Aerotropolis with good policy reform extending from governance through to taxation and planning at all levels of Government. Policy needs to incentivise the right investment in the right place. Why can't Western Sydney have Enterprise Zones and a City Deal similar in scope to that offered in the UK?







Public Amenities at  
M & G's Rehearsal  
Rooms



# Lessons From the UK BTR Sector

Written By Tony Amidharmo,  
Development Project Manager, Aqualand



*Electric charging station at M & G's  
Rehearsal Rooms*



Build-to-Rent (BTR) is an emerging sector in the UK still very much in its infancy, but has gained real momentum in the past 5 years. The UDIA NSW delegates had the opportunity to inspect a number of completed BTR developments in London and Manchester. We also had in-depth discussions with key industry players, including the Greater London Authority (GLA), Greystar, and M&G Investments to name a few.

The early success of BTR in the UK is in part due to strong support the sector receives from the UK government, which has engendered various policy reforms that have improved BTR viability.

These policy reforms have had a mixed success, but ultimately they have enabled the growth of the sector.

During the 2018 study tour, the UDIA NSW delegates had the opportunity to inspect a number of BTR developments. Some key lessons learnt are outlined below.

When you walk through Rehearsal Rooms, you notice that apartments are designed no differently to for sale units. The layout and fit-out specifications appear no different to a typical, high-quality apartment expected in Sydney.

“The early success of BTR in the UK is in part due to strong support the sector receives from the UK government, which has engendered various policy reforms that have improved BTR viability.”

## Policy Reforms Enabling BTR Growth

### Establishment of Government Finance

The HCA Home Building Fund was initially set up by the London government in 2012 and has now accumulated funds up to £3billion.

This government fund provides development finance for BTR schemes that would otherwise be difficult to obtain from private lenders such as banks. The fund facilitates proof of the BTR concept during the nascent phase of the sector, when reliable market data is scarce and the local banks view BTR finance as risky.

### Local Borough Recognition

Recognition from local boroughs that 20% discounted market rent (DMR) is an appropriate form of affordable housing for BTR. This allows BTR developments to deliver affordable housing that are “pepper potted” amidst mid-market and premium units with no reduction in fit-out and quality specifications, i.e., tenure blind. This also allows the BTR operator to fully own and operate the scheme without engaging a third party housing operator, which in turn increases the building operational efficiencies and ultimately improves the fragile BTR viability equation.

### Local Borough Planning Flexibility

Many local boroughs are increasingly adopting a merit-based approach when assessing BTR planning proposals, which on paper does not comply with housing standards and design guidelines originally developed for Build for Sale. Some boroughs have managed to negotiate clawback schemes that generate a passive income stream in return for granting planning concessions.



## M&G Rehearsal Rooms

- 173 Apartments for rent
- 16 and 13 stories
- 30 discount market rent
- Retail space
- Designed by Newground Architects
- Landscaped roof gardens by BD Landscape Architects
- Built by Henry Construction
- Allotments
- External Gym
- Owned and managed by M&G
- One of London's first institutionally backed BTR

The main difference with Build-for-Sale developments is the degree of communal amenity offered to the residents:

- The main lobby is a distinct placemaker and establishes the character of the building.
- Well designed, open community rooms with kitchen, media, and lounge facilities encouraging social interaction between residents.
- Specific focus on concierge and customer service.
- Bicycle racks, shared electric car charging stations.

M&G do not have a magic formula for BTR amenity. Each development is designed in context of its surrounding area and demographic so that it responds to the needs of the residents. For example, Rehearsal Rooms do not have an in-house gym as there are a number of gyms within a short walking distance from the site.

Greystar Europe Holdings have not yet completed a BTR scheme to date, but have acquired several student accommodation buildings to showcase their brand offering to the local market. The premium amenities offered by Greystar are well known and are on display in the Chapter House, Spitalfields student accommodation building. Amenities include: karaoke rooms, reading areas and bars in level 33 with an interrupted view of the London City vista, piano rooms, gyms, and many more.

Greystar designs their BTR buildings around optimising building operations. There is also a heavy emphasis on whole life cycle efficiencies that maximise net operating income and keep costs down, ultimately improving the viability of the development.



# Affordable Housing for First Home-buyers

Could Pocket Living provide the answer?

