

GG Investments - Proposed “build-to-rent” development comprising 700 dwellings on Block 14 Section 86 Division of Nicholls (Crown Lease Vol 2157 Folio 38). Block 14 is Currently occupied by the Gold Creek 18-hole championship golf course

I endorse the submissions made by the CNRG on behalf of the residents of Nicholls.

This proposal is a prescribed development under the Planning and Development Regulation 2008, (Regulation, s 20A). Pre-DA community consultation is required under Section 138E of the Act for prescribed developments.

My wife and I built our house on this land 27 years ago so clearly, we are pro-development. But it needs to be the right development. This is not. The GGI proposal is non-compliant with the Crown Lease. The idea of putting a 700-dwelling motel in Canberra for short-term accommodation has not been done anywhere else in town and history says that it will not succeed here in Nicholls.

ALTERNATIVE APPROACHES TO RESTORING THE GOLF COURSE TO VIABILITY

If the single problem to be solved is restoring a golf course to profitability, there are other options that are less expensive, less risky, and required significantly less sacrifice by the Canberra, ACT and Nicholls communities.

Golf courses make money based on membership fees, pro shop sales, green fees, and food and beverage sales.

There are many other ideas of how to generate income to maintain golf course viability such as:

- Weddings - offer facilities for weddings and pre-wedding events.
- Create a quality function centre. The Canberra region creates high-quality wine and consider partnering with some of the wine makers.
- Connect with more actively-sourcing event planners.
- Appeal to more customers with tiered memberships
- Promote custom personalised packages
- Drive pro shop sales with branded merchandise
- Partner with nonprofit organisations for charity and fundraising events.
- Host monthly networking mixers
- Host private events
- Coaching
- Club fitting
- eCommerce page
- Loyalty program
- Online booking

CROWN LEASE - ZONING

What is proposed is not permitted under the conditions of the Crown Lease.

The GGI proposal is for long term accommodation in the form of Build-to-Rent. However, the Crown Lease only allows for short-term accommodation options.

In the *Build-to-Rent A Prospectus for Investment* published by the ACT government, it states of Build-to-Rent:

“A multi-unit development where the residential dwellings are retained by one owner and rented out long-term (preferably at least 15 to 20 years) rather than being sold.”

An article in Riotact said:

“The proposed build-to-rent development on a section of the Gold Creek Country Club is being categorised as a motel to avoid having to change the lease and rezone the land.” 29 July 2023 | Ian Bushnell

The site is zoned PR22 - restricted access recreation zone which permits commercial accommodation use limited to guest house, hotel and motel.

A guest house, hotel and motel are all defined as containing one or more commercial accommodation units. The definition of commercial accommodation unit *“means a room or suite of rooms that is made available on a commercial basis for short term accommodation.”*

The National Capital Authority has a consistent view of a Motel in that it is for short term accommodation defining of a Motel as:

“A building or buildings used primarily for the temporary accommodation of persons travelling by motor vehicle”

Build-to-Rent is long-term accommodation, is not intended as short-term accommodation, and cannot be called a Motel.

Build-to-Rent is described as Multi Unit development which is defined as Residential Use.

PR22 zoning specifically lists RESIDENTIAL USE as prohibited development.

TENNANT AND GUEST LEGAL PROTECTIONS

By calling the development a motel, GGI is depriving the tenants of their legal protection.

The legal protections for long-term tenants are different to those of short-term guests of hotels, motels and guest houses.

The rights and obligations of tenants and lessors under residential tenancy agreements are covered under the Residential Tenancies Act 1997 which sets out minimum contractual requirements for occupancy agreements.

An agreement is a residential tenancy agreement if under the agreement—

- i. a person gives someone else (the tenant) a right to occupy stated premises; and
- ii. the premises are for the tenant to use as a home (whether or not together with other people); and
- iii. the right is given for value;

This would apply to the tenants of Build-to-Rent dwellings. There are considerable references on the internet of the residents of Build-to-Rent premises signing leases.

