Submission No 29

OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE

Organisation: School of the Built Environment, University of Technology Sydney

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Ms Wendy Lindsay MP
Committee Chair
Legislative Assembly – Committee on Community Services
NSW Parliament
NSW

UTS Public

12th August 2021

Dear Ms Lindsay MP,

RE: NSW PARLIAMENTARY INQUIRY (MEANWHILE USE FOR AFFORDABLE HOUSING) SUSTAINABLE TEMPORARY ADAPTIVE REUSE (STAR) TOOLKIT

This submission is on behalf of the research team undertaking the Sustainable Temporary Adaptive Reuse (STAR) Toolkit research at the School of the Built Environment, University of Technology Sydney (UTS). We welcome the opportunity to make this submission to the Committee on Community Services and contribute our research-informed understanding and experience to understanding how temporary reuse of existing vacant buildings can aid the real-world problem of affordable accommodation shortages in NSW.

Introducing the STAR Toolkit research project School of the Built Environment, UTS

The STAR Toolkit project will deliver a series of practical tools to aid STAR decision making and STAR uptake to develop stakeholder understanding and knowledge. The STAR Toolkit will provide confidence to pro-active decision-makers to robustly consider STAR as a feasible 'meanwhile use' solution.

The project has been designed from the expertise of the STAR research team comprising three researchers:

1. Professor Sara Wilkinson, building adaption research and multiple relevant publications, and a background in building surveying in practice.
2. Dr Gillian Armstrong, the recent completion of doctoral study focused on office building vacancy and adaptive reuse, and an experience as a UK registered architect and chartered architectural technologist.
3. Professor Jua Cilliers, sustainable and liveable cities research, background in urban and rural planning.

Development of this research project has occurred over the past year. The research team has an established record in the field of adapting buildings and liveable cities. Partners already offering support for this research project include:

Nick Hudson, [redacted]
Robert Pradolin, Housing All Australians (HAA) [redacted]
Mark Willers, Acumentis [redacted]
Nick Gonios, Circulist [redacted]

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An application for 3-years funding will be submitted to the City of Sydney by 23rd August 2021 for funding from Knowledge Exchange Sponsorship, Round 2 2021-2022. The project is planned and will commence in December 2021, subject to a successful funding application.

Terms of Reference

The project, and this submission, specifically address and offers potential solutions to contribute to issues set out in item an of the Terms of Reference:

Item a) options to better support 'meanwhile use' (temporary supportive accommodation), and the current major planning barriers to 'meanwhile use'

The project will co-design the 7 STAR tools through six workshops over three years, using stakeholders for validating STAR's capacity to help deliver sustainable temporary reuse of vacant space solutions. The workshops will bring together stakeholders to discuss, develop and validate the components in the STAR toolkit.
The research aims to provide pathways and guidance to increase STAR uptake, particularly to aid Sydney's COVID-19 recovery and develop technical capacity for STAR delivery for vacant spaces in secondary grade class 5, 6, & 7a buildings. The STAR toolkit will unpack the barriers, detail solutions, and promote best practices for temporary adaptive reuse of vacant space.

1. Decision-makers seeking to address vacant space on a temporary or trial basis
2. End-users looking for temporary accommodation, already identified as priority groups by research undertaken by the City of Sydney, specifically crisis housing and service providers
3. Regulatory expertise, including LGA town planners and NCC certifiers.

Dissemination of Sydney's STAR journey to a wide audience is also a crucial part of our solution. A more detailed overview of the STAR Toolkit project is attached to this submission.

Benefits and Recommendations

The development of STAR, and expertise in building adaption and vacancy forms the basis of our submission.

Change of Use

There has been some focus recently on regulatory exemptions to activate vacant space for arts and cultural groups. For example, the Subdivision 15AB Entertainment associated with existing premises in State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (available here). However, exemptions developed relate to only a small range of uses and do not apply to change of use, either on a permanent or temporary basis.

One key risk in developing policy for exempting meanwhile uses from mandatory regulation is that exemptions can lead to unintended consequences affecting public safety, sustainability and equity under Disability Discrimination Act.
The change-of use aspect of any adaptive reuse project is currently broad. The economic implications of undertaking a 'meanwhile use' project suggest that any proposed new use for a vacant space will need to be compatible with the existing building space.

- We request this inquiry considers defining 'compatible' uses for meanwhile use development for buildings of class 5, 6, & 7a so that any development of regulatory exemptions are targeted

at the most economical, and likely, change of use scenarios, and risk of unintended consequences of regulatory relaxations are managed and avoided.

Vacancy distribution

The City of Sydney only collects vacancy data every 5years through the Employment and Floorspace Survey, as a snapshot in time. Simplistic aggregated data is collected twice per year by commercial interest property organisations, such as the Property Council of Australia. This data only looks office building markets and data is only for untenanted vacant space, which is only one aspect of vacant space. Fine-grain vacancy data, post pandemic is not currently available in NSW to robustly understand different types of vacancy and the distribution of vacancy across existing building stocks, on a building by building basis.

