

Housing Construction Jobs Program Ipswich EOI Industry Briefing Questions and Answers

Department of Housing and Public Works

Question	Answer
<p>Q1 Is there a preference to what product the Department of Housing and Public Works is seeking for this Expression of Interest?</p> <p>Is the department seeking to purchase land so that the department can arrange construction, or is the department seeking more of a turnkey solution that builder/developer constructs and a completed turnkey package is delivered to the department?</p>	<p>A1. The department is looking at both options. If a proponent is particularly interested in selling land, and if the land on offer fits the department's market analysis, than we are happy to accept that as an offer for consideration.</p> <p>If you are a builder and you are keen to get some government experience with building contracts, then we are happy for that as well. For building proposals we would like to have a look at the designs and price to make sure we are reasonably happy with it, and then both parties can negotiate to agree on the construction contract.</p>
<p>Q2 When submitting a proposal for the EOI, can proponents submit one proposal for both options i.e. land offer and a construction turnkey offer?</p>	<p>A2. Yes, you have the option to submit one proposal for two options for one site. In the Overview of your Proposal section in the SmartyGrants response form, you can state that you are open to both options and describe the options that you are putting forward for the department to consider.</p> <p>The department welcomes all offers and options, and invites innovative proposals that may have not been considered in the past. Don't be concerned and think that your proposal may not be accepted by the department, we are encouraging proponents to put the offer forward anyway and we would like to have a look at it.</p> <p>If you have dealt with government before, the process has been very rigid in the past. We are now looking to depart from that and get more in line with the market.</p> <p>The department is working towards a greater understanding of the needs of builders and developers. The department needs to meet the market because we need partners to deliver this program.</p>

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<p>Q3 If a proponent is interested in submitting three or more different options for one block of land e.g. a land only offer and two or more options to build on that same site, submitting one application for these options may become quite confusing. In these cases, is it best to submit one application for each option?</p>	<p>A3. Yes, you have the opportunity to submit multiple applications for the same block of land or site. You can submit one application as a land offer, which the department may consider buying to construct on in future years, and then submit subsequent applications for each other option to construct on that same site.</p> <p>Try not to squeeze all options on one application. You can submit multiple applications, even 50 if you want. We will look at them all.</p> <p>We understand the financial requirements and issues builders and developers face around the QBCC (Queensland Building and Construction Commission) especially regarding cash flow. The department is willing to work closely with builders and developers to plan the timing of new construction around the builder's current commitments especially given this construction program will continue for five years or more.</p> <p>If a builder or organisation is not in a position to build until next year, the department will look at these proposals and work with builders and developers to negotiate a contract start date that suits both parties.</p>
<p>Q4 a) If a proponent already has designs for a site, does the department have leverage over council to change the designs to suit the needs of the department if necessary?</p> <p>b) How would a proponent outline this in their application?</p>	<p>A4. a) The department does have some powers under the Housing Act to alter designs and plans for construction in consultation with the council. We aim to liaise and work with council by discussing the department's needs and assess the views of council.</p> <p>The department always aims for a win-win outcome, however and at the end of the day, the department has the ability to make the call that suit the housing portfolio and meets the needs of our clients and may exercise the powers under the Act.</p> <p>b) If you already have a Development Assessment or some advice back from the council, you can add that to the application by uploading the document as an attachment.</p>

Question	Answer
<p>Q5 Where does the priority lie with the department, is it detached dwellings, two bedrooms, houses? When you say you are prioritising the submissions, what does that refer to and where is the most need?</p>	<p>A5. We are mainly looking at dwellings on smaller blocks, we do have a large portfolio of larger properties so we are not looking for 5 or 6 bedrooms properties or anything of that nature. The greatest need is for more two bedroom products in the Ipswich area.</p> <p>As many developers and builders have difficulty securing finance to construct smaller products, we feel that the department's needs for smaller accommodation can be met more readily by the current market.</p>
<p>Q6 As builders, we look at the full valuation of the land then add on the building cost of the dwelling/ dwellings to reach a total cost for the project.</p> <p>Does the department provide some leeway when it compares the value of the cost of land and delivering the construction versus the value of similar dwellings in the area, especially if the new dwelling meets the needs of the department?</p> <p>Will the department consider that the cost of purchasing land and building a two bedroom dwelling is significantly more than the traditional valuation of house and land in the area?</p>	<p>A6. As part of the assessment process, the department arranges a valuation on the properties and the land, and we go through a thorough evaluation process for all proposals to ensure value for money and whether the proposal meets the department's requirements. The department however has become more flexible in our approach, because we understand that in greenfield areas especially, the comparables may be too far away.</p> <p>If you are an innovative builder and/or developer, and you propose to construct one/two bedroom, or studio apartments in a new greenfield area such as Ripley, it's going to be very difficult to get comparable valuations for this project. In these cases the department will need to look at the project holistically, and we will look at it in a build cost sense and see whether it is feasible and a practical proposal for the department considering all factors of the program.</p>
<p>Q7 What, if any, weighting is put towards the use of social enterprises or on social procurement?</p>	<p>A7. We do look at social enterprises in procurement, and there other programs and grants that the department delivers for service providers and registered service providers. We like to see partnerships, and the Housing Construction Jobs Program is a partnership program.</p> <p>There may be a scenario where there is a service provider that doesn't have the building expertise or experience to deliver a development project on their own. If this service provider links up with a great builder/developer, a working partnership is formed and the department would consider this offer favourably.</p>