Currently, the Australian Capital Territory Government has no particular regulations for short-term rentals resulting in an absence of protections for tenants. Guests and hotels and motels do not sign leases.

FAILURE TO MEET THE OBJECTIVES OF A PRZ2 ZONE

One of the objectives of the PRZ2 zone is:

“Ensure the amenity of adjoining development is not unacceptably affected by the operation of sport and recreation facilities, particularly in terms of noise, traffic, parking, privacy and outside lighting at night”

The proposed development fails to meet this objective:

- 1) NOISE
 - a. For ten years while the establishment is being built there will be considerable heavy vehicle noise from semi-trailers, cement mixers, trucks, road graders, cranes, excavators, tipper trucks, jackhammers etc’
 - b. For ten years while the establishment is being built there will be considerable noise from the excavation of the below ground carparks, building foundations and roads. Based on our experience with our block, bedrock will be hit which will need large jackhammers or piledrivers to break and remove.
 - c. For ten years while the establishment is being built there will be considerable building noise including chainsaws, power tools, hammers, etc.
 - d. Nearly every day, for ten years, the builders at 7am, will start their power tools, start cutting wood, banging nails, grinding tiles. My wife and I will be retiring during that period and we won’t want a 7am wake up call, every day. We went through that when the suburb was being built.
 - e. There will be the noise from an additional 1.8 million additional traffic movements per year on Curran Drive.
- 2) TRAFFIC
 - a. For ten years while the establishment is being built there will be considerable heavy vehicle traffic on Curran Drive from semi-trailers, cement mixers, trucks, road graders, cranes, excavators; tradesmen’s vehicles, delivery trucks, tipper trucks, forklifts.
 - b. Curran Drive and the roundabouts on it, will have to cater for 1.8 million additional traffic movements per year. From our experience early on in the suburb, this additional traffic load will queue cars past the roundabout at McClelland and Curran during morning peak hour.
 - c. That volume of additional traffic will make the intersection of Barton Highway and Curran Drive considerably slower.
 - d. Curran Drive was not designed for this volume of additional traffic. It will need to be duplicated which will result in the removal of the 30-year-old Plane Trees that line it.
- 3) PARKING
 - a. It is probable that during the years of construction, that many trades people will park on Curran Drive.
- 4) PRIVACY
 - a. The houses bordering the development were built knowing the three practice holes were there. This development changes that. My house was built to maximise the view. With this development, the view becomes those new dwellings. The people in those dwellings will

look straight into many of my house including the master bedroom, change room and ensuite. My head will be on my pillow at night and I'll be looking right at those proposed dwellings. I suspect others are in a similar situation.

5) OUTSIDE LIGHTING AT NIGHT

- a. There is an enormous difference between the lights of golf course at night, which is pitch black, compared to 700 dwellings, street lighting and the lighting of another 1,000+ cars.
- b. The lights of cars on Curran Drive at night, shine directly into several of our rooms including the master bedroom.

CROWN LEASE - SPACE

Insufficient space to build the development.

The Crown Lease permits commercial accommodation use limited to a hotel, motel or guest house, for short term accommodation purposes. The buildings associated with these purposes must have a combined gross floor area (GFA) of all buildings erected on that land is not to exceed 8,000sqm.

The proposed development seeks to build on 75,000sqm which is clearly in breach of the lease.

Given the limit of 8,000sqm, constructing 700 dwellings in buildings of no more than 2, 3 and 4 stories high would result in very small premises.

CROWN LEASE – ANCILLARY USES

The GGI webpage states:

“The proposed design includes:

- Ancillary uses such as shops and communal amenities such as barbecues and play areas.”
- Co-working spaces
- Cinema rooms

The PRZ2 – Restricted Access Recreation Zone specifically prohibits the development of SHOPS.

The PRZ2 – Restricted Access Recreation Zone specifically prohibits the development of home business.

The PRZ2 – Restricted Access Recreation Zone specifically prohibits the development of in indoor entertainment facility.

