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# Innovation by Local Government for Housing Supply

Municipal Association of Victoria  
City of Greater Dandenong

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With ——— McP

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**Municipal Association of Victoria**  
**City of Greater Dandenong**

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## Acronyms

ARCHI	Adaptive Reuse City Housing Initiative
BESS	Built Environment Sustainability Scorecards
CBD	Central Business District
ESD	Environmentally Sustainable Design
LGA	Local Government Area
LW	Love Wolverton
MAV	Municipal Association of Victoria
MCC	Maroochydore City Centre
MKCC	Milton Keynes City Council
MMC	Modern Methods of Construction
NABERS	National Australian Built Environment Rating System
PCA	Planning Council of Australia
PCRC	Post-Carbon Research Centre
PPP	Public Private Partnership
SA	South Australia
TOD	Transit Oriented Development

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# Executive Summary

This report focuses on the innovative ways in which local government can support housing delivery. Specifically, it addresses how local governments can intervene to improve housing production and supply, while also improving the sustainability and quality of housing within their jurisdictions. To do so, it evaluates Australian and international case studies, supported by a review of relevant academic and grey literature, and provides policy insights for local government interventions for improving housing outcomes.

The project analysed three ongoing local government housing interventions selected as examples of local government facilitating housing innovation, and to:

- 1. Love Wolverton:** The redevelopment of a former retail and leisure centre in Wolverton, UK, and the role of the Milton Keynes City Council.
- 2. Maroochydore City Centre:** The Sunshine Coast Council's acquisition of a golf course in central Maroochydore, and the subsequent partnership with Walker, a private developer, to deliver housing alongside other uses to provide a 'CBD' for the Sunshine Coast.
- 3. ARCHI (Adaptive Reuse City Housing Initiative):** An incentive scheme funded by the City of Adelaide and the South Australian government to encourage adaptive reuse of buildings in the municipality to address the shortage of rental accommodation.

Overview of the three Case Studies against selection criteria

Name	Maroochydore City Centre	Love Wolverton	ARCHI
Location	Sunshine Coast, Queensland Australia	Milton Keynes, UK	City of Adelaide, Australia
Description	Government-led housing project/precinct	Government-led housing project/precinct Integration of affordable housing	Adaptation of existing buildings for housing
Approach	Mixed-used development	Precinct redevelopment	Policy
Intervention	Land acquisition Public Private Partnership (PPP)	Development facilitation Landlords (Housing supply)	Grant scheme for redevelopment Process support
Timeline	2013 – ongoing	2019 – ongoing	2024 – ongoing
Housing outcomes	CBD (Central Business District) creation, density, employment creation, public transport accessible, housing mix, including one- and two-bedroom units	Urban renewal, revitalisation of underused/derelect site, housing delivery	Assistance to retail, return to CBD, housing delivery, adaptive reuse, retrofit, supply increase, relief to rental crisis

The report addresses the following question:  
***what actions can local governments take to improve housing supply within their jurisdictions?***

What housing supply issues are within the remit of local governments?

How can local governments influence housing supply outcomes and/or address barriers, and what are the actions available to them?

What are the potential sustainability and quality outcomes that could come with these innovative supply solutions?

This report shows that there are multiple ways in which local governments may influence or promote housing outcomes, and that such roles involve various levels of responsibility, financial commitment, expertise and political willingness. A key lesson for local government arises from the clear consideration of how the resources and capacities within each of the case study Councils can be marshalled to deliver and influence housing outcomes within their areas. This is more than land parcels, precincts and rezoning, but also includes leveraging in-house expertise and competencies. More than funding, using information sourcing and strategic procurement to reach their vision was essential in the case of ARCHI and Maroochydore.

The roles for Victorian local government need to be considered in the context of the system of government in Australia, and also the capacities and resources available to local government. This is particularly the case for the Wolverton case study, as in the UK system of government, Milton Keynes City Council has greater responsibilities for social housing provision. The Wolverton and Sunshine Coast Councils have drawn on substantial financial resources in developing the infill development precincts analysed in the case studies included in this report. These examples also show how these Councils have promoted housing innovation through using the leverage of funding to ensure development aligns with strategic objectives. In contrast, the City of Adelaide had limited financial resources and did not have a suitable plot for precinct-scale development, and therefore ARCHI can be seen as a response to address housing supply issues with constrained resources.

# Foreword

A widely understood and acknowledged problem is that access to fit-for-purpose housing in Australia is increasingly difficult for a range of entangled reasons. Housing is unevenly distributed and is not always suitable for modern purposes, either due to location or configuration. Much of the existing housing stock is in need of modernisation so that it can provide affordable shelter, sanctuary and a site of caring in an emerging climate-changed and post-carbon world. Energy efficiency, resilience and flexible layouts are part of this lexicon. Critically, with a growing population and a shift to smaller households, there is a need for more housing to add to the existing stock.

Also clear and widely agreed, delivering additional quality housing supply requires appropriate land supply, as well as materials, labour and finance, all aligned in such a way as to deliver outcomes for those in need. Given that all these commodities are constrained, innovation is essential. Moreover, as so many aspects of housing quality and delivery are distributed across levels of government, it is essential that each steps up to cooperate and actively pursue innovative housing supply projects.

Local governments occupy a unique position in this context, with deep knowledge of existing communities at the local level. They are essential actors in shaping local discourse, unlocking land and resources, and encouraging and facilitating innovative post-carbon housing projects. They can drive innovation by convening institutional, investment, technology and planning interventions that can facilitate increased housing provision.

This report is thus timely in synthesising actions that local governments can take to improve housing supply within their jurisdictions. Through detailed review and casework, it demonstrates how what was once considered expensive, high-end, high-performance, sustainable housing is actually the standard housing we need to build now for a post-carbon future, and it need not cost any more than poorly built housing built to 20<sup>th</sup> Century specifications. Indeed, it can be cheaper and readily delivered under the right circumstances. Modular and prefabricated housing solutions are undoubtedly party of the picture of these circumstances.

The report highlights a precinct delivery approach, exemplified in cases presented from Maroochydore and Wolverton. It also analyses the case of ARCHI in the City of Adelaide, notable for its policy and grant innovation aspects. In so doing it highlights how varying local government priorities, including activity centre intensification, climate mitigation and adaptation, inclusion and affordability, all intersect with decent housing policy and provision. As a valuable source for local government practitioners and networkers, this report provides ideas for innovators, both regarding funding but also in advocacy and lobbying, working across levels of government and across local government stakeholders.

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# 1.0 Introduction



# The challenge of meeting Victoria's Housing Targets

Housing supply and affordability are prominent topics in political and community discussions and debate in Australia and further afield. In Victoria, housing availability and affordability are widely considered to be in crisis, with a lack of availability in the rental market, escalating costs across tenures, and failure to meet government housing targets. At the same time, households and housing construction use significant energy and resources and much of the existing stock suffers from significant build quality issues<sup>1</sup>, also requiring qualitative improvements to construction methods and outcomes alongside the need to meet demands for housing. Concerns around the sustainability and liveability of existing and new housing are growing, yet legislative and regulatory reforms have been slow to address these critical needs and challenges.

As the membership association and the legislated peak body for local government in Victoria, the Municipal Association of Victoria (MAV) is acutely aware of the challenges posed by the lack of social and affordable housing and actively seeks to partner with the Victorian Government so that local Councils can implement State policies<sup>2</sup>. The MAV also works with government representatives and industry bodies to resolve policy issues and facilitate the exchange of information between Councils<sup>4</sup>.

The Victorian government is currently implementing a range of policies and requiring housing capacity targets for all 79 local government areas that aim to increase housing supply. There has been a particular focus on supply-side tools to make housing more affordable, as well as delivering more social and below-market rate housing. These policies, among others, were first announced in *Victoria's Housing Statement: The decade ahead 2024-2034* which has set a target of building 2.24 million new homes<sup>3</sup>.

Through the *Big Housing Build*, the Victorian Government promised new homes in both the public and community housing sector, including the contentious demolition and rebuild of Melbourne's public housing towers and the retrofit of existing homes via the Public Housing Renewal Program. The Regional Housing Fund aims to deliver a mix of social and affordable housing units in regional Victoria. These ambitious targets require and assume cooperation and willingness from the 79 Councils in Victoria, with at least 70 per cent of homes to be built in the urbanised areas of most local government areas.

Local government housing targets have been accompanied by a range of policies aiming to reform the way housing is delivered and construction monitored in Victoria. The 2024-25 State Budget provided funding to reform the Victorian building regulatory framework to enable a greater use of prefabricated and modular building methods<sup>5</sup>. These methods, known as Modern Methods of Construction (MMC), are being considered for their potential to accelerate housing delivery and improve affordability and how barriers, including regulatory ones, can be overcome is a significant topic of consideration<sup>6</sup>.

## Aim of this Project

This project has been funded by a Commonwealth Government grant through the Housing Support Program. The aim of this project, as designed by the MAV in partnership with the City of Greater Dandenong and led by McP Studio, was to investigate opportunities for local governments, primarily in Victoria, to affect housing supply, both quality and quantity. Therefore, the project is concerned with interventions to increase and accelerate the delivery of housing that is sustainable, resilient, and energy-efficient while addressing the pressing housing challenges of cost, supply, decarbonisation and affordability. It therefore focuses on innovative political, institutional, planning, financial and technical/material interventions that may facilitate increased housing provision in Local Government areas.

It thus addressed the following aim: **what actions can local governments take to improve housing supply within their jurisdictions?**

The research aim is addressed by the following research questions:

1. What housing supply issues are within the remit of local governments?
2. How can local governments influence housing supply outcomes and/or address barriers, and what are the actions available to them?
3. What are the potential sustainability and quality outcomes that could come with these innovative supply solutions?

In addition, future material and technological directions for urban housing were also considered in the case studies undertaken for the project, including:

- High-performance, fit-for-purpose and sustainable housing.
- New materials and construction methods (incl. digital tools).
- Modular and prefabricated housing solutions.
- Adaptive housing.

<sup>1</sup> Daniel, L., Lang, M., Barlow, C., Phibbs, P., Baker, E., & Ian, H. (2024). A national roadmap for improving the building quality of Australian housing stock. AHURI Final Report, 426

<sup>2</sup> <https://www.mav.asn.au/what-we-do/policy-advocacy/social-and-affordable-housing>

<sup>3</sup> <https://www.planning.vic.gov.au/planforvictoria/measuring-success/actions-and-outcomes/implementing-housing-targets-for-every-local-government-area>

<sup>4</sup> idem

<sup>5</sup> Enabling Modern Methods of Construction through effective building regulation: Discussion Paper. (2025). Department of Transport and Planning, Victoria State Government.

