

COLLABORATE newsletter

MAY 2016

Countdown to Rio Olympics

It's not long now. The Rio Olympics kicks off 5 August, with Rio being the first South American country to host the Summer Games. For Brazil the pressure has been on for years regarding the sporting venues being ready on time. It has been a massive undertaking in a country facing significant economic challenges. Inflation has increased to 10% causing the budget for building infrastructure to be slashed by 10-30%, depending on whose report you're reading.

The events have been split into 4 hubs around the city. These will be in 18 existing venues, 8 of which required redevelopment; 9 new venues (4 Arenas with a combined capacity of over 40,000 people, a Velodrome, Aquatics Centre, Golf Course, Hockey and Tennis Centres), and 7 temporary venues which will be dismantled after the Games. Luckily for the soccer-crazy locals, the soccer matches will be spread around the country at the former 2014 World Cup sites so they are ready to go!

Rio's historical downtown is undergoing a large-scale urban waterfront revitalization project called Porto Maravilha. It covers 5 km² in



area. The project aimed to redevelop the port area increasing the city centre's attractiveness. The urban renovation involves: 700 km of public networks for water supply, sanitation, drainage, electricity, gas and telecom; 4 km of tunnels; 70 km of roads; 650 km² of walkways; 17 km of bike path; 15,000 trees; three sanitation treatment plants. As part of this renovation, a new tram is being built to run from the Santos Dumont Airport to Rodoviária Novo Rio.

In March 2016, CNN stated that "Brazil descends into chaos as Olympics looms", voicing concerns over whether Brazil would be adequately prepared for the games against such a volatile economic situation. The Tennis Centre was nearing completion in January when the mayor broke off the contract citing poor work. On top of that the operating budget for the games was slashed by \$500 million to \$1.85 billion in January 2016. Only 47% of tickets have been sold, but officials are not concerned since the 'big-ticket, most expensive ones have been sold and they expect a last minute rush on the remaining ones.

However it is not all doom and gloom, the International Olympic Committee (IOC) said in April that more than 95 per cent of the venues for the 2016 Summer Olympic Games are complete some four months ahead of the opening ceremony. And even more importantly, data shows spending has largely remained under control.

The Money Pit

Sky's New Limit

The era of super tall buildings on tiny sites has ended in Melbourne, to a degree. Victoria's State Government has legislated to permanently restrict the height and density of buildings within the CBD. Local residents have been lamenting for years the sudden explosion of mega-structures which they argue has significantly impacted the liveability of the city. Both state and local government has been harshly criticised for "rubber stamping" new proposals previously.

If developers want to build to site borders they are limited to 18 floors, except if they are prepared to give back to the community and have to put in a special application to the Department of Planning outlining this. A representative of the City of Melbourne will also be part of a newly formed committee assessing proposals.

Contributing to the community could be with parkland, public spaces within

the proposed building or affordable housing. There will be a mandatory distance between buildings.

Similar measures are already common in some of the most crowded cities worldwide, like Hong Kong, New York and Tokyo. Melbourne's soon-to-be

tallest building, Australia 108, would not have been approved under the new laws.

There are currently interim laws in place until the permanent laws come into effect in September 2016.





Signature message

- by Dean Gavrilovic

There is always something new happening at Signature PM and we love it when our good work is recognised with additional opportunities to work with previous or current clients.

As we reach the final stages of a 51 residential unit project in Rosehill for 16MC Developments Pty Ltd, we are about to embark on another, even bigger project for them.

The Prospect Street, Rosehill project was a 15 month undertaking and we now have the Occupancy Certificate. Hand over is now underway!

Next! Over to 2-4 Lodge Street, Hornsby. SPM are working on a 153 residential unit project again with 16MC Developments Pty Ltd. Signature PM started on this in September last year and we are now entering the tender phase for construction.

In this relatively short time, we have already increased yield by gaining Council approval for particular cost saving improvements, such as the addition of an underground carpark.

We enjoy the new challenges of every project and look forward to this next journey with 16 MC Developments. Sales of the units begin THIS MONTH!

Building with Lego

Going green is revolutionising every industry, particularly building and construction. We love learning about new developments which will challenge traditional methodology and potentially become 'game-changers' for us. One such invention is the Smart Brick (S-Brick).

Its innovators, Kite Bricks, want to change the way we build houses, buildings, bridges and pathways. They do look like giant Lego blocks and are used in a similar way. They come in a variety of forms for different purposes and can easily connect together, with rows of knobs along the top of bricks that slot into voids along the bottom of other bricks. Made out of high strength concrete, a special adhesive is used to hold them together and the bricks have open internal voids for steel bars to stabilise them and for use with

insulation, plumbing and wiring. Apparently they can be delivered to



building sites in a kit complete with traditional doors and windows. Aesthetically to finish, the exterior can be covered with siding, stucco, EIFS (Exterior insulation and finishing

system), brick, rock or stone and the interior with drywall, plaster or similar.

They can use robotics to build and therefore have a zero energy construction rating. They claim to reduce construction costs and time by over 70%, decrease energy bills and minimise mess! It is supposed to reduce or eliminate the requirement for natural materials, such as sand, iron, wood and water, thus making for comparatively clean, quiet construction.

It is intended for commercial, including multi-storey, and residential building. The Smart Brick is pending US patents but you can see it in action on

YouTube at:
www.youtube.com/watch?v=_Yf0KEcXIYA

Latest News

Infrastructure 2016

In their 2016 Budget, the Turnbull Government announced a \$26.9 billion allocation for national infrastructure projects over the next 4 years. The biggest winners were NSW, with a 31% share, and Queensland with 28%. Victoria was arguably the biggest loser, receiving a meagre 9%.

A significant shift is a proposed change to the funding matrix. PM Malcolm Turnbull's plan will see the

Commonwealth help broker finance for state and private infrastructure projects, rather than providing direct grants. The funding has been characterised as a down payment to kickstart a new model for funding infrastructure in Australia. Mr Turnbull said that the Government had to stop "being an ATM". "Throwing more money at the problem won't solve it," he said. "Change can only be delivered by addressing the policy and regulatory

settings through which cities and infrastructure are governed, planned, funded, constructed and operated." The proposal has the backing of the Sydney Business Chamber in Western Sydney, a key battleground for the upcoming federal election.

Victoria has scoffed at the idea, saying that their AAA credit rating allows it to borrow at interest rates almost identical to the Federal Government.

Thought of the month ...

"Success is no accident. It is hard work, perseverance, learning, studying, sacrifice and most of all, LOVE of what you do." Pele



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