CROWN LEASE - SUSTAINABILITY

There are several criteria to assess potential additional uses of a golf course and one of them is **sustainability**.

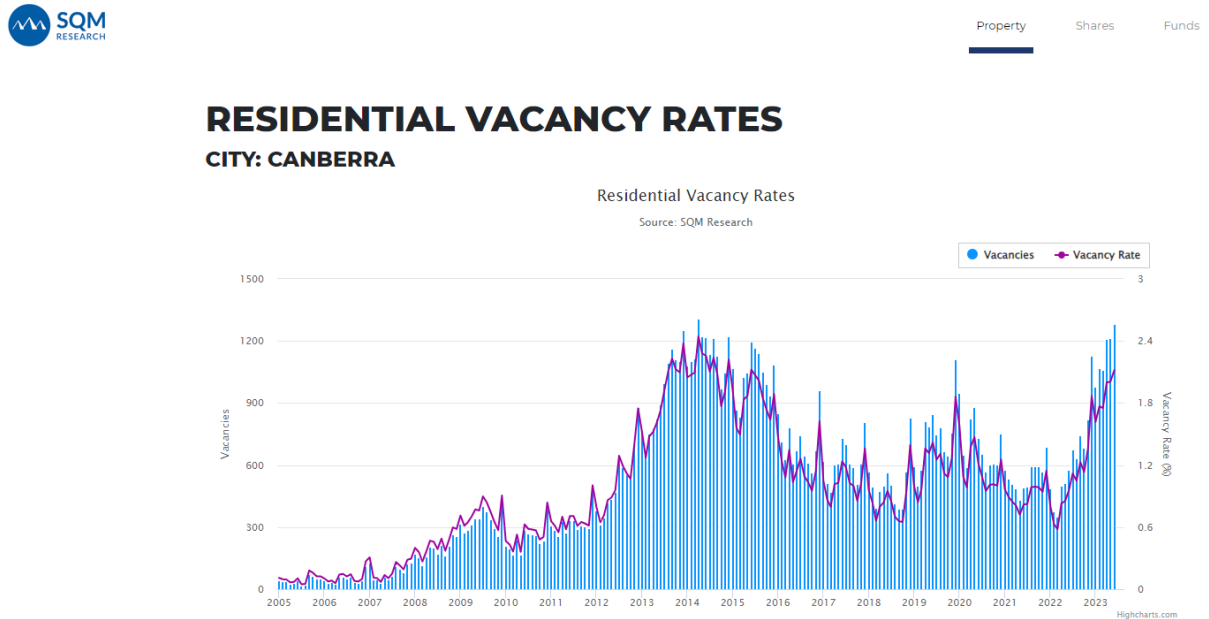
Nicholls already has two motels in close proximity to the proposed development. They appear to struggle to have high occupancy. Building a competing establishment in such close proximity will, unless it has a remarkable business plan, similarly struggle or fail. A competing motel will also likely take some business away from the two existing motels bringing their viability into question.

Insufficient information has been provided in order to assess the sustainability of this development. But the last thirty years, says the sustainability of a 700-dwelling motel at this location looks questionable at best.