Written By Michael Sheargold, Managing Director, Sheargold Group



Can an innovative UK housing model be adapted to Australia to provide an incentive-based planning approach for the delivery of affordable housing?

When on the UDIA NSW study tour delegates visited a development in London, many on the tour had reasonably low expectations about how applicable the lessons would be. However, visiting Pocket Living's affordable housing project in Lambeth proved you should never judge a book by its cover.

The project tour of Pocket Living's 8 Sail St generated discussion, interest and some great ideas. On first inspection, the project's design was good, but hardly exemplary or ground breaking. However, what was particularly interesting was the model the developer had established with the local council within the legal and planning framework to enable its delivery.

These planning concessions are achieved by agreeing to restrict the sale of these apartments at a discounted price of at least 20 per cent cheaper than the market rate. This means that local first home-buyers who are unable to access housing in the open market

can get a foot in the door. The restrictions are placed on title in perpetuity and periodically audited to ensure the obligations are being complied with. By the developer's own admission, the returns aren't stellar but the key point is they do enable affordable housing to be provided by a private developer for a return.

To my surprise, the 39sqm apartments are very liveable. They are genuine 1 bed 1 bath apartments, not studios. Efficient floor plans maximise the use of space. Clever design features like high ceilings and large windows directly opposite the front doors make the apartments feel more spacious and fill them with natural light. A 1 bedroom apartment doesn't have to be 65 sqm to be liveable!

Could this model be adapted to the NSW planning system to incentivise rather than tax developers into providing affordable for-sale market housing? A similar model could be established in NSW through the introduction of a Statewide Planning Policy. This would permit or even require a developer to produce affordable for-sale housing. This could be done within a given building envelope or subdivision plan by relaxing DCP or ADG controls as they relate to certain apartment/lot design requirements (i.e., apartment/lot sizes) or by

“A similar model could be established in NSW through the introduction of a Statewide Planning Policy which permits or even requires a developer to produce affordable for sale housing.”

allowing additional floor space through increased height without relaxing the design controls. The requirements to then sell these apartments or lots would be enforced via restrictions registered on title. Community housing providers who are already geared up to assess requirements of public purchasers could ensure buyers are qualified and be paid a fee to do so.

Such a model would allow sites acquired prior to the introduction of the policy to proceed with minimal impact to their feasibility. This would produce for-sale, affordable housing much sooner than waiting for an inclusionary target being mandated in a newly rezoned precinct that might generate an outcome in 3-5 years time. Ultimately, the aim of such a model would be to benefit first home-buyers in a challenging market.



## What is Pocket Living?

A London development company that focuses purely on the delivery of affordable housing for first home buyers. They do this in a competitive environment for development sites by negotiating a higher yield with the council approval authority, this yield is achieved through concessions on both yield and apartment size. Pocket living only build 1 bedroom apartments and they are generally 39 sqm in size.

*Pocket Living development, Juxon & Sail Streets, Lambeth, London*





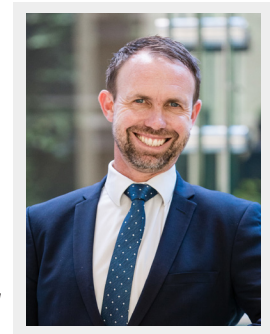
UDIA NSW CEO Steve Mann with Andy Burnham, Mayor of Greater Manchester



Hong Kong Planning Department, Department Official at the City Gallery



# Metropolitan Governance & Spatial Planning



Written By Toby Adams,  
General Manager – Strategy & Research, UDIA NSW

*A key thematic focus area of the UDIA NSW 2018 study tour was around metropolitan governance with a driving objective to gain deep insights into the structure and operational functionality of highly regarded offshore metropolitan planning systems. This is critical to help inform our advocacy for progressive planning reform in NSW.*

## The Greater Manchester Combined Authority

A core reason for the 2018 International Study Tour's focus on visiting the UK and especially Manchester was to gain insights into the highly vaunted and much referenced City Deal struck between the Central UK Government and various regions across the UK – including Manchester. This multi-layered governance and funding coordination agreement has been the model adopted by the Australian Government, and hence the strong interest in taking our delegation to visit the 'home of City Deal' to glean on-the-ground insights and instructional lessons.