<https://engage.vic.gov.au/enabling-modern-methods-of-construction>

<sup>6</sup> <https://engage.vic.gov.au/enabling-modern-methods-of-construction>

# Housing and Local Government Intervention

## Housing Context in Victoria

This report focuses on the innovative ways in which local government can support housing delivery to address the challenges identified above. Specifically, it addresses how local governments can intervene to improve housing production and supply, while also improving the sustainability and quality of housing within their jurisdictions. To do so, it evaluates Australian and international case studies, supported by a review of relevant academic and grey literature, and provides policy insights for local government interventions for improving housing outcomes.

A key area for improvement that has been identified in housing supply research and practice is the way land is used, especially in well-located areas with good access to transport and social infrastructure, and how existing or vacant buildings could be better used<sup>7</sup>. As part of *Victoria's Housing Statement*, the Property Council of Australia and the City of Melbourne have identified commercial office buildings that are underused because of changing work patterns and demand for flexible floor space increasing to facilitate the conversion of offices into apartments and mixed-use properties.

Such changes and aspirations do not come without costs, and there are many variables to consider, as housing design, planning and construction processes are set to evolve, so residential outcomes can be enhanced, and residents' security and well-being are improved or at least preserved. As Action 1 of *Plan for Victoria* demonstrates, local government areas are in a pivotal position to facilitate the implementation of housing targets, not only because they hold knowledge of the local context and population, but also because of their planning responsibilities.

# Investigating Innovation

Innovation is seen as crucial in improving productivity and in transitioning to more sustainable residential outcomes. Innovation is the *application* of new products or processes, and changes in systems distinguish innovation from invention. Innovation may also be the application of new products or processes in a place where they have not been applied before<sup>8</sup>. In applying this understanding of innovation to construction, Francis and Gruneberg<sup>9</sup> list 'the spread or adoption of new ideas, methods, materials, components or products'. This understanding of innovation indicates that the role of local government is in supporting the application of new housing products and processes within their council areas, as it is teased out below.

## Innovation and Housing Productivity Challenges

The need to investigate innovation in the realm of housing delivery stems from the stagnant or declining productivity of the construction industry in Australia, a global issue. A recent Productivity Commission report<sup>10</sup> attributed the low productivity to approvals process, regulation, and the low levels of innovation in the sector. Research shows that when the number of houses under construction peaks, completion times blow out<sup>11</sup>, which is why innovative building methodologies such as prefabrication and the greater use of offsite construction are increasingly seen as a solution to reduce construction duration. Innovative strategies are also needed to address an increasingly challenging and complex environment for housing supply, with escalating construction costs, cumbersome planning processes, local resistance to change, and mounting development risk and finance constraints. The outcomes of innovation can be considered as going beyond the pursuit of improving productivity, increasing margins and realising greater financial benefits, and can also be considered as the intentional goal of achieving a broad range of outcomes, such as improving working and living conditions.

## What can Local Governments do?

There are obvious responsibilities for local government that affect housing, such as planning and building approvals. In Victoria, Councils issue planning permits in accordance with the *Planning and Environment Act 1987*. Building permits are issued under the *Building Act 1983* and can be issued by either a private building surveyor or a municipal (council) building surveyor. Councils also have responsibility for a range of other land use planning functions and for enforcing certain parts of the *Building Act* and regulations. Such services include land use regulation, zone and overlay controls; planning application assessments and permits; neighbourhood character plans; heritage overlays, protection and advice; energy-efficient housing design support; building permits; construction noise compliance; building regulation safety and compliance and; provision of property information. Each council has the responsibility of preparing a planning scheme for its municipality, which aligns with State policy – although it does not change the strategic direction or intent of the planning scheme – through the Planning Policy Framework<sup>12</sup>, as well as zones and overlays that control the use and development of land<sup>13</sup>.

<sup>7</sup> Easthope, H., Palmer, J., Sharam, A., Nethercote, M., Pignatta, G., & Crommelin, L. (2023). Delivering sustainable apartment housing: New build and retrofit. AHURI Final Report, 400.

<sup>8</sup> Fagerberg, J. (2018). Innovation, economic development and policy: Selected essays. Edward Elgar Publishing.

<sup>9</sup> Gruneberg, S., & Francis, N. (2018). The Economics of Construction (1st ed.). Agenda Publishing.

<sup>10</sup> Productivity Commission, (2025). Housing construction productivity: Can we fix it? - Commission Research Paper. <https://www.pc.gov.au/research/completed/housing-construction>

<sup>11</sup> <https://theconversation.com/building-more-houses-quickly-is-harder-than-it-looks-australia-hasn't-done-it-in-decades-170223>

<sup>12</sup> <https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/planning-policy-framework-translation>

<sup>13</sup> <https://www.vicCouncils.asn.au/what-Councils-do/council-services/planning-and-building>

Social and Affordable Housing

In Australia, provision and funding of social housing are a Commonwealth and state government responsibility. However, issues such as homelessness, lack of affordable housing and reliance on transient forms of housing such as caravan parks have been shown as having poor health and socio-economic outcomes at a local level<sup>14</sup>. Thus, local government has an important, yet under-researched, role in facilitating housing development in response to these housing challenges, and many Councils have developed housing strategies to address such issues, as exemplified through the advocacy of MAV.

Sustainable Housing

Several rating tools in Australia have been developed to help drive housing standards and performance, such as NABERS (National Australian Built Environment Rating System). In Victoria, Built Environment Sustainability Scorecards (BESS) can be used to inform how planning permit applications address sustainability for small- and large-scale developments. BESS assesses projects against a benchmark in nine environmental categories consistent with the environmental objectives in the Environmentally Sustainable Development Local Planning Policies: management, water, energy, stormwater, indoor environmental quality, transport, waste, urban ecology and innovation. The objective of the ‘Innovation’ category is to encourage design features and technologies that are not recognised elsewhere within BESS because they are new to Victoria, or because they go well beyond the best practice standard in BESS<sup>15</sup>.

The Green Building Council of Australia also highlights how government leadership can help ‘to foster resilience, reduce our emissions, encourage innovation and sustainably build productivity over the long term’ through coordinated and targeted policies and programs, such as incorporating Green Star into their planning instruments and policies to improve Environmentally Sustainable Design (ESD) outcomes<sup>16</sup>.

Instruments and actions available to local government include financial incentives for Green Star rated development proposals (e.g. reduced development application fees, infrastructure charge rebates or deferral of fees); development incentives (e.g. additional floor space ratio or building height, reduced car parking space requirements); by setting specific ESD assessment benchmarks for new development located on land included in certain land use zones; by developing sustainable development policy that aligns with the Green Star rating credits; by incorporating Green Star rating tool credits into assessment benchmarks; by integrating Green Star rating credits into defined outcomes for master planned communities; or by incorporating Green Star requirements for leased or new government assets<sup>17</sup>.

Recent research also sets out opportunities for local governments to foster and support innovation. Internationally, there is growing recognition that urban challenges can be better tackled at a local level, or even at a precinct scale. This framing departs from the traditional structure of local governments as hierarchical, vertical and sectorised organisations, whose main aim is to balance divergent, collective interests and stability. An important emerging theme relates to ‘experimental governance’, as a way municipalities around the world address a wide range of complex sustainability challenges through innovation districts, for instance<sup>18</sup>. Eneqvist and Karvonen established a typology of five strategic functions for municipalities as shown in Table 1. They argue that these functions altogether are producing new opportunities and challenges to urban planning practices. Considering these multiple functions is useful to understand how traditional modes of governance are currently being extended or enhanced, and how long-term policy or regulations are shaped by discrete interventions or projects.

Table 1: Five strategic functions for municipalities in local innovation, in Eneqvist, E., & Karvonen, A. (2021)

	Visioning	Facilitating	Supporting	Amplifying	Guarding
<b>Expertise</b>	Collective leadership	Networking and driving	Administration and assistance	Knowledge translation and application	Democracy and representation
<b>Aims</b>	Define and achieve shared goals	Initiate and steer experiments	Support experiments	Apply and upscale experimental results	Protect democratic values
<b>Target audience</b>	Experimental partners and local constituents	Experimental partners	Experimental partners	Municipalities, national government, global networks	Local constituents

Source: Eneqvist, E., & Karvonen, A. (2021). Experimental governance and urban planning futures: Five strategic functions for municipalities in local innovation. Urban Planning, 6(1), 183-194.

A summary of each function based on Eneqvist and Karvonen (2021) and how they have been applied to housing innovation in this report is provided below:

- **Visioning:** promoting a clear trajectory while framing values, norms and perceptions, to achieve desired housing goals; involves collaboration and engagement and the steering of local stakeholders.
- **Facilitating:** enabling engagement between stakeholders so they can sustain and nurture innovation; involves building trust, developing contacts, identifying resources and developing a common agenda; local government acts as links and ensure coherence across measures.
- **Supporting:** assisting and provisioning (services, resources, infrastructure, etc.); delivering planning permits and other types of administrative support.
- **Amplifying:** upscaling and replicating housing policies and/or residential outcomes; includes internal organisation; promotion to higher levels of governments and/or other municipalities through information and knowledge sharing.
- **Guarding:** protecting public and democratic housing values; maintaining local government’s role to promote collective interests and ‘greater good’ perspectives such as working towards housing for all.

As this typology of strategic functions indicates, local government intervention can be direct, such as interventions that result in housing supply through land acquisition and development, planning interventions, inclusionary zoning and voluntary planning agreements. Indirect forms of interventions include facilitation, development support and policy. Benefits can arise from precinct-scale developments that local government can serve to facilitate.

<sup>14</sup> <https://www.mav.asn.au/what-we-do/policy-advocacy/social-and-affordable-housing>  
<sup>15</sup> <https://bess.net.au/tool-notes/5>  
<sup>16</sup> <https://new.gbca.org.au/policy/local-government/>  
<sup>17</sup> <https://gbca-web.s3.amazonaws.com/media/documents/factsheet-local-government-and-green-star.pdf>  
<sup>18</sup> Eneqvist, E., & Karvonen, A. (2021). Experimental governance and urban planning futures: Five strategic functions for municipalities in local innovation. Urban Planning, 6(1), 183-194.

# Methodology and Case Studies

To address the three questions form the aim of this project, the project used an evidence-based methodology consisting of a case study evaluation of three ongoing local government housing interventions.

The case studies were selected as examples of local government facilitating housing innovation, and to:

- Highlight different roles, instruments and mechanisms applicable to local government in Victoria.
- Present forms of innovation by local government, including funding and development processes, and address housing issues: affordability, sustainability, resource efficiency.
- Include a mix of international and Australian case studies.
- Include recent projects, or longer-term but continuing projects, to address current housing industry conditions.
- Provide a range of urban settings: inner city, regional cities and precinct scale.

