

# COLLABORATE newsletter

APRIL 2016

## Paris. A city for people, not cars

Are our cities killing us with pollution from traffic congestion? Do we need to re-design our cities for people, not cars? Paris thinks we do. The world's most visited city believes it is making itself even more attractive. They are planning to change their major intersections and give pedestrians at least 50% of the space by adding parks or similar. This includes the controversial move to take lanes for traffic away even though they are major routes through the city.

This shift started in 2013 with the Place de la Republique. Once a busy road, it has been transformed into a pedestrian plaza with trees and benches added and is now filled with people. The positive reaction from the general public has been the impetus to continue elsewhere.

The next change is planned for the Place de la Bastille which is currently a traffic island with no easy way to cross on foot. It is being re-designed to favour pedestrians and cyclists, including a

green space in the middle for people. This is 1 of 7 sites on the radar for upgrading. The Place de la Madeleine will use trees to mark off more pedestrian space and have a weekly market.



The City of Paris is working with Cisco and a company called Placemeter to establish the best timeline for change. Placemeter describes itself as an "Urban Intelligence Platform". Using live video they convert information into structured data regarding pedestrian,

bike and vehicle activity. The concept provides a 24/7 real time data 'dashboard' about volume, direction and type of traffic.

The technology has been used in New York, amongst other places and it targeted at Retail and Commercial Developers, Urban Designers, Local Government and for general research purposes. The program allows users to calculate scenarios to provide an indication of outcomes (and problems) before the time and money is invested.

Naturally, the car lobby is not thrilled about the prospective changes. It counters the argument about reducing the levels of CO2 emissions with the ever increasing popularity and viability of electric cars, especially in urban areas. While the cumulative number of electric cars sold worldwide is not stellar, France, and Australia, account for about 1% each of these sales and electric car sales have risen over 400% since pre-production orders in 2012.

However, this may just strengthen the overall going-green argument to re-think how we develop space.

## The Money Pit

### Bite-sized reminder for foreign investors

Overseas investors are increasingly looking to stable countries like Australia



to find appropriate, secure returns. The Australian Government has welcomed foreign investment and has an open foreign investment policy, making it relatively easy to enter the Australian

market. However, Australia's legal and regulatory systems are complex and can be difficult for foreign investors to navigate.

Due diligence is a major consideration. Land in Australia is generally sold on the principle of caveat emptor (buyer beware). This means that purchasers need to undertake due diligence of a property before buying as vendor warranties can be of a limited nature. The extent of the due diligence required is determined by the property's nature, location, proposed

use and development, and funding arrangements.

Also, each Australian State or Territory has its own system for administering planning law and the approval of the use and development of land. Depending upon the zoning different approval requirements will apply for the use of land, the development of buildings and works on that land or any subdivision thereof.

The acquisition of Australian real estate by foreign persons is subject to notification and approval requirements under the Foreign Acquisitions and Takeovers Act and Australia's Foreign Investment Policy. Notifications are required to be made to the Foreign Investment Review Board (FIRB) for approval. Special rules apply for 'foreign government investors'.



# Signature message

- by Dean Gavrilovic

As a Sydney-based company it goes without saying that a large number of our projects are based in NSW.

However, our reach is much broader than this. We are part of a project for RT Health in Brisbane. In short, we were engaged to compile a due diligence report on the potential purchase of 3 properties there for use by this health insurance provider.

Within the specifications of this \$3.6m project was the refurbishment and upgrade of a heritage listed building which incorporated a change to its classification due to diversification of its use. This added a layer of complexity in the Development Application to ensure everything met council requirements. Signature PM is also involved in the design, procurement and delivery of this project. You can see the project profile at website:

[signaturepm.com.au/images/RT\\_Health\\_Brisbane.pdf](http://signaturepm.com.au/images/RT_Health_Brisbane.pdf).

As we enter the last quarter of this financial year, many of you will be looking at wrapping up projects and what is coming up for the new financial year. Our lead article this month gives us, as developers, an emerging topic to think about. How green are our development plans, processes and products? I think it's a topic that will occupy more of our time in the future!

## The Big 5

What has topped polls about what buyers want in new buildings:

1. Better insulation
2. Efficient appliances
3. Efficient windows
4. Certification Programs
5. Access to Information

Since talk about Green Living has become de rigueur, buyers want greater bang for their buck or at least, that any extra they pay now for the best, most efficient and trendy design and features, will be mitigated by efficiencies later on. We want the best quality barriers against the extremities of weather that are available. Energy is expensive, seemingly ever increasing in cost, and if savings can be made in the long term it can be seen as something worth paying for

initially by residential and commercial buyers. Also, the improved saleability of the property later on is recognised by buyers and an attractive feature for developers for marketing purposes.

Similarly, buyers of residential developments want attractive appliances with the highest efficiency ratings possible ... no more 2 star rated ovens please! This applies to lighting too. It's more than an argument about LED lighting.

Residential or commercial, it's about

using space and windows to best effect for lighting, heating and cooling purposes. We want eco-friendly lighting solutions that will provide aesthetic appeal while doing their part to help sustain the environment.

After all the talk, people want to know that they are getting what they paid for. Certification of materials, appliances and workmanship provides guarantees of quality and performance. These need to be industry accredited and verifiable. Information is the key to a healthy transaction, free from concern or discontent.

While the long term economic advantages to eco-friendly living are a real drawcard, for some buyers nothing beats the warm, fuzzy feeling of doing 'what's right!' ... and that sells too!



## Latest News

### Outstanding Results

The current government is considering issuing long-term bonds to fund massive new infrastructure spending. The incentive is to make the most of unusually low interest rates with the idea that big projects will pay significant dividends. At present the government can borrow for 10 years at 2.7%, which is just a few points above the Reserve Bank's inflation target of

2.5%. Nevertheless it can still be unattractive for long-term projects because of the risk after 10 years when the loan needs refinancing.

For the first time, Australia is looking at issuing 30 year bonds. The UK and US borrow for 30 years and get certainty for their repayments throughout the life of the loan. PM Malcolm Turnbull hinted recently at a speech in Sydney that the

next boom will be in infrastructure. It will be around making cities more liveable and increasing the viability of working from CBDs. The Grattan Institute claims that the combined income of Sydney and Melbourne's CBDs – a landmass of just 7.1 square kilometres – accounts for nearly 10% of Australia's production, three times what is produced by agriculture.

### Thought of the month ...

"I studied the lives of great men and famous women, and I found that the men and women who got to the top were those who did the jobs they had in hand, with everything they had of energy and enthusiasm."

Harry Truman

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