The Manchester City Deal resulted in the formation of the Greater Manchester Combined Authority (GMCA) which is the overarching coordination body for metropolitan growth planning for the Greater Manchester region, which

comprises of 10 local authorities with a total population 2.7 million. The GMCA is led by an elected Mayor who is currently former British Labour MP (2001-2017) Andy Burnham.

The GMCA seeks to drive economic growth across the Greater Manchester City Region through a combination of economic growth and reform of public services. With an economy larger than Wales or Northern Ireland the GMCA works with a range of local services providers, businesses and other partners to drive improvements to regional issues such as a transport, regeneration and investment attraction.

The UDIA NSW Study Tour were provided an extremely informative briefing from senior executives from the GMCA, followed by an outstanding outline of current initiatives and future goals from Mayor Andy Burnham. The erudite Burnham greatly impressed our

delegation with his passion and enthusiasm for driving growth and improving the GM city-region, and his elucidation around the critical role that Greater Manchester plays in the Northern Powerhouse spatial equalisation ambition.

The Northern Powerhouse is a proposal to drive economic growth

**“An economy larger than Wales or Northern Ireland.”**

in the North of

England through the benefits of agglomeration with the aim to reposition the British economy away from London and the South East. The proposal involves significant improvements to transport links and investment in science and innovation.



Since assuming the GMCA Mayoral duties Andy has driven a comprehensive reform agenda of the region's transport network. This has resulted in considerable investment in new rolling stock and a new cross city services in addition to much needed integration between bus, train and light rail systems through an integrated system – much like the Oyster card in London.

The delegation was impressed to hear about the GMCA's 2017 'Town Centre Challenge' which has seen significant uplift in development in the outer towns in the region. A pet project of Burnham's this initiative has seen councils work closely with the GMCA and local stakeholders in unlocking areas that have "felt left behind". We heard that Stockport was the first town to take on the challenge and create a plan involving 130 acres of brownfield land to create 3,000 new homes. Critical to realising this is the creation of the first mayoral development corporation to drive the project in partnership with the GMCA.

Across our time in Manchester we heard from various people just how engaged Mayor Burnham is with both local and regional issues and

how relentless he is in championing the region in the Federal region. There is little doubt that he has been singularly effective in putting Manchester, the subregion and the North as a whole on the national agenda. This is due in large part to his lengthy CV which includes stints as an MP, a shadow home secretary and secretary of state for health.

## The Greater London Authority

London's Greater London Authority (GLA) is understood to have been the inspiration for the formation of the Greater Sydney Commission, albeit the GLA has considerably more breadth and strategic remit than the fledgling model developed for Sydney. The GLA is a powerful strategic body with oversight over transport, policing,

economic development and fire and emergency planning.

The delegation had a briefing from the Deputy Lord Mayor, James Murray who oversees the GLA's strategic housing agenda. It was conveyed that housing development had not kept pace with job creation over the last decade leading to a significant housing demand backlog (circa 250,000 dwellings). A major problem identified is that 80% of new stock that is being produced is only affordable to 8% of Londoners. This in part reflects the high proportion of new dwellings being absorbed by wealthy off-shore investors.

In order to meet underlying demand and erode pent-up demand a housing target of 65,000 dwellings per annum has been set for Greater London year on year for the next decade. This represents an effective doubling of the current level of dwelling supply, with the remarkable ambition of realising half of this annual target (32,500 dwellings) as affordable housing.

A range of measures are being implemented by the GLA to help accelerate the delivery of affordable housing including mandates, incentives and grants. A key strategy the GLA has adopted is a 'threshold' approach to viability which is a direct response to the failure of past approaches. Under this mechanism development applications which meet or exceed the threshold without public subsidy and are compliant with policy stipulations are not required to submit viability information. This provides a pathway for moving away from the customary protracted viability debates, create certainty in terms of affordable housing requirements, embed the requirements into land values and offer a clear incentive for developers to increase affordable housing through the planning system.



*London skyline from Greystar student accommodation in Spitalfields*



Mayor Sadiq Khan has a war chest of funding totalling £4.8bn to help deliver 116,000 affordable housing starts over the next four years. Pocket Living (see page x) is one affordable housing provider who has received significant funding from the GLA to deliver discount market sale homes to London first time buyers. Homes developed under the program are sold at a discount to the open market (typically 20%) with a resale covenant to ensure that the homes remain as intermediate affordable housing in perpetuity.