The three case studies are detailed below and in Table 2:

4. **Love Wolverton:** The redevelopment of a former retail and leisure centre in Wolverton, UK, and the role of the Milton Keynes City Council.
5. **Maroochydore City Centre:** The Sunshine Coast Council’s acquisition of a golf course in central Maroochydore, and the subsequent partnership with Walker, a private developer, to deliver housing alongside other uses to provide a ‘CBD’ for the Sunshine Coast.
6. **ARCHI (Adaptive Reuse City Housing Initiative):** An incentive scheme funded by the City of Adelaide and the South Australian government to encourage adaptive reuse of buildings in the municipality to address the shortage of rental accommodation.

Table 2: Overview of the three Case Studies against selection criteria

Name	Maroochydore City Centre	Love Wolverton	ARCHI
Location	Sunshine Coast, Queensland Australia	Milton Keynes, UK	City of Adelaide, Australia
Description	Government-led housing project/precinct	Government-led housing project/precinct Integration of affordable housing	Adaptation of existing buildings for housing
Approach	Mixed-used development	Precinct redevelopment	Policy
Intervention	Land acquisition Public Private Partnership (PPP)	Development facilitation Landlords (Housing supply)	Grant scheme for redevelopment Process support
Timeline	2013 – ongoing	2019 – ongoing	2024 – ongoing
Housing outcomes	CBD (Central Business District) creation, density, employment creation, public transport accessible, housing mix, including one- and two-bedroom units	Urban renewal, revitalisation of underused/derelict site, housing delivery	Assistance to retail, return to CBD, housing delivery, adaptive reuse, retrofit, supply increase, relief to rental crisis

A total of 18 stakeholders from Local Government and collaborating public and private sector organisations were invited to participate in online interviews. Interviews were conducted online and under an RMIT Research Ethics Agreement. They lasted between 30 and 90 minutes. There were six interviews for ARCHI, five for Maroochydore and six for Love Wolverton, including a mix of representations as shown in Table 3.

Further details of the interview participants have not been provided due to the requirements of our human research ethics approval, from the RMIT Human Ethics Research Committee, for this research. Any further identification of participants may risk re-identification.

Table 3: Number of interviewees across sectors

Sector	Number of interviewees
Local government representative	6
Private developer	5
Community organiser	2
State government representative	2
Architect	1
Building owner	1
Consultant	1

# 2.0 Housing Innovation Case Studies



# 2.1. Precinct Redevelopments

## 2.1.1. Maroochydore City Centre, Queensland, Australia

Key dates:

- **2012:** Sunshine Coast Council purchases the golf course.
- **2014:** Maroochydore City Centre Priority Development Area Development.
- **2015:** Creation of SunCentral by Sunshine Coast Council, an independent entity to guide the development of Maroochydore City Centre.
- **2019:** Site opens to the public.
- **2020:** Public Private Partnership between Sunshine Coast Council and Walker. SunCentral becomes development manager, Walker leads development.
- **2023:** 300 residents, 1000 workers.
- **2032:** Brisbane to host Olympic and Paralympic Games.
- **2040s:** Anticipated completion.

The Sunshine Coast Council purchased the land through a resumption by agreement process from the golf club in 2012 for \$42 million. Given the scale and importance of the development for the Sunshine Coast and Maroochydore, the Council made a request to Economic Development Queensland to be the responsible authority for planning under a Priority Development Area (PDA). Sunshine Coast Council also established SunCentral as a wholly owned entity to manage the project on its behalf, primarily to minimise conflicts of interest, and to take responsibility for the design, construction of public infrastructure, the marketing and sale of land, and investment attraction<sup>19</sup>.

This role changed in 2020, when the Sunshine Coast Council entered an agreement with Walker Corporation to lead the development following an expression of interest process. With this change, SunCentral’s role shifted from property developer to development manager and providing independent advice to Council and representing Council’s interests in the development negotiations with Walker Corporation. The agreement between Council and Walker is commercial in confidence, but based on publicly available information, works by the transfer of land parcels owned by Council to Walker Corporation on the completion of buildings and public assets set out in the PDA<sup>20</sup>. Overall, Walker Corporation will invest \$2.5 billion and gains:

*Exclusive rights to market and develop most of the remaining land consistent with the delivery of the city centre vision. As the project is delivered, Council will receive civic assets such as parks, walkways and The Corso, which relieves Council of the obligation to fund and deliver this infrastructure<sup>21</sup>.*

Council is expected to return a profit on their purchase of the land of approximately \$41 million and break even in 2035<sup>22</sup>. The total investment in the precinct is forecast at \$2.5 billion, with completion expected by 2040, and the maximum development yields are 4,000 equivalent housing units, 186,000m<sup>2</sup> GFA of commercial, and 54,000m<sup>2</sup> GFA of retail. There is also a hospital planned for the precinct.

The Maroochydore City Centre project is a major precinct development in the centre of the city, with the aim of creating a ‘CBD’ style precinct and acting as a hub for the Sunshine Coast region, adjacent to the existing city centre. The project arose from the opportunity presented by the Horton Park Golf Club, a 53ha site and a proposed rail link to Brisbane to be funded by the Queensland Government, alongside other public transport upgrades. When completed, towards the end of the 2040s, the precinct will include 4,000 dwellings located in proximity to commercial, retail and civic land uses, as well as the proposed direct rail link to Brisbane.



Figure 1: Maroochydore City Centre development context

Source: suncentralmaroochydore.com.au/

The Maroochydore City Centre development was instigated by Council in response to the unique opportunity presented by a large greenfield site located in the centre of the city and to meet the needs of the rapidly growing region. The emphasis is on creating a dense activity centre, that includes employment and civic uses alongside housing:

*Right from the outset, the Council had the vision of ‘all this is going to be our city centre, if we can prioritise development here, then it sends a very clear signal to the community, to the industry and to investors in particular, that this is where we want you to focus’. The endorsement of the site as a PDA by the state government obviously helped elevate that, that focus and ever since then ... the project, the vision for the project, hasn’t really changed significantly from that point of wanting to create an economic and employment centre ... and also build it in a way that took advantage of public transport investment, which helps obviously with that population growth and the transport planning challenges that we’re experiencing (MCC IV1).*

The site is adjacent to the existing city centre and is supported by Council’s investment in the direct undersea cable for high-speed internet connections to Asia. The proposed Direct Sunshine Coast Rail Line will connect the Maroochydore City Centre to Brisbane. These aspects of the Maroochydore City Centre project, along with the scale of development proposed, indicate its importance to the city and the Sunshine Coast.

This case study provides an example of Local Government intervening to realise a major development opportunity and community outcomes, initially through the acquisition of the site and subsequently through the PDA with the State Government, the establishment of SunCentral to oversee the project on behalf of the Sunshine Coast Council, and the Public-Private Partnership (PPP) with Walker Corporation.

<sup>19</sup> <https://www.sunshinecoast.qld.gov.au/news/maroochydore-city-centre-takes-a-giant-step-forward>

<sup>20</sup> Maroochydore City Centre Development Agreement Fact Sheet.

<sup>21</sup> <https://www.sunshinecoast.qld.gov.au/council/planning-and-projects/major-regional-projects/maroochydore-city-centre-project/maroochydore-city-centre>

<sup>22</sup> <https://www.sunshinecoast.qld.gov.au/news/australias-largest-greenfield-cbd-project-secures-a-commitment-191120>

## The Sunshine Coast Council

The Sunshine Coast Council is located approximately 100km to the north of Brisbane, the state capital. The Council area had a population of 346,648 people in 2021, increasing by approximately 40,000 over the preceding decade. Population growth was also, like many areas of regional Australia, of people aged over 65, as shown below in Figure 3.

The population is projected to continue growing, to add a further 200,000 people by 2046, with a similar age distribution to the growth over the last decade<sup>23</sup>. Consequently, the Council estimates that a further 141,000 dwellings will be needed to accommodate this population growth. The increase in older people within the Local Government Area (LGA) also indicates a need for housing suited to them, and the current housing is mainly large, detached dwelling houses with three or more bedrooms, typically in low-density neighbourhoods with a high reliance on access by private vehicle use.

The three following figures indicate that the housing and tenure mix in the Sunshine Coast is similar to Queensland, albeit with a slightly lower proportion of renters and a higher proportion of owned outright tenures. However, both the Sunshine Coast and Queensland have high proportions of separate houses and a few studios and single bedroom dwellings.

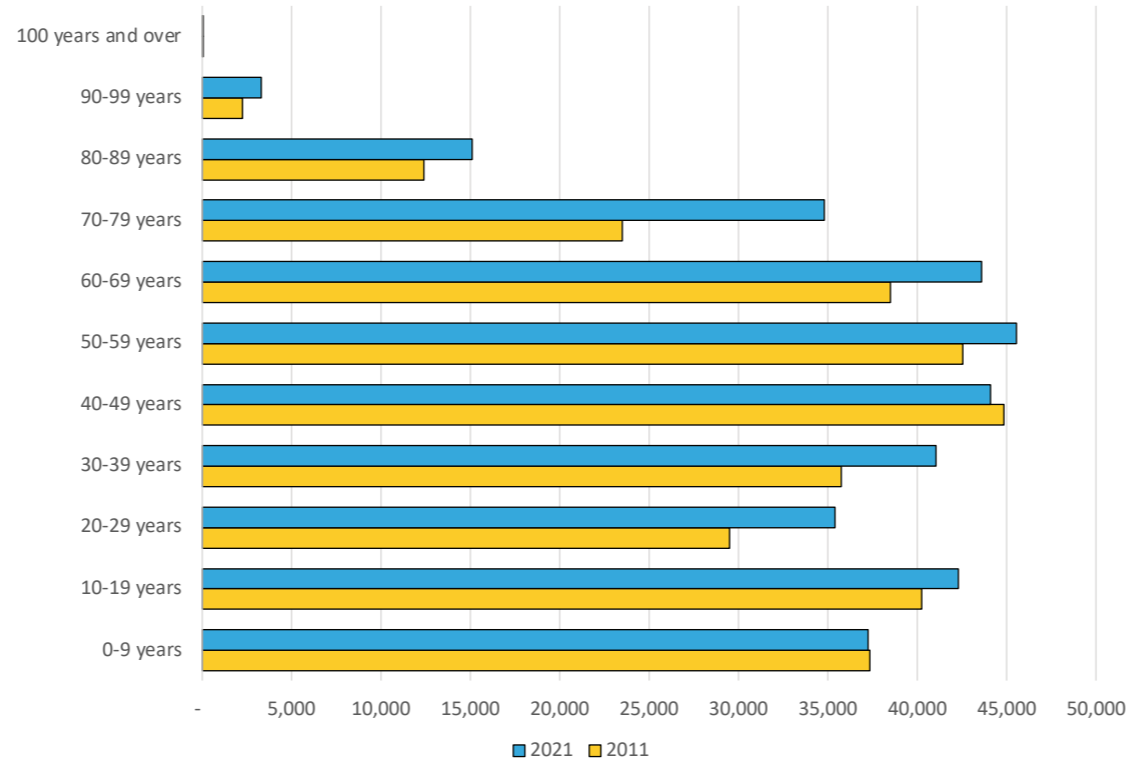


Figure 2: Age of residents, Sunshine Coast Council, 2011-21  
Source: Australian Bureau of Statistics, Census of Population and Housing, place of residence, AGE10P Age in Ten Year Groups by LGA (UR).

