



# Adelaide revamp gets kiss of life

**Rebecca Thistleton**

An overhaul of Adelaide's planning laws was designed to inject life into the city's core market, but the initial sparks of activity may fail to fuel the city's fire unless demand improves.

Development applications for a new crop of apartment towers, which would have been rejected in the past, were approved after a 27-storey limit was introduced, plus allowances for smaller apartments and reduced car parking.

Four projects are under construction, seven have been approved and six are pending approval.

One of the city's largest projects is the West Central Joint Venture, a \$900 million project by Brookfield Multiplex and Urban Construct in conjunction with the City of Adelaide.

The Precinct, to be built on the old Balfours site, originally consisted of 1300 apartments. However, failure to deliver on time on a stage of the project led the consortium to hand back 7520 square metres of land to the City of Adelaide this month.

A council spokeswoman said stage one and some of stage two of the Balfours site were complete, with the balance of the second stage delayed due to a lack of pre-sales.

Stage three will proceed but has been impacted by the stage two delays.

"Work has not stopped on the projects, but progress has been affected as a result of a soft property market and lack of pre-sales," the spokeswoman said.

The council plans to deliver a mixed-use development, possibly including retail, office and residential spaces.

Urban Construct chief executive Todd Brown stressed that the project had not fallen apart from a lack of pre-sales and said there was still enough demand to meet the supply.

He said the council and the consortium held commercial-in-confidence discussions which resulted in the land hand-back compromise.

Off-the-plan apartments valued at up to \$500,000 are exempt from

stamp duty over the next two years to encourage buyers into the CBD apartment market.

The measure was introduced in this year's state budget to increase buyer activity in the CBD. Kate Gray of CBRE said large apartment projects could take time as high pre-sale levels were needed before funding could be secured.

She said the stamp duty concessions had made buying a CBD apartment more affordable, which would fuel demand, but it may not return to the first-home buyer levels of 2009-10.

While house prices have fallen across Adelaide, prices are expected to stabilise in coming months.

Ms Gray said the market was tough for developers who needed pre-sales to secure finance.

One of the first applications lodged under the city's new planning system was the \$130 million Palladio project by Melbourne-based and Chinese-backed developer Bing Chen.

Mr Chen said Adelaide's new CBD planning rules encouraged his investment and he expected the stamp duty concessions to bring the project forward about six months. When finished, the project will include six buildings of up to 19 storeys on Angas Street.

The project was designed by Pruszinski Architects, which has been responsible for 14 CBD buildings in Adelaide over the past decade.

Adelaide architect Paul Pruszinski designed the project so that the buildings will be filled with natural light and cross-ventilation.

The statement building will include indoor gardens.

Mr Pruszinski said the building would not have been permitted under the previous scheme, which had an eight-level limit.

The new planning regulations have allowed for brownfield redevelopment and an improvement to streetscapes.

A \$200 million mixed-use development will bring life to the former Mayfield Electrics factory site.

Called New Mayfield to honour the site's industrial past, the project was one of the first construction starts since the new planning rules were introduced.

It is being developed by the Sturt Land consortium, made up of South Australian construction firm Tagara and national property developer Colvid.

Designed by Adelaide architectural firm Woods Bagot, the project will include 427 apartments across three residential buildings.

The towers will be between 10 and 14 levels and include a mix of one-, two- and three-bedroom properties, with four levels of car parking, rooftop pool and community zones designed to bring the residents to common meeting points.

There will be 3500 square metres of ground-floor retail and dining space, and the broader streetscape will be lifted by a \$6 million investment from the government and Sturt Land to plant more than 80 mature trees and build a new park with bike lanes and wider footpaths.

An extension of the tram line along Sturt Street has also been proposed.

The project is still at the expressions of interest stage, with marketing set to begin later this year.

The high level of interest in the project has Sturt Land confident that pre-sale levels will be sufficient to secure project funding.

Sturt Land director David Bertram said the city centre needed regeneration and investment if it was to become a more livable and more desirable place to live.

He said New Mayfield was a step towards Adelaide becoming a more modern and vibrant city.

## KEY POINTS

- Adelaide's new planning rules, which have introduced a 27-level limit, allow for higher density in the CBD.
- Stamp duty exemptions for off-the-plan apartments valued at up to \$500,000 should encourage first-home buyers.





**Artist's impression of Sturt Land's \$200 million mixed-use development at the former Mayfield Electrics factory site.**