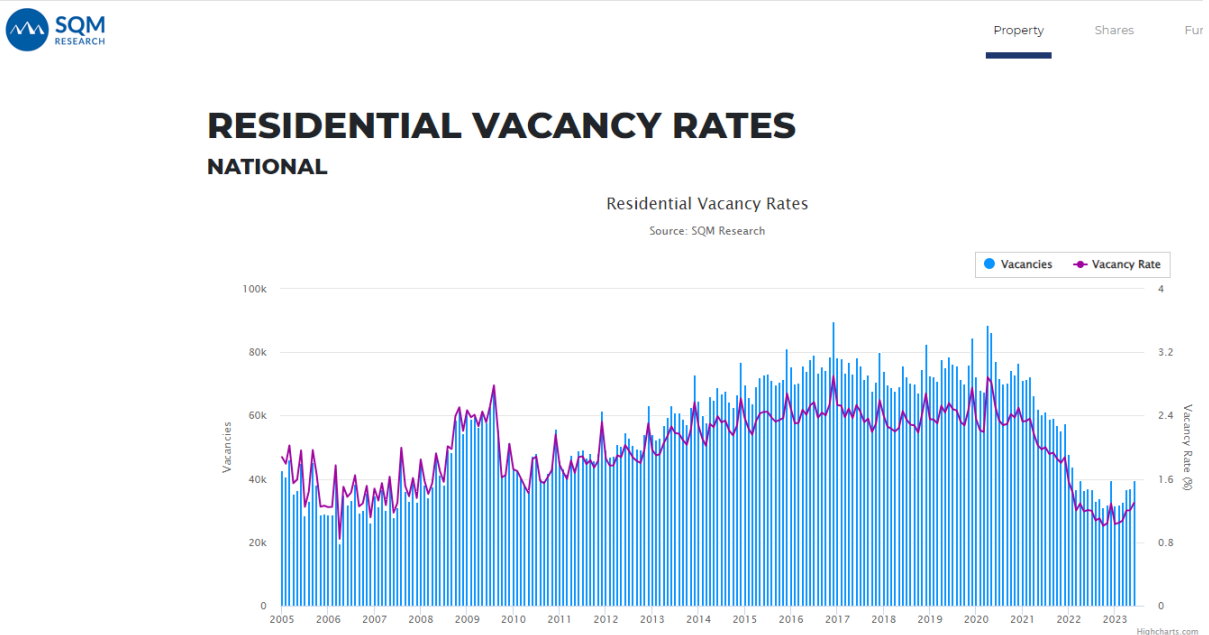
Let's look at this from a different perspective. That of creating a large long-term residential leasing precinct in Build-to-Rent. It should be noted that Build-to-Rent does not comply with PR22 zoning.

SQM says Canberra has the highest vacancy rate of all capital cities.

The following chart shows that the vacancies in Canberra are at the highest it has been since 2005.



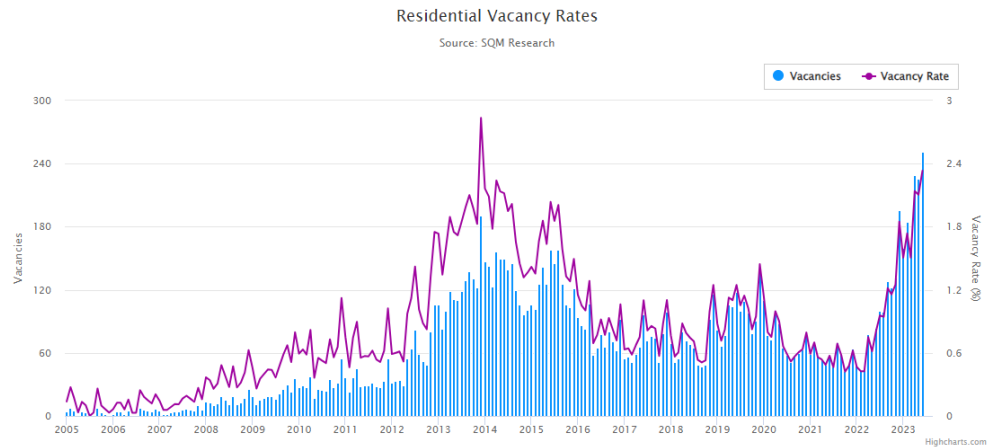
The chart below shows that the vacancy rate in Australia is around 1.3% while in Canberra is it 2.1%.



The vacancy rate in Gungahlin is even better at 2.3% - see below.

RESIDENTIAL VACANCY RATES

REGION: GUNGAHLIN



The graph above shows that in June 2023, there were 251 rental vacancies in Gungahlin. The ACT Government has already planned for the growth in the Gungahlin region and has announced plans to construct a Build-to-Rent in the Gungahlin Town Centre. This will be similar to the one in Turner which will have a minimum of 270 units.