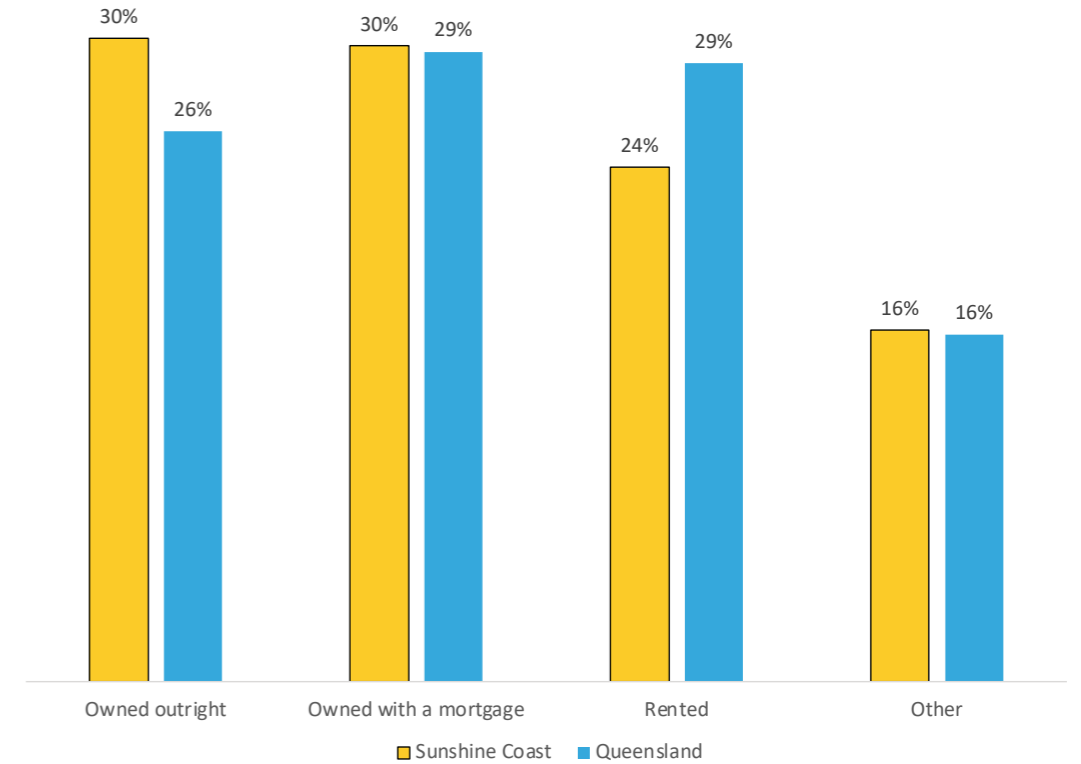


Figure 3: Dwelling tenure, Sunshine Coast Council and Queensland, 2021  
Source: ABS (2021), Census of population and housing. LGA (EN) by TEND Tenure Type, counting dwellings.

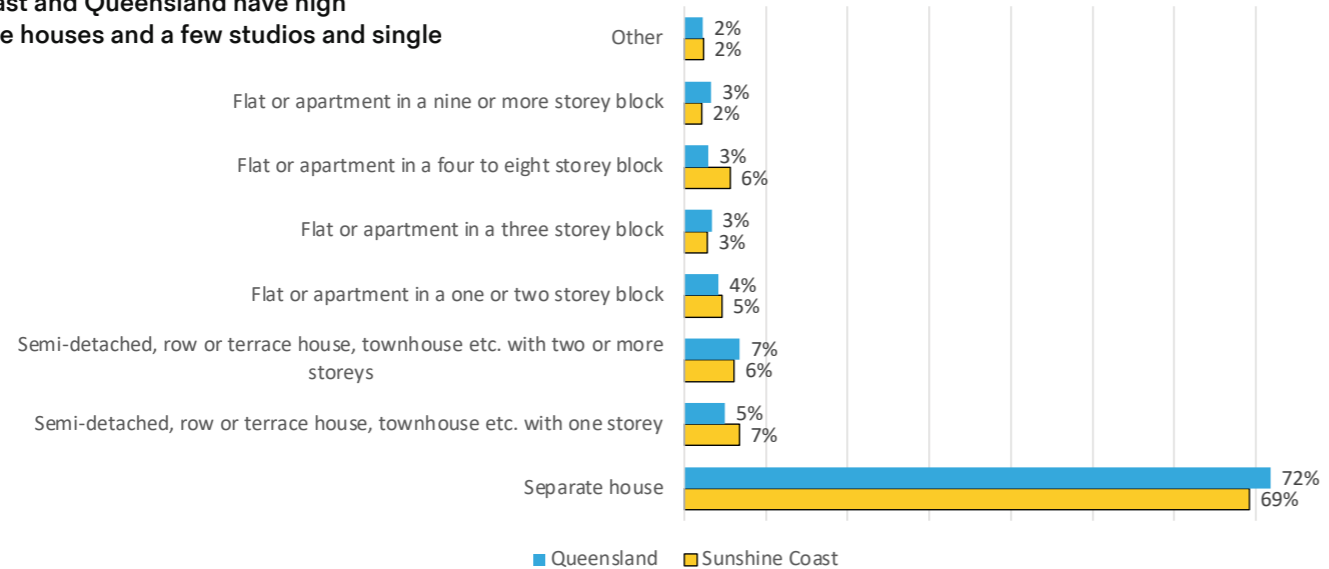


Figure 4: Dwelling type, Sunshine Coast Council and Queensland, 2021  
Source: ABS (2021), Census of population and housing. LGA (EN) by STRD Dwelling Structure, counting dwellings.

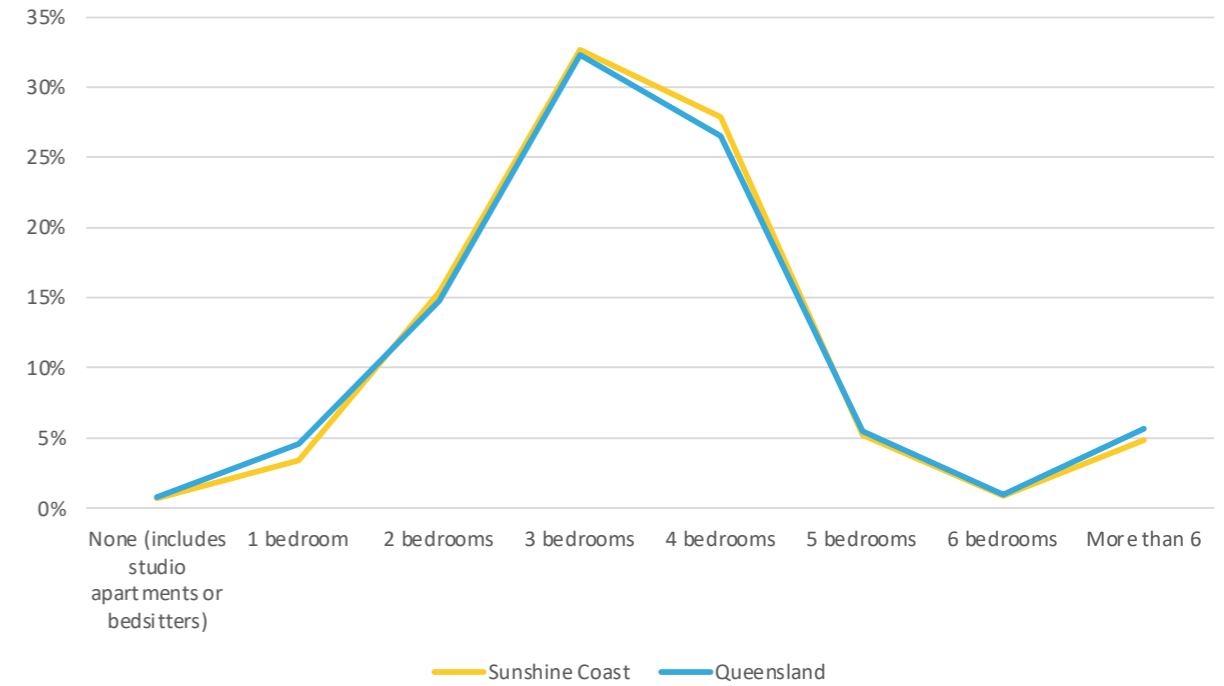


Figure 5: Bedrooms per dwelling, Sunshine Coast Council and Queensland, 2021  
Source: ABS (2021), Census of population and housing. LGA (EN) by BEDD Number of Bedrooms in Private Dwelling, counting dwelling.

## A CBD for the Sunshine Coast

The Maroochydore City Centre is a major development on Queensland's Sunshine Coast, including 53ha of land adjacent to the existing city centre and with ocean views, which had previously been a golf course. The vision, supported by the Sunshine Coast Council and Economic Development Queensland, is to create a dense, mixed-use and transport-oriented development that will act as the major activity centre for the Sunshine Coast and assist in managing the growth in the region. The appeal of coastal living has been driving population growth and provided the impetus for the Maroochydore City Centre project:

*The Sunshine Coast, obviously, is experiencing significant population growth. People that want to move to the coast will live by the coast, so a level of density was starting to appear on the coastal corridor. The transport planning up here possibly hadn't factored that in to the extent that was occurring. So that fairly typical coastal town growth problem of too many people, not enough houses, not enough roads ... all of the development planning instruments in place to manage that growth [were] not necessarily taking into account the fact that we're transitioning from a coastal town with a hospitality and holiday focus to a larger urban centre. (MCC IV1).*

In addition to the development of the land, Council has made other investments to support the development of the region, including a direct undersea cable link to Asia, a driver of economic development for Maroochydore<sup>24</sup>, and upgrades to the airport:

*They needed an opportunity to develop Maroochydore ... to be the primary CBD for the Sunshine Coast and their investments, particularly telco, have been really quite magnificent (MCC IV2).*

As these reflections on the project indicate, the Sunshine Coast Council has continued to support and influence the development of the Maroochydore City Centre, and that is also part of a suite of actions taken by the Council to address the demands created by population growth in the region, including employment opportunities for residents.