The GLA approach of providing seed grants to the private sector to trial innovative affordable housing models was of considerable interest to our delegation, and has since been socialised with the Greater Sydney Commission.

## Hong Kong 2030+

Hong Kong faces an extraordinary challenge in accommodating future urban growth due to the lack of available land for development. In the face of strong population growth, a large quantity of old and dilapidated building stock and serious shortage of suitable urban expansion opportunities the Hong Kong planning department has prepared on a multi-pronged metropolitan growth strategy.

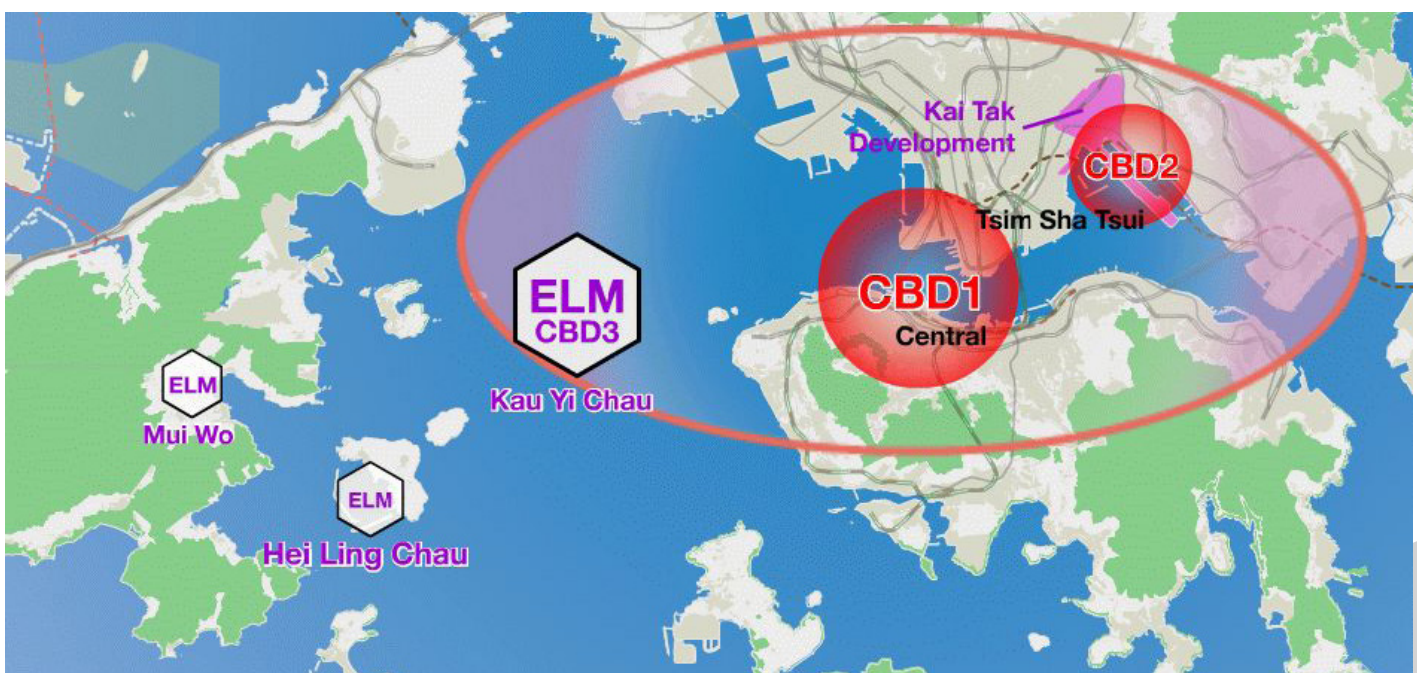
The HK 2030+ Planning Strategy provides a spatial framework for guiding Hong Kong's planning, land and infrastructure over the next two decades.

One of the most interesting and relevant features for the Sydney's planning is the adoption of a three CBD model in HK2030+. Currently Hong Kong has its CBD centres around Hong Kong Island and Kowloon. The plan holds an ambition for a second CBD to develop on the site of the former Kai Tak Airport in Kowloon East with a further third CBD to be developed in a new "East Lantau Metropolis" (ELM). The ELM would rise out of the ocean between Hong Kong and Lantau islands over the next 50 years and involve the reclamation of 1,000+ hectares of land from the sea.