The facility at the Gungahlin Town Centre will be walking distance to:

- Shops and supermarkets
- Cinema (planned)
- Large swimming pool complex
- Light rail and buses
- Schools
- Choice of gyms
- Multiple types of medical facilities
- Multiple clubs and cafes
- Sporting grounds
- Post office
- Department Stores

The ACT Government is committed to Build-to-Rent to fix the affordability of rental properties. However, the experience in Europe and the UK is that one of the negatives of Build-to-Rent is that it has a premium price as a range of services need to be offered to make the facility appealing to tenants. The ACT Government's approach is to build these precincts near major centres that already offer those services, as listed above in the Gungahlin Centre precinct.

Those services do not exist within walking distance of the site of the proposed development at the golf course and they cannot be created there.

The ACT Government appear to be prioritising the presence of existing services in their location choice of Build-to-Rent sites. Information about Build-to-Rent in Europe and the USA says that they are premium accommodation, with premium rents, as they are offered with a large number of included services. In Canberra, by locating them near the major town centres where those services

already exist, they do not have to be made as part of the development and so can offer affordable rental accommodation. The site in Nicholls does not have that advantage.

How viable will a Build-to-Rent be at the golf course when it will be in competition to the facility in Gungahlin, only 5.9km away, in a region with a healthy vacancy rate and easy access to superior services? It is probable that a 700 dwelling, Build-to-Rent at the golf course will not achieve sufficient occupancy which would put the viability of the golf course in a critical position.

ALLEVIATION OF THE ACT RENTAL ACCOMMODATION SHORTAGE

“The proposed development will provide a variety of high-quality commercial accommodation options, and seeks to respond to the current shortage of rental accommodation in Canberra.”

GGI Consultation website

SQM Research, a leading property analyst, has declared Canberra’s rental crisis over. They say that in their monthly analysis of the national rental market that an improving vacancy rate and falling rents have combined to put the national capital on a path back to equilibrium. A previous section showed that Canberra has the best vacancy rate of the capital cities in Australia and the Gungahlin region is better than the Canberra average.

Canberra rental affordability is an acute problem for people on low incomes.

“A wide swathe of the Canberra community is affected: people on welfare cannot afford to rent a single listed property in the ACT or Queanbeyan, but low-income households, essential workers, students, and even young graduates earning up to \$70,000 are struggling.

“The ACT is “the most unaffordable location for almost every category of people on low incomes.”

Anglicare’s nationwide Rental Affordability Snapshot April 2023

The Suburban Land Agency of the ACT Government says:

“By bringing Build-to-Rent to Canberra, we are looking to:

- *“increase the number of private rental properties in the ACT, particularly for the more affordable end of the rental market”*

GGI stated this development is intending to respond to the ACT rental accommodation shortage, and that shortage in the ACT is for people on low incomes.

GGI have not shared the percentage of the 700 dwellings in the development that will be built for and available for people on welfare or low incomes.

That answer will have a direct bearing on the impact on the values of the dwellings in Nicholls that are already been built. This is discussed below.

\$629 MILLION LOSS TO THE CANBERRA AND ACT COMMUNITY

The Reserve Bank of Australia in a 2018 discussion paper estimate that zoning restrictions raise the price of the average house in Sydney by 73% above the value of the physical inputs (structure and

physical land) required to provide it. (The Effect of Zoning on Housing Prices Ross Kendall and Peter Tulip)

The land, in the form of the golf course was purchased for \$3M in 2005 and it is zoned PRZ2 as a Restricted Access Recreation Zone.

The ACT Government is currently seeking purchases for a Build-to-Rent complex in Turner. The site is CZ5 Mixed Use zoning and is 7,070 sqm. The sale has not been concluded however the adjoining block sold for \$59.3M in June.

Assuming this is indicative of the cost of land for a Build-to-Rent project, the 7.5 Ha of the proposed development area in the golf course would have brought \$629M into the ACT Government's treasury which would have funded a range of services right across Canberra and the ACT including: roads, education, health care etc.

Alternatively, that amount of money would completely remove the entire ACT Government deficit of \$580.4 million.