### Development History

Sunshine Coast Council issued a notice of intent to the Horton Golf Club in 2010, and the land acquired by Council in 2012 through a resumption by agreement, at a cost of \$42 million. Council gained access to the site in 2014. Planning for the redevelopment of the site also commenced in 2010, in response to the Queensland Government's direction to prepare land use plans to support development:

*... that was the first time that land use rights had been assigned to the golf course site, so that from a planning perspective, unlocked the site for development ... (MCC IV3).*

In retrospect, the Horton Golf Club can be seen as a development opportunity too good to pass up, given the size of the site and its location in the centre of Maroochydore, and the population growth on the Sunshine Coast. As housing pressures have escalated in Australian cities, there has been a focus on golf course land, with Victoria instituting a *Golf Course Redevelopment Standing Advisory Committee*<sup>25</sup>, and the proposed redevelopment of the Kingswood Golf Course. The Horton Golf Club relocated to a site 8.5km out of town, and was renamed the Maroochy River Golf Club.

Following the resumption of the land, the Sunshine Coast Council requested that the precinct be zoned as a Priority Development Area under the placed under the control of Economic Development Queensland, in response to the possibility of conflict of interest in being a developer and responsible authority. The Maroochydore City Centre Priority Development Area (PDA) Scheme was subsequently declared in July 2014. The project won the 2024 PIA Queensland Strategic Planning Project award, as 'this project illustrates local government as a catalyst for change and progress, providing economic stimulus and innovative infrastructure that underpin this transformative city initiative'<sup>26</sup>. Transferring planning to Economic Development Queensland resolved regulatory issues regarding local government acting directly as property developers, and was instrumental to:

*... remove any conflict of interest that Council would judge any development on their land more favourably than what they were judging, say ... any of the big developers (MCC IV2).*



Figure 6: Maroochydore City Centre Vision

Source: SunCentral - <https://www.suncentralmaroochydore.com.au/>

A unique aspect of the Maroochydore PDA is that plan-making for the site has been delegated to the Sunshine Coast Council, who prepared the original scheme. Subsequent amendments to the development scheme are prepared by Council, and then forwarded to the Minister for endorsement. This means Council can 'maintain the vision and the planning principles through the development scheme for the project' (MCC IV3). Economic Development Queensland is responsible for assessing development applications that are made in the site under the PDA.

Once these foundations for the Maroochydore City Centre were put in place, the Sunshine Coast Council formed SunCentral Maroochydore Pty Ltd in 2015, an entity independent from Council to guide the project, as there are limitations on the role of Local Government in commercial development and to mitigate conflicts of interest. At the time of its establishment, SunCentral was tasked with being:

*... responsible for the full range of development management responsibilities, including detailed precinct design, oversight of construction of public infrastructure, such as roads, pathways, water and sewerage and public areas, as well as the marketing and sale of land. It will also be charged with attracting capital and business investment into the site<sup>27</sup>.*

As an entity that emerged from Council, there was a benefit in retaining knowledge and capacity:

*... it was fortuitous that the people who were in Council at the time were split between the existing Council team and the new Sun Central, so it wasn't a loss of public knowledge (MCC IV2).*

The next major step in the development was in 2020, when Sunshine Coast Council and SunCentral entered a Public-Private Partnership (PPP) with Walker Corporation, a major private sector developer who has completed major urban renewal projects.

*... at a certain point of the project, a decision was made to go to market for a single developer to try and engage the types of expertise that live in the market for delivering these mega projects ... bringing on a property developer essentially allows [Maroochydore City Centre] to be managed at a scale that ... is more appropriate for this type of project (MCC IV1).*

Walker Corporation was selected following an expression of interest process, based on its experience in and capacity for delivering similar precincts. Council retains ownership of the land, and Walker Corporation has exclusive development rights in accordance with the PDA, in exchange for the development of infrastructure and the land that will be used for public land<sup>28</sup>.

The overarching purpose of the development has been retained over its long gestation, with ongoing support from Council, through changes of Councillors following elections and the introduction of Walker Corporation as developers. While the overarching vision has been retained, there have been changes to the development as a result of external influences:

*A very practical example, with COVID back in 2020, conflicts in Iran and Ukraine kicking off not long after, we've obviously seen really significant increases in construction materials and supply chain costs, in the vicinity of 30 to 40%. The previous master plan had fairly significant concrete revetment walls for managing water on the site. We have a requirement to manage significant amounts of water in a flood event on the site. So as part of the transitioning in Walker, we went through a process of master plan replanning to look at that, amongst other things, and the resultant update to the master plan kind of removes those hard concrete revetment walls from large portions of the site, which significantly reduced the infrastructure costs (MCC IV1).*

The recent change of State Government in Queensland has introduced some uncertainty for the project, as the proposed heavy rail link from Brisbane to Maroochydore is now planned to end at Birtinya, just under 15km from central Maroochydore. This is part of the Queensland government's Wave project<sup>29</sup>, which includes high-frequency bus services to the Maroochydore CBD and airport, with the aim of reducing car dependency in the region.

Construction at Maroochydore City Centre has commenced. The site was opened to the public in 2019, the first commercial office building was open in 2020, and a hotel opened in 2022. Construction has also commenced for a private hospital. As of 2023, 300 people were living in the precinct, and 1,000 people were working there<sup>30</sup>.

### Housing Outcomes

The PDA provides the housing yield for the precinct, totalling 4,000 equivalent dwellings, a measure that accounts for the number of bedrooms per dwelling. It also sets out the ambitions for housing within the precinct, including contributing to the housing mix in the region, and to housing affordability. The PDA includes how the precinct will address affordable and sustainable housing within an 'urban village'. Responding to the current housing mix and demographic forecasts, the housing should:

*... suit a variety of households, including families, singles, couples, work-at-home occupiers, students, retirees, group accommodation households and people with special needs, by considering dwelling size, configuration, affordability, location, tenure and universal design<sup>31</sup>.*

The different forms of housing, including number of bedrooms and tenure type, will be interspersed through the precinct:

*... you look at that kind of community that you're trying to create, you need that diversity of people and you also don't want this notion of 'us and them' I suppose or 'this is the owner tower and that's the renter tower' (MCC IV5).*

The people interviewed for this case study all highlighted the importance of this addition of different housing forms to Maroochydore and the positive response from the housing market, for example:

*I'm buoyed by that. That's one of the great outcomes of creating this mixed-used city centre and the density is that we'll get that diversity of products in the market, which we haven't had before (MCC IV4).*

The project has been supported by the community, which is seen as a positive reflection on Council's engagement with the community and important given the scale and uniqueness of the development within Maroochydore.

*I think there's a general acceptance in our community that high-rise development will occur in our centres, particularly within the Maroochydore City Centre. [There have been] 2 recent community consultations in respect to the PDA the most submissions ... received was about 40. That shows that there's really not a lot of opposition to the heights (MCC IV3).*

The housing mix, density and building heights within the Maroochydore City Centre precinct can all be seen as innovations in housing form within the local context, as there have been few 1-bedroom housing units provided in the region, as discussed above. The 4,000 equivalent dwellings specified in the PDA also provide Walker Corporation with flexibility, and through the weightings applied encourages smaller dwellings, using the following factors:

- a rooming unit equals 0.35 equivalent dwellings;
- a one-bedroom dwelling equals 0.7 equivalent dwellings;
- a two-bedroom dwelling equals 1 equivalent dwelling;
- a three-bedroom dwelling equals 1.35 equivalent dwellings; and
- a dwelling with four or more bedrooms equals 1.7 equivalent dwellings<sup>32</sup>.

The provision of smaller housing units, contributing to a change in the housing mix, also aligns with the other planned developments within the precinct development:

*... a success metric for us is having people living and working within the precinct. So that comes down to being able to provide a mix of stocks that responds to the type of commercial uses. We've got a private hospital that's been built in here, for example, that hospital is going to be staffed by doctors. It's also going to be staffed by nurses. There's an educational component, so university students, so we need to be able to provide a mix that actually responds to all people that are within here. So that goes from people straight out of uni[versity], or people on low incomes, all the way up to CEOs and executives (MCC IV5).*

<sup>27</sup> <https://www.sunshinecoast.qld.gov.au/news/maroochydore-city-centre-takes-a-giant-step-forward>

<sup>28</sup> Maroochydore City Centre Development Agreement Fact Sheet

<sup>29</sup> <https://www.tmr.qld.gov.au/thewave>

<sup>30</sup> 2023 SunCentral Annual Report

<sup>31</sup> Maroochydore City Centre Priority Development Area Development Scheme, p.24

<sup>32</sup> Maroochydore City Centre Priority Development Area Development Scheme, p.91

## Transit Oriented Development

This commitment to increasing the diversity of housing on offer in the region also supports the strong commitment to Transit Oriented Development (TOD). An underlying aim for the precinct development is to support local job creation and minimise the number of residents of Sunshine Coast commuting to Brisbane for work. The morning work trip to Brisbane on public transport currently takes over two hours, and almost two hours by car, which has contributed to the capture of employment to date.

The PDA includes high-density and mixed uses to encourage active and public transport and supports a long-term reduction in car dependency in the precinct. Transit-oriented development initiatives are dependent on the Queensland Government's planned investment in public transport, referred to as The Wave. There have been various promises for the heavy rail connection to Brisbane, with delivery times connected to the Olympic Games in 2032. The current proposal is to deliver heavy rail to Birtinya, south of Maroochydore, supported by lighter transport options connecting into the city centre precinct (amongst others).

*... we're talking about compact and self-contained communities, which means that you have everything within walking distance or within a short commute by active transport or by public transport (MCC IV3).*

Transit-oriented development is a significant innovation in the context of a city with typical regional Australian urban structure: low-density residential areas with high car dependency. However, car parking is a particularly contentious issue in the development, raised by multiple interviewees:

*For Maroochydore they've ended up trialling for this new, significant principal activity centre, they've tried delivering via a Council, or SunCentral, dedicated standalone multi-deck parking and that was a great learning to see how that's unfolding because there's a lot of rhetoric about it, 'oh, people never use it' (MCC IV2).*

While the Sunshine Coast Council and PDA promote transit-oriented development, transitions away from car dependency are dependent on the realisation of the Queensland Government's planned improvements to the region's public transport network:

*We have been implementing policies to try to achieve transit-oriented development such as a lower car parking rate in our city centre to ensure a mode shift away from private vehicle use. That's been very challenging in the absence of an actual transit service. But it's part of the vision and we have held fast on that. We really need the state to step it up and deliver transit to our city centre (MCC IV3).*

The changes and delays to the public transport create uncertainty for the development, with implications for planning and development decisions:

*... to this point have been expecting that the public transport getting delivered would be a passenger rail, not a metro[politan bus system]. And we've always viewed that as an opportunity, but also a bit of a constraint in the sense that once we progress development to an extent, if the rail line hasn't been delivered, whatever we build, it will be impacted by whatever that retrospective solution is ... we want people to be able to get off the public transport and have a really seamless experience from the PT node into wherever it is that they're going ... it's hard to retrospectively do that. (MCC IV5).*

As this indicates, the PDA and the detailed development planning and project initiation by Walker Corporation are intended to complement and support public transport provision through the use of transit-oriented development. As such, the changes to the Brisbane rail connection as well as the investment in local services (referred to as a metro above), affect how the development within the precinct proceeds.