The ELM CBD3 is considered to be in a strategic location and able to be connected by bridges and tunnels with the West District on Hong Kong Island, Lantau Island, the New Territories to the North and the western Pearl River Delta. As ELM CBD3 is located proximate to the main Hong Kong Airport and as such is being subject to intense aerotropolis focused planning.

ELM CBD3 is being planned as the converging point of traffic from Guangdong, Hong Kong and Macau which provides it with a fundamentally different set of development potential drivers to the other two CBDs. Various commentators believe that ELM will be a primary beneficiary of the new HongKong-Zhuhai-Macau bridge and should focus on retail development instead of luring companies to set up office as per a traditional CBD.

Critical to the big city planning is of course far-sited transport infrastructure planning.



*Hong Kong 2030+ Conceptual Spatial Framework, Metropolitan Business*



# Study Tour Photos

The UDIA NSW 2018 Study Tour was an exciting tour of Hong Kong, Manchester and London. The UDIA NSW delegation packed a lot into 12 days with many professional and social events. Here are the photos to prove it!



Meeting with MTR at Kowloon Station, Hong Kong



Group dinner at Tattu, Manchester



John Ingham in a reflective mood at Pocket Living Lambeth





David Hore and Steve Mann on their way to visit the queen



Michael Sheargold and Mick Owens on the Mid-Level escalators, Hong Kong, en route to the Iron Faries.

Photos #25



Clever tour manager beating the group home via tram in Hong Kong!



Post-meal networking drinks at SEVVA, Hong Kong



Jazz hands at MediaCity UK, London



Scale Model at Kings Cross, London



Stephen McMahon aka 'Fines Sergeant' delivering tour fines



In transit, Euston Station



Photos

#26



Presentation at Battersea Power Station



Meeting with Hong Kong Green Building Council

PREMIER LEAGUE CHAMPIONS  
CARABAO CUP WINNERS  
2017/18

Site tour of the mighty  
Manchester City FC



DON'T DO ORDINARY



Relaxing at Salford Quays





Colourful times at the Rugby World 7s, Twickenham Stadium, London



Study Tour 2019

#27



London Bridge



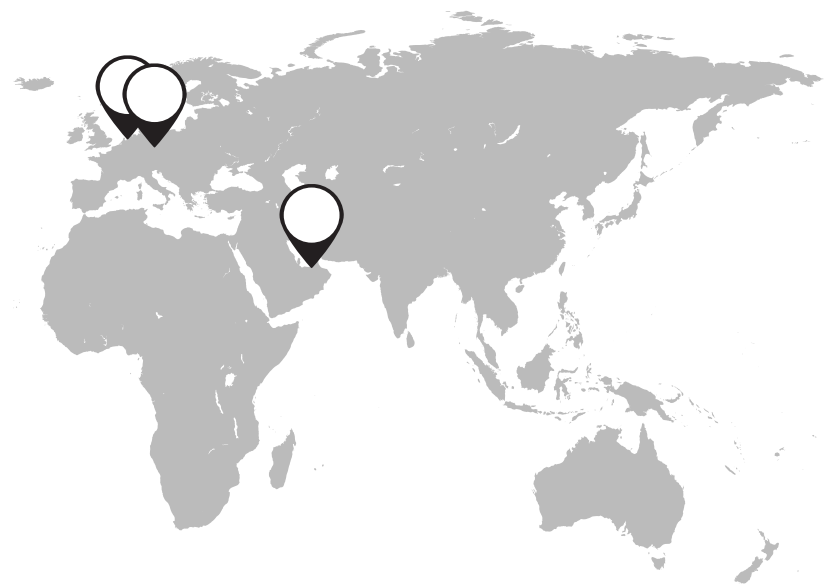
Michael Sheargold overseeing group refreshments

# BE A PART OF SOMETHING GREAT



UDIA NSW 2019 Study Tour will travel to **Dubai, The Netherlands & Germany.**

For more information please contact Chloe de Ville: [cdeville@udiansw.com.au](mailto:cdeville@udiansw.com.au)







Official Study Tour Sponsors



Study Tour Hosts & Supporting Sponsors