If Canberra needs another 700 Build-to-Rent sites, then selling land will bring that revenue into the Government to support the entire ACT community. This development as proposed, will damage the entire Canberra community.

It should be noted that the ACT Government has already planned for four Build-to-Rent developments.

\$72M REDUCTION IN AGGREGATE HOUSING VALUES TO NICHOLLS RESIDENTS

Stanford Graduate School of Business researchers in 2017, looked at properties built to support low-income families in the United States and concluded that the home value of existing residents declined by 2.5% in higher-income neighbourhoods.

Translating that impact to Nicholls, the median value of houses in Nicholls will reduce by \$30,000. Property Value lists the median sale price in Nicholls over the past twelve months as \$1.2M. There are 2,396 dwellings and 6,680 people living in Nicholls (ABS, 2021).

This development will bring an aggregate reduction to the value of the homes of Nicholls residents of \$72M.

A study of property values in New York in 2007 found *"a new development that is unsightly or poorly maintained may depress property values"* Ellen, I.G.

Under the Build-to-Rent model, GGI will be responsible for the long-term maintenance of the 700 dwellings and how GGI addresses the contention between the maintenance of the development, the money given back to the golf club and GGI's profits, will directly impact the value of the other dwellings in Nicholls. If the development is poorly maintained, then the value of the dwellings in Nicholls will fall further.

There has been no information provided by GGI in this regard.

A study by the Australian Housing and Urban Research Institute found that the impact of subsidised rental housing on property values depends on what it removes from a neighbourhood. This development will be:

1. Reducing Views
2. Removing green space
3. Removing trees
4. Removing kangaroos, frogs and birds

The loss to the Canberra Community will be greater due to the tax benefits GGI will realise. In their prospectus for Build-to-Rent, the ACT Government is offering tax incentives:

“Having a single title for all residential properties in a Build-to-Rent development significantly reduces annual properties tax liabilities (including land tax)”

And

“A single title across a residential development with 250 dwellings would reduce annual tax liability by approximately 70 per cent with a saving of \$546,000 each year.”

Another area where the remainder of Canberra will be paying for the development is the cost of the additional infrastructure changes that will be needed to support the increased traffic flows. Changes will be required at three intersections:

1. Barton Highway and Curran Drive
2. Curran Drive and McClelland and the entrance road to the development
3. Curran Drive and O’Hanlon Place

PREVIOUS DIVESTMENT DECISIONS CREATED THE GOLF COURSE VIABILITY ISSUE

The ACT Government has published criteria for additional uses of PRZ2 golf courses and it includes: *“to secure the long-term viability of the facility.”*

This is consistent with the GGI consultation website which says that *“golf clubs across Canberra continue to struggle financially”* and the proposal *“provides a revenue stream that can be reinvested into the operation of the golf course.”*

Unfortunately, GGI previously had a functioning business model for the golf course but made the decision to sell the assets that provided the revenue stability and financial viability.

“Group director Harry Konstantinou said while the businesses - including the swimming pool, childcare and indoor play centre - had subsidised the club for the past seven years, it was time to sell” (Canberra Times 2018)

This proposal says that the golf club is now struggling financially and GGI is seeking alternate sourcing of funding to supplement continued investment in club facilities. It appears that the consequence of those previous asset divestment decisions, created the viability problem of today.

MOTEL QUALITY AND SIGNAGE

The Motel industry in Australia definition of a motel is:

“These establishments provide accommodation in the form of rooms or suites, and some provide food and beverages on the property. Most motels have direct access to an open parking area. Most guestrooms are equipped with a bath or shower, but have limited in-room cooking facilities.”

No information has been provided about the intended star rating of the establishment which is a reflection of the quality of the establishment. Without that information, we are unable to make comment on its impact to residents.

We have not been informed the hours of operation of the concierge which will impact the time of night that guests can arrive and the associated amount of traffic. Without that information, we are not in a position to comment on its impact.