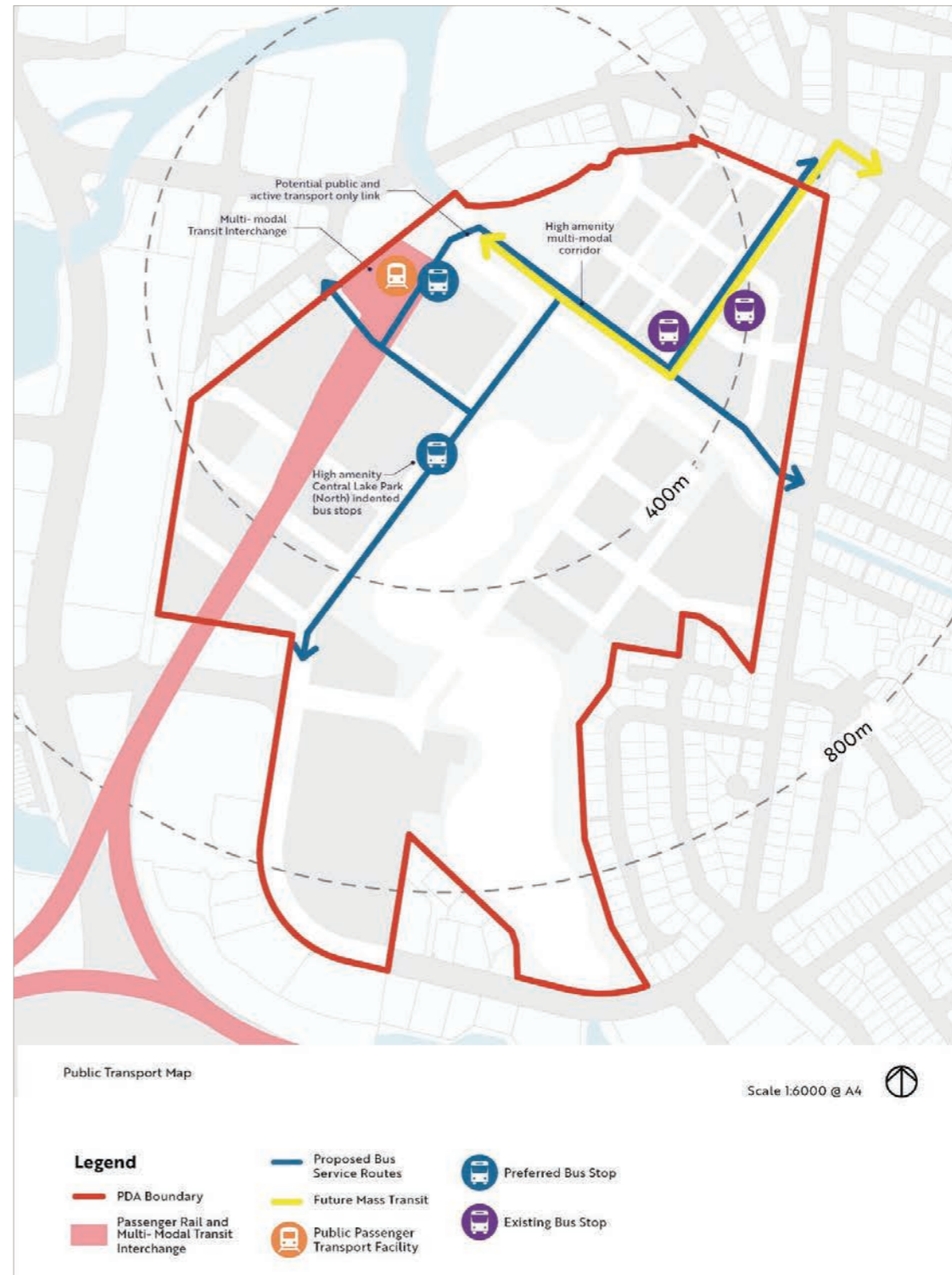


Figure 7: Maroochydore Public Transport Plan

Source: Maroochydore City Centre PDA, p.38.

## Sustainable Development

There is also a commitment to sustainable building design, taking into account the subtropical climate of Maroochydore in siting and buildings. The PDA (section 2.6.2.4) states that the *Community and Convention Precinct*, which includes the main civic facilities within the Maroochydore City Centre, will incorporate sustainability and energy efficiency targets. Innovative housing construction methods are supported within the precinct, although not prioritised. In a separate development, Council has led the construction of 22 modular houses at Marcoola as an affordable housing initiative<sup>33</sup>.

The introduction of Walker Corporation is also seen as of benefit to delivering these outcomes within the constraints of market viability:

*... a lot of those decisions are market driven and if I think in particular in terms of construction methods, for example, the types of knowledge, organisational knowledge and expertise that we would require to make informed decisions about that would have needed a fairly significant expansion of our operations. Bringing on an organisation that does that day to day has the kinds of benefits that are much more efficient (MCC IV1).*

Sunshine Coast Council is also forming processes for monitoring the outcomes of the precinct. They report on Green Star building ratings and are currently investigating the use of the Australian Urban Observatory's liveability indicators for the city. They are committed to:

*Monitoring housing outcomes over time as well, with the affordable housing component with this strategy that we have got to do, because obviously monitoring and review will be important as part of an implementation (MCC IV4).*

## Affordable Housing

The PDA includes a commitment to affordable housing, which is a standard within Economic Development Queensland led projects, and the 2024 EDOLA Act states that:

*PDA development instruments regulate the supply of housing, including social, affordable and diverse housing in PDAs to deliver more housing supply across the State<sup>34</sup>.*

In detail, the PDA stipulates that the development:

1. contributes to housing affordability,
2. achieves housing choice and diversity,
3. incorporates universal design, and
4. is suited to a range of household types.

While the Sunshine Coast Council and Economic Development Queensland are committed to affordable housing, delivering it within the precinct is a challenge given the increasing costs of construction and the Sunshine Coast Council's limited capacity to subsidise housing. The Council does recognise the issues associated with the provision of social housing to deal with homelessness in the region, and is addressing these issues in other projects. Within the Maroochydore City Centre, there is a focus on key workers:

*... that social benefit opportunities are by actually having key workers ... our housing homeless action plan is really what Council recognises that we need housing for our key workers to provide our economic opportunity. So that's why affordable housing in the city centre is really targeted to that, for the workers in that location (MCC IV4).*

As discussed above, the focus on key workers also supports the development of hospitals, hospitality and education facilities within the precinct.



Figure 8: Artist's impression of the new Maroochydore City Centre by developer Walker

Source: <https://www.walkercorp.com.au/projects/maroochydore-city-centre>

This insight also highlights that the precinct is being developed within the broader social and economic context of the region, which also underpins the arguments to proceed with the development of the precinct as a city centre. In addition to this case study project, Council is pursuing innovative approaches to housing provision, such as build to rent, and partnerships with government and not-for-profit housing agencies, and are also interested in Nightingale housing models. Council does see the Maroochydore City Centre as an opportunity to provide these forms of housing, as the transport oriented development will support low-cost living, but also makes the outcomes dependent on funding for public transport by the Queensland government. The site has also been selected as one of four Olympic Villages, to provide accommodation for athletes competing in the 2032 games to be held in Brisbane. This is seen as a possible supply of affordable housing, depending on decisions regarding the use of the site following the games.

<sup>33</sup> <https://www.sunshinecoastnews.com.au/2024/09/19/modular-homes-on-the-way-to-beach-town/>

<sup>34</sup> Economic Development and Other Legislation Act:  
<https://documents.parliament.qld.gov.au/bills/2024/3191/Economic-Development-and-Other-Legislation-Amendment-Bill-2024---Ex-notes-to-Govt-ACID-092e.pdf>

## Governance

The Maroochydore City Centre project is an example of a Public Private Partnership (PPP), between Walker Corporation as the developer and the Sunshine Coast Council as the landowner. As discussed above, the project governance also includes SunCentral, an independent entity wholly owned by Council, and Economic Development Queensland. The roles of the entities involved in the project are:

- Sunshine Coast Council: landowner, delegated authority for the preparation of the development scheme (PDA) and amendments.
- Economic Development Queensland: planning authority, development approvals.
- SunCentral: Development manager, advice to Council.
- Walker Corporation: Project developer.

This arrangement provides for the separation of the Sunshine Coast Council's roles as landowner and developer from the planning authority for project approvals. This is achieved through SunCentral, as the liaison with Walker Corporation, and Economic Development Queensland for planning approvals. The unique sharing of PDA responsibilities between Sunshine Coast Council and Economic Development Queensland supports continuity in the aims and delivery of the project through joint responsibility, and is also a recognition of the high levels of capacity in the Council as recognised by interviewees.

*... the advantage of having the zone, the area declared as a PDA, makes it a little bit more resilient to those changes at a local level because obviously the state is our planning authority. So we seek approval for any developments through them rather than through the local government, but obviously the local government is our Sun Central shareholder and there are party to the development agreement (MCC IV1).*

The introduction of Walker Corporation to the project shifted the role of SunCentral and governance to ensure that the benefits of a single large-scale developer were balanced with oversight from the representatives of Sunshine Coast Council:

*We do have some fairly rigorous governance in place. That means that all of those decisions are made either collaboratively or with approval ... But obviously the value of bringing on a private developer is they bring their private investment with them. So with their private investment, there's a necessary shifting of decision making that's appropriate to occur ... Walker and the others that there were involved in the process, they were involved in these types of projects and precinct delivery projects around the country and internationally. That level of insight is not something that we could have gained, certainly not quickly. So there's some loss of decision making, but there is governance that keeps those decisions accountable to the partnership. But there's some benefits in that loss of decision making that we wouldn't have been able to capture any other way (MCC IV1).*

There are regular meetings of the agencies involved in the project. This includes a 6-monthly meeting of the executive-level Strategic Review Group which includes Walker Corporation, SunCentral and Council, and addresses questions related to future directions and whether the project is responding to the PDA. There is also a monthly project control group meeting between SunCentral and Walker Corporation that discusses the projects under delivery. These arrangements reflect the roles of the organisations listed above and the separation of Sunshine Coast from the day-to-day running of the project.