Question		Answer
Q8	<p>a) What about something radical like multi-unit developments?</p> <p>I know that the Department is leaning away from multi -unit complexes for social housing, but for single unit living and ease of transport, a multi-unit development seems to make sense.</p> <p>b) How many storeys would be viable if a builder went into partnership with a service provider?</p> <p>c) It seems to make sense that with the value of land being high that it is feasible to build a multi-storey construction? What is the department's view?</p>	<p>A8 a) The department is happy to look at multi-unit developments especially around transport nodes and railway stations. We are currently building products that are five and six-storey for the portfolio, including looking at some mix-use outcomes.</p> <p>The department is willing to look at proposals for multi-unit developments but we are not looking for 200 units in one area. That is definitely not what we are looking at; we are looking for smaller numbers. If your proposal links with a service provider, we can look at larger numbers, but you would need to have the service provider to manage the tenancies at the development.</p> <p>We just find that when you get up to 20 or 30 units in one complex that it can become fairly difficult to manage the tenancies without an onsite manager or access to a property manager.</p> <p>So for a single free standing outcome without a service provider partnership in place, 17 to 18 units would be the maximum.</p> <p>b) Look every project stands on its own merits. Other factors to consider are the streetscape what is currently there, what is the planning scheme, how close is the proposed project to services and amenities.</p> <p>c) Yes, but another factor to consider is accessibility, a four storey walk-up complex with stairs is not a feasible option for the department long-term, so we would need lifts and other accessible features for these developments.</p>

Question		Answer
Q9	What is the department's appetite on pre-fabricated solutions? Is that something the department would consider or not consider?	<p>A9. The department is not opposed to anything, so pre-fab and volumetric constructions, all the way through to just minor kit type products. We are looking at everything, as long as it meets the need. It still must comply with all the building codes as with every construction, as well as accessibility requirements and other requirements set out in the EOI documentation.</p> <p>Durability of the product is one of the things that the department will need to assess when considering pre-fab construction. Another consideration with pre-fabrication construction especially if you are planning to manufacture off-site is to potentially engage with a service provider that trains people to gain new skills to gain employment which in turn will help build the construction industry, the community and the Queensland economy.</p>
Q10	a) From a sustainable point of view what is the weighting that are going to be put towards basically environmentally sustainable design, and at the same time that is going to relate to embedded networks. So if it is townhouses - we have an embedded network, if it's freestanding you are going to have, maybe something like solar and battery with it behind the meter system?	<p>A10. a)The department definitely encourages sustainable environment outcomes. Obviously a lot of the environmentally sustainable designs and products often come with cost impacts and ongoing maintenance costs. The department will assess the costs, the outcomes and the durability of the products, e.g. if it is a solar panel system, what is the inverter going to be like, is it going to have a 7-year life, what is the cost of replacement versus the benefits and outcome?</p> <p>Other considerations include benefits for the tenant and assessment of other design features and requirements that must be met under the National Construction Code e.g. breeze through, sub-tropical design features, R ratings and K ratings. If builders and developers are interested in including additional environmental sustainable features and products in their proposals, the department will definitely look at them and assess the feasibility of including these features.</p>

Question	Answer
<p>Q10 b) Are you planning to centralise your energy network with micro-grids or are you going to actually look at how the complexity goes with each one of these projects that have matching technology?</p> <p>c) The reason I have raised these questions is that the department is actually looking for sustainable developments for this program. And what are the end users really looking for? They are looking for affordable housing, they are looking for affordable costs in living in these property.</p>	<p>A10. b) No, we haven't looked at micro-grids, or off-line systems at all in the folio, but we are happy to have a look at them. Obviously having micro-grids as an interim solution may be considered for some areas where development services may not be there yet. We are happy to look at all proposals and options, but they have to be of benefit not only to environment but to the tenants and the portfolio as a whole.</p> <p>Circulating something that is so broad and so left of mainstream would be difficult, but we encourage you, if you have expertise in these things, to please provide this information and we'll assess it as best we can.</p> <p>We have experts in this field that we can call upon from across whole of government to assist us with assessing these proposals. We have just completed the installation of a solar panel trial in North Queensland and we are about to launch one in Logan for our current folio. The department is looking at all alternative solutions, that we can assist people that don't have the funds upfront or the resources to sign up for these offers and outcomes.</p> <p>c) Yes, the costs of living is always a concern, to be clear I would like to stress that this is a social housing program, for social housing needs and our social housing portfolio. The department is looking at affordable housing outcomes for this program or EOI process.</p>

Question	Answer
<p>Q11 What is the department's view on dual key solutions and duplexes?</p> <p>Dual key solutions can't be strata titled, but duplexes can, would the department consider purchasing both sides of a duplex?</p>	<p>A11. Yes, the department is willing to look at all options submitted for this and future EOI process. We do have a very broad range of properties in the portfolio including a range of body corporate properties / strata title properties.</p> <p>One of the issues to be considered is that we are moving towards more dense living which includes more apartments and multi-unit developments especially in the inner rings of Brisbane, Cairns and even the Gold Coast. So as part of the assessment of offers, the department will also assess the property structure of the title and whether it is a Strata Title or Body Corporate property.</p> <p>The department encourages housing tenants to one day be able to afford to buy their rental property and be more active in the communities. In the last quarter alone the department has sold 12 properties to clients in housing. Therefore we are happy to look at all proposals including properties with body corporate / strata titles.</p>