No information has been provided about the intended signage advertising the establishment. Neither the size, location or how bright the lighting will be. We cannot assess the impact on the residents without this information.

The following shows examples of signs of other motels in Australia:



INFORMATION ON MAINTAINING VIEWS IS MISLEADING

The information provided by GGI implies that the design preserves the views of the Nicholls residents. While the words written are not inaccurate, they are misleading in that they have been presented in a manner that suggests the views from Nicholls are solely of Brindabella and Black Mountain.

Brindabella and Black Mountain are part of the view, but a small part. The views are far more extensive than that. It's north Canberra. Its Mount Ainslie, Mount Majura and Percival Hill. It's the lights of Kaleen, Gungahlin and Evatt. No comment has been made about how those views have been protected. That is because for many, some of those will be gone.

LOCATION OF MATURE PARKLAND

The plan says that 2.5 Ha of mature parkland will be created however it is not obvious from the plans as to where that will be. While it has not been marked, it appears to the area be bordering Leumeah Lodge.

The documentation says that this is for the use of Nicholls residents. If it is there, then it is unlikely to be frequently used as it is as far from the Nicholls residents as it possibly could be. It is not a short and convenient walk for people with kids so for most. There are many places in the area suggested for this development closer to the residents of Nicholls.

GENERAL CONCERNS

My wife and I have the following concerns:

- 1) We love the nature that is there. Canberra is the bush capital and you can see it in that area GGI are intending to develop into residential. There is a mob of around 200 kangaroos that many afternoons are in that area. It is a highlight for many people as several hundred cars a year stop on Curran Drive and the occupants go and look at and photograph them. A family of magpies have nested in trees there longer than GGI have owned the course. There is a large variety of birds including grass parrots, Crimson and Eastern Rosellas as well as Black Cockatoos. We live in the bush capital by choice and do not wish to become a Sydney clone.
- 2) Loss of view. The Brindabellas and Black Mountain would not be even 10% of the view. The course is part of the view. We paid a premium for this block of land because of the view and we built the house to maximise it. The development will have a tremendously negative impact.
- 3) Won't be able to see our children or grandchildren as often in retirement. My wife and I had chosen to have most of our capital in our house. The planned development will significantly lower the value of the property. We will lose a large proportion of the view, we will lose privacy, and there will be a construction site across the road for a decade, with hammering and banging starting at 7am. Our children live overseas and this will eliminate a sizable portion of the funds we had been planning to rely on during retirement.
- 4) There are no 3 or 4 story residences in Nicholls. Those proposed for the development are inconsistent with the rest of the suburb.
- 5) Did GGI deliver on the \$15M of investment into the course that they committed to when they bought the golf course? If they did not, then what is the level of confidence that they will deliver on their commitments with this development?

PRE-DA CONSULTATION PROCESS

It appears that the pre-DA consultation process has not been followed in accordance with the ACT Government's Consultation Guidelines.

1. I attended the virtual session on Tuesday 18 July. It appears that GGI sent some people a Zoom link and others a Teams link. I know of multiple people who used the link provided only it was inactive. Some people waited a half hour until they gave up.
2. The ACT Government's Consultation Guidelines says:

“at least two face-to-face sessions – an initial session introducing the proposal and a follow-up session which could detail how initial feedback has been considered”

This has not been followed as only one session took place.

3. The guidelines also say that

“Ensure the following groups are informed of the intended consultation process and are given adequate notice prior to consultation commencing:

“people living in areas immediately surrounding the development”

Communicationlink confirmed that flyers were delivered to the letterboxes of residences within 500m of the development site. There are 2,396 dwellings and 6,680 people living in Nicholls (ABS, 2021). Every person in Nicholls will be impacted whether it is by traffic, noise or dust. All in Nicholls should have been notified of this intended development. I have seen no information at Nicholls, Casey or Gungahlin shops.

4. The comment that every resident within 500m of the development site receiving the flyer is false. The houses of a friend and me are 650m apart and the entire development lies between our houses. At most, he will be 100m from it. He did not receive any notification.