*... the governance is pretty robust. I would say because Council cares about the outcome ultimately, so it's probably a bit more than what you would normally see ... but I think it's important as well, because it's critical on a project like this with many and varied stakeholders that are often looking at things from different angles to kind of get together, so I think it does help (MCC IV5).*

Within the governance arrangements of the Maroochydore City Centre project, the continued leadership and consistency of the Council are seen as crucial. Interviewees recognise the importance of this in light of a project approaching 15 years duration, with construction projected to proceed over the following decades. There has been a commitment within the Sunshine Coast Council's planning team to inform new members of Council of the importance of the project:

*There's a process of inducting and gaining new insights from new members that always has to occur, and that transition ultimately hasn't resulted in significant change for the project ... I think that speaks to the underlying strengths of the project. Once people understand what we're trying to do and they understand the mechanisms that are in place to help us get there, the planning and economical and social argument for the project is fairly compelling (MCC IV1).*

This is also reflected in the recognition that the development will provide significant benefits to the community and that the retention of those benefits is a result of a project:

*... that aligns to all of the Council's regional strategies. It's got a really strong strategy platform, a long-term vision for the Sunshine Coast that has been consistently re-endorsed by each Council ... you know every four years (MCC IV4).*

## Role of Local Government

The Sunshine Coast Council has been instrumental in establishing the Maroochydore City Centre project, as well as ensuring that the social and sustainability aims of the project have been retained over its long duration. This commitment to regional innovation in housing mix and form, Transit Oriented development and sustainable and affordable housing is seen as a direct outcome of the decisions by Council to retain control of the site:

*... it would have been very easy for Council to have just sold super lots offered for residential product given the location of this site in Maroochydore, it's ocean views but because that wasn't Council's sole intent, it was very challenging to get that commercial precinct out of the ground initially and attract the investment. I guess that was key to why Council took on the project in the first place. It was a slow burn and there couldn't have been easier wins up front if housing was its sole objective (MCC IV3).*

As Interviewee 4 noted, if this approach to development had been taken, then Maroochydore would not 'get the diversity in affordable component, it would just be all premium'. The ongoing interests of the Sunshine Coast Council in the project outcomes, and particularly through their role in the PDA, were also noted:

*... we're very much still early days on this project. Projects like this, you don't do a development scheme and then that's ultimately what gets delivered. We'll iterate with Council for the next 20 years to figure out the best way to achieve the vision (MCC IV5).*

This is also supported by the strong role of the Sunshine Coast Council in maintaining the strategic aims for the project:

*They're very long-term projects and if you've got political elements that come in and change, that are often looking for the quick wins and the easy gains. Having that consistent leadership, long-term vision, maintaining that has been really key to this project (MCC IV3).*

It is also of note that after 15 years, the project is still considered to be in its 'early days', which highlights both the continuing commitment of Council to its original aims, also noted by this interviewee, and also the extended time it takes to realise housing outcomes in large-scale developments.

### Building Community Support

In addition to the direct interventions in site acquisition and planning, the Council staff have played a significant role in promoting the benefits of the project. This includes, through community engagement, providing evidence of the benefits of project innovations, and advocating for the project to State Government.

Community engagement in this instance is particularly important, due to the limited planning appeal rights under Economic Development Queensland legislation. The project also emerged as the Sunshine Coast Council was formed by the merger of three regional Councils in 2010. This may have made the prioritisation of one location within the newly formed municipality, Maroochydore, controversial. The need to engage with the community was thus seen as crucial in building support for the project:

*... over the course of five years, we had seven community consultation or engagement programs. So it's been essential to bring the community along the journey. I think now it's pretty much established that Maroochydore is the city centre for the region and there's a general acceptance that this is where the development will go. But initially there was a lot of effort put into bringing the community along on the journey. (MCC IV2).*

The project has not been received positively by all members of the community, but in the view of one interviewee, this can be seen as a reflection of the resources applied by Council to realise the development, and the innovations:

*... when it started SunCentral was Council's developer, effectively, so they did the initial subdivisions. And Council acquired the site. So there was a lot of cost in getting the project going and they've invested in some innovative stuff like the automated waste system which you probably heard about, the submarine cable ... if it's looked at in isolation and in a world where people love to criticise (MCC IV5).*

Transit-oriented development is an area of innovation strongly supported by Council, and has been a central premise in the PDA to shift the region from car dependency to active and public transport. The Council has been working to provide an example that alternative transport is viable within Maroochydore and the city centre:

*... Council's invested in a significant end of trip facility within ... City Hall to try and help that mode shift. So that's to show people and the community around it how it can be done if people embrace that (MCC IV4).*

Council is also directly working towards behaviour change:

*Our active transport strategy is behavioural change and we do have internally our travel change team that's also trying to facilitate that, both internally within the organisation and externally as well. It's just a hard slog when you don't have the network of support of the public transport and we're still trying to build infrastructure to support all that capability and capacity (MCC IV4).*

This is also reflected in the advocacy to State Government, which is also seen as the developing community awareness of the project's aims.

*Council's very much been a strong advocate of getting public transport options delivered to our coast. Our counsellors all publicly advocate for that, as we do, to the state government in our plan making and changes to our car parking rates for the city centre ... the community is well aware of what Council's been advocating for our region, which is direct Sunshine Coast rail and Sunshine Coast public transport (MCC IV3).*

Similarly, the Council is promoting the benefits of apartment living within the precinct:

*We don't have that diversity of choice to demonstrate and show people the value of living that way ... I look out and see all the people living in the new apartment buildings in the city centre and they're all very happy and they've got the access to the restaurants here and it's a good quality build. I think that is generating ... evolution (MCC IV4).*

And also affordable housing:

*... educating people about affordable housing. Just trying to break the barriers and perceptions (MCC IV3).*

These are examples of Council taking on a broader role in the support of housing innovation. The Sunshine Coast Council is providing 'proof of concept' to the community, including residents and developers, and embedding the transitions included in the PDA in the day-to-day lives of its constituents, as well as demystifying them.

### Addressing Council Limitations and Restrictions

The Sunshine Coast Council is advocating for changes to legislation to allow them to make better use of their land for housing, due to restrictions on loans, purchasing and how land is disposed of:

*... land purchases and consolidation, is that Council's using its existing land assets to lever and deliver housing. So we're not acquiring new land for the purposes of housing, we're using our existing assets and trying to lever those outcomes. Some of those outcomes might be a community outcome as well as a housing outcome. And so we're advocating resulting changes to legislation to help us do that (MCC IV4).*

The Sunshine Coast Council is also pursuing innovative development models, such as the Nightingale model, to support affordable housing. Similar to their transit-oriented development initiative, this is also recognised as something that will require support from other agencies, particularly if it is to be included in the Maroochydore City Centre development:

*Some of the things that I'm really interested in innovation is affordable build to rent models ... there is a particular opportunity for a build to rent in the Maroochydore city centre, in premium as well as affordable given the scale and location, cause that's where they would go. They're only in Sydney, Melbourne, there's a new one happening in Brisbane, but we just we don't have that market I suppose yet here on the Sunshine Coast, to get that scale. I'd like to get a Nightingale product here, but we don't have the public transport system yet to actually make their model stack up at this point in time. Hopefully that will happen in the future. So we're really looking at innovation (MCC IV4).*

Overall, the Sunshine Coast Council has acted to develop the golf course land, a major opportunity for development, and worked to ensure that innovations in housing and transport are realised across the extended life of the project through retaining ownership of land until the development of public realm has been delivered. This is supported through the governance put in place, which ensures transparent decision-making, long-term commitment to development goals, and provides a foundation for appropriate private sector investment.

## 2.1.2. Love Wolverton, Milton Keynes, England

### Key dates:

- **1974:** Wolverton becomes part of the Borough of Milton Keynes.
- **1979:** Milton Keynes Development Corporation opens Agora Shopping Centre designed to revitalise the town, but was unsuccessful in the late 80s.
- Various private sector redeveloped proposals followed, but none came to fruition.
- **2015:** The Wolverton Town Centre Neighbourhood Development Plan becomes part of the Milton Keynes Development Plan, setting out community requirements for the Agora redevelopment.
- **2019:** Agora is purchased by TOWN and Trivselhus for redevelopment, responding to the Neighbourhood Plan.
- **2021:** Redevelopment deemed at risk, leading Milton Keynes City Council to purchase the site and continue with the proposed development with TOWN as development manager.
- **2024:** Site demolition completed.
- **2025:** Construction is delayed due to cost increases, COVID, regulatory changes following the Grenfell disaster and financial situation in the UK.

*Love Wolverton* is a housing and urban redevelopment project located in the town of Wolverton, within the Milton Keynes City Council area, in the south-east of England and approximately 90kms north of London.

The Love Wolverton project involves the redevelopment of the 1.3ha brownfield site of the Wolverton Agora, a disused shopping and leisure centre and an associated carpark.

*Over the years it sort of failed because it was so out of keeping with the rest of the town, and it was a huge barrier to walking through the town because you had to go inside the building ... And when there was nothing in there because the sorts of shops and things were not attractive to people (Wolverton IV2).*

The site had been purchased from the previous private owner in 2019 by a partnership between the developer TOWN and the Swedish development and construction firm Trivselhus, under a joint venture called Love Wolverton Pty Ltd<sup>36</sup>. However, in an echo of earlier proposals to redevelop the site<sup>36</sup>, the redevelopment struck financial difficulties and the Milton Keynes City Council stepped in, purchasing the site in 2021 from the Trivselhus and TOWN consortium, and continuing with TOWN's proposal for the precinct. This builds on the experience of TOWN in urban developments that include social and sustainability outcomes, such as Marmalade Lane and Northstowe in Cambridge<sup>37</sup>.

Love Wolverton was approved for development by Milton Keynes City Council in 2021 and at the time was expected to be completed by 2024. The Agora has been demolished, including extensive asbestos removal, and planning and design work has been undertaken, however, construction and other aspects of the project have been delayed. The delays have been resulted from rapid inflation in construction costs, the introduction of new building safety regulations following the Grenfell Tower disaster in London, as well as local regulations in drainage and waste management<sup>38</sup>.