Dr Gillian Armstrong has set out why fine-grain vacancy understanding is crucial for developing policy to mitigating policy. A publication from this vacancy research, is available: Armstrong, G., Soebarto, V., & Zuo, J. (2021). Vacancy Visual Analytics Method: Evaluating adaptive reuse as an urban regeneration strategy through understanding vacancy. Cities, 115, Doi: 2021.103220.

Armstrong's research finds that a fine-grain understanding of the distribution of vacancy is paramount when evaluating policy mechanisms to address vacancy, and that aggregated simplistic vacancy rates are wholly insufficient.

A lack of understand of vacancy distribution can lead to misleading narratives dominating policy development (Armstrong, 2020). Vacancy solutions, including different scales of 'meanwhile use' development need to be tailored to the specific vacancy 'hot spots' in NSW, rather than 'best guess' or anecdotal narratives that may contain bias.

The research also found the need for vacancy data transparency so that policy mechanisms to address vacant space are more anticipative frameworks for sustainable management of buildings and to address affordable housing shortfall.

- We request this inquiry considers the absence of vacancy data and the development of mechanisms to collect vacancy data on a regular annual or real-time basis by LGA or State Government departments, independently from commercially driven organisations.

We request this inquiry considers defining what timescales can be regarded as for 'meanwhile use.'

The scale of 'meanwhile use' development.

There is an overwhelming focus in literature (academic and grey) on whole building adaptive reuse. However, a key finding of adaption research is that adaption can happen at different scales from 'whole building adaptive reuse' (WBAR), through 'mixed-use multiple level adaptive reuse' (MUMLAR) to 'pocket adaptive reuse' (PAR). The scale of adaptive reuse is important when developing policy to support greater uptake and sustainable solutions for existing buildings and addressing affordable housing shortfalls. This finding highlights the need to consider what scale of 'meanwhile use' development best suits affordable housing development.
While high vacancy rates may suggest an abundance of vacant space in cities, it is unhelpful to think that buildings are standing wholly empty. This point also links t the lack of fine-grain vacancy data to understand the distribution of vacancies.

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- We request this inquiry considers the different scales that 'meanwhile use' development can occur and provide clarity for different scales to enable affordable housing development.

Quality grades

Currently, in Australia, there are no objective categories to define the quality of buildings. However, as the guide explains, the PCA does not publicly classify office buildings, and no public register of office buildings by quality grade exists (PCA, 2012:7). The guide implies a note of caution, highlighting that grading an office building requires judgment rather than a religious application of criterion included. The PCA explain that ranking an office building is a subjective judgment, and the "ultimate measure of quality is the rent or financial value an occupant is willing to pay…" (p.7). This subjectivity is essential to note when considering 'meanwhile use' development from a quality perspective, particularly if building grade terminology is used to describe and define 'meanwhile use' development.

- We request this inquiry considers how quality is defined in the context of 'meanwhile use' development

Quality outcomes

International studies into the office to residential conversion have found that low-quality adaptive reuse is a likely outcome if regulation of conversions is not robust and effective (Clifford et al., 2018). While this research focuses on permanent adaptive reuse, it should be recognised that 'meanwhile use' has the potential to be made permanent. Low quality adaptive reuse potentially permits slum development of the future.

- We request this inquiry considers how planning regulation and NCC performance standards compliance are achieved for 'meanwhile use' development. In particular consideration of how exemption and relaxations of regulation standards will be managed if 'meanwhile use' development is transitioned to a permanent use change at a later date.

Thank you

Finally, we request this inquiry considers recommending a funded program of STAR research program to develop a robust evidence-informed base for measuring STAR uptake and its capacity to develop sustainable housing solutions. The STAR Toolkit researchers believe ‘meanwhile use’ affordable housing needs careful and critical understanding of vacancy and regulation requirements to ensure the health and safety of affordable housing end-users. Unique adaptive reuse case studies cannot be generalised and overly optimistic advocacy of adaptive reuse will be ineffective in delivering sustainable and affordable housing solutions.

We would be honoured to speak to the committee further, in person, about this submission if required.

Yours sincerely,

Professor Sara Wilkinson

Dr Gillian Armstrong, UTS

Professor Jua Cilliers

References:

Armstrong, G., Soebarto, V., & Zuo, J. (2021). Vacancy Visual Analytics Method: Evaluating adaptive reuse as an urban regeneration strategy through understanding vacancy. *Cities*, *115*. Doi.org/10.1016/j.cities.2021.103220

Armstrong, G. (2020) *The adaptive reuse predicament: an investigation into whether building regulation is a key barrier to adaptive reuse of vacant office buildings*. Doctoral thesis, University of Adelaide. Available from http://hdl.handle.net/2440/129492

Clifford, B., Ferm, J., Livingstone, N., & Canelas, P. (2018). Assessing the impacts of extending permitted development rights to office-to-residential change of use in England. RICS Research Trust, RICS.

Property Council of Australia (PCA) (2012) Guide to Office Building Quality. The Property Council of Australia Ltd.