When completed, the project will provide 115 homes in the growing municipality, ranging from 1-bedroom flats to 4-bedroom houses suitable for families, at a cost to Council estimated at £42m at project commencement<sup>39</sup>. Council will act as landlord for the majority of the housing through an independent entity, including 31 below market rent houses<sup>40</sup>. The housing not managed by Council comprises a 29-home cohousing community for people aged over 50, where residents share common spaces and facilities. Twenty-five of these houses will be for sale and the other four are reserved for social rent. In addition to social and affordable housing, the Love Wolverton precinct also includes commitments to environmentally and socially sustainable housing, including access to sunlight and shared spaces, materials and services, photovoltaics and battery installations, and design for a low-car neighbourhood<sup>41</sup>. The project will also reinstate the heritage street layout of the Wolverton town centre, and include street-level shopfronts to revitalise the centre:

*They see it as a landmark scheme ... a kind of innovative piece of regeneration, both in terms of the mix of housing, the sustainability aspirations, but also how it will repair the fabric of Wolverton ... if it was just a bland response to the issues of Wolverton, that actually doesn't then tick those boxes in terms of additionality, then there probably would be far less rationale for them using public money to invest in the scheme (Love Wolverton IV1).*

Love Wolverton is an example of local government working with the private sector to enact the outcomes of community-led planning policy and to retain the approved and widely supported planning scheme developed by TOWN. The project will deliver affordable housing and revitalise an underused and prominent site, including different types of tenure and providing good quality housing provided by Council at lower than market rent. It also illustrates a case where the need to regenerate a site has been unanimously agreed upon by local residents and actors, such as successive generations of local Councillors, but where the constraints of the site created significant financial barriers, which in turned led to several unrealised attempts to redevelop the site over nearly twenty years.



Figure 9: Love Wolverton redevelopment precinct, artist's impression of main square

Source: provided by TOWN, 2025.

<sup>36</sup> <https://futurewolverton.org/agoradevelopment/>

<sup>37</sup> For example, the Brick Hill Estates redevelopment proposal in the mid 2010s.

<sup>38</sup> <https://www.wearetown.co.uk/projects/marmalade-lane/>; <https://www.wearetown.co.uk/projects/northstowe/>

<sup>39</sup> <https://lovewolverton.co.uk/agora-regeneration-update-november-2024/>

<sup>40</sup> <https://lovewolverton.co.uk/about/>

<sup>41</sup> TOWN, 2020. Planning and Economic Statement, Love Wolverton

<sup>42</sup> <https://www.wearetown.co.uk/projects/love-wolverton/>

## Milton Keynes City Council's Housing Strategy

Milton Keynes was established as a district Council in 1974, and declared a unitary authority in 1997 and a city Council in 2022, a marker of its economic and population growth in recent decades. As a unitary authority, Milton Keynes City Council combines the role of borough and county, and is therefore responsible for all local government services within the municipality. The responsibilities of the Council relevant to this case include planning, transport, social care and housing. There are 57 Councillors who represent wards within the Council area, including a Wolverton Ward. Wolverton is also represented by a town Council, the Wolverton and Greenleys Town Council, which is responsible for local issues. Within the UK system of government, this may include consultation on town planning<sup>42</sup>. The Milton Keynes City Council is well regarded:

*... you always need the political will and support to be there essentially because ultimately politicians set the agenda and then and then you need ... skilled and pragmatic officers within the Council, who also really buy into that vision, which I think is the case at Milton Keynes (Love Wolverton IV1).*

Milton Keynes had a population of 287,000 in 2021, and is also one of the UK's fastest growing municipalities, increasing by 15.3% in the decade to 2021. An interviewee reflected on the position of Milton Keynes in the growth arc between Oxford and Cambridge, and on the housing and employment growth that cities such as Bedford and Milton Keynes are anticipating. However, the population growth in the decade to 2021 was most pronounced for age groups of 65 and older, as shown in Figure 8. It is also economically strong, with major companies, high employment rates and productivity<sup>43</sup>.

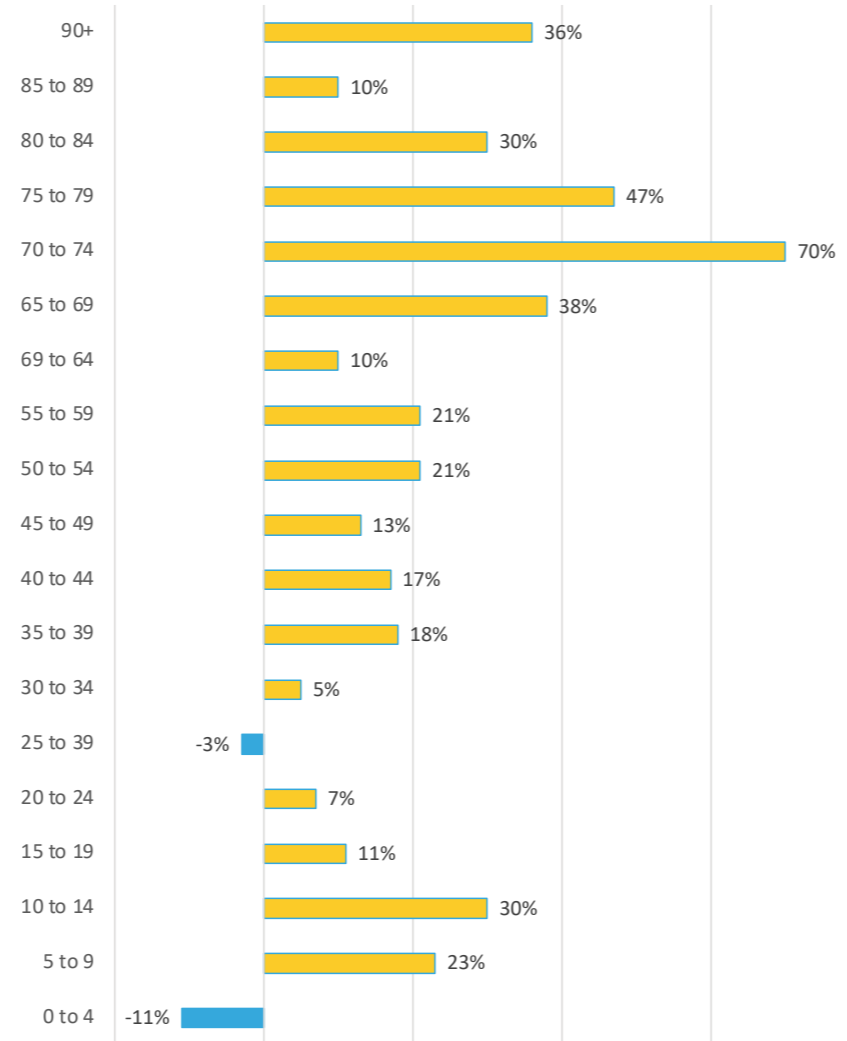


Figure 10: Population change (%) by age group, Milton Keynes, 2011 to 2021  
Source: Office for National Statistics. Nomis, official labour market and census statistics.

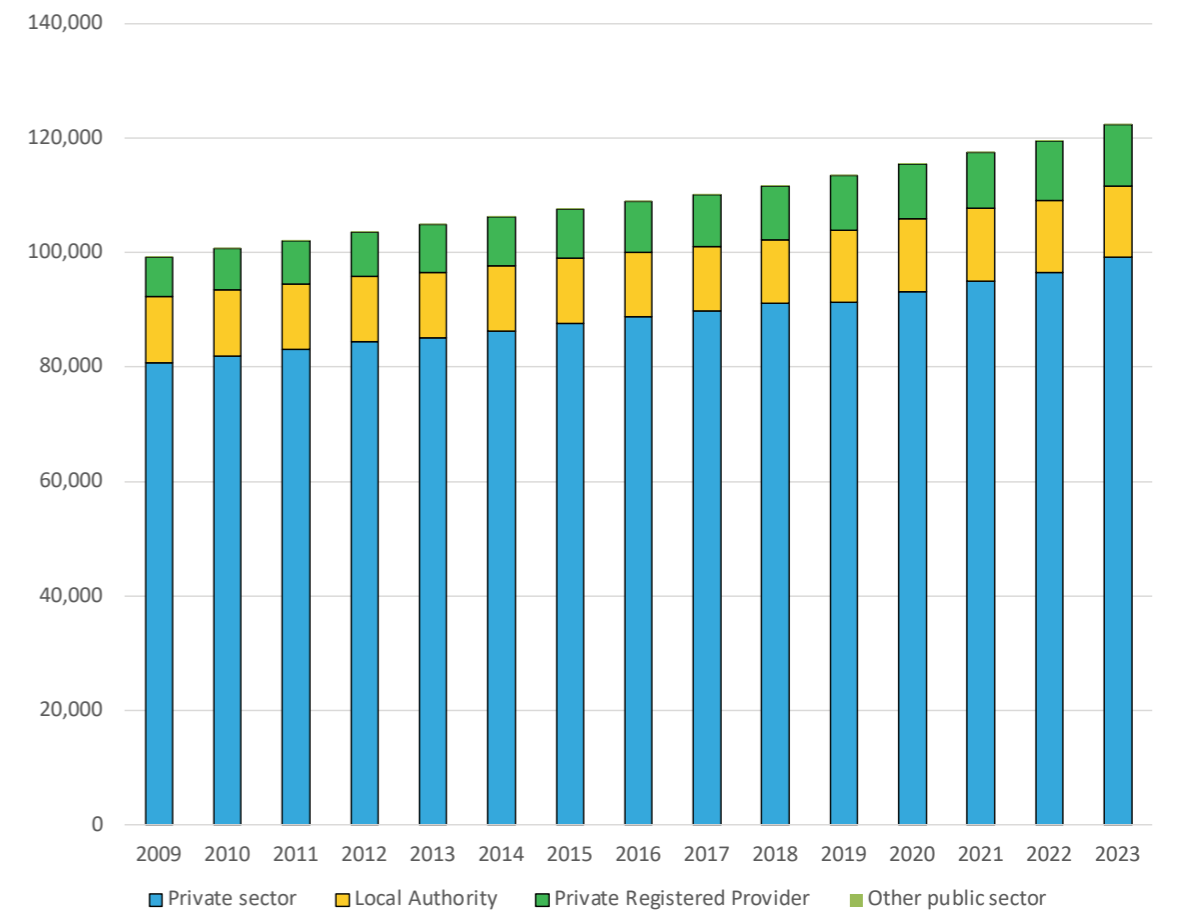


Figure 11: Dwelling stock, Milton Keynes City Council, 2009-23  
Source: Live tables on dwelling stock (including vacants), www.gov.uk, Ministry of Housing, Communities and Local Government.

<sup>42</sup> <https://www.gov.uk/understand-how-your-council-works>; <https://www.milton-keynes.gov.uk/your-council-and-elections/how-council-works>  
<sup>43</sup> Milton Keynes: Better by Design. City Profile – 2025.  
<sup>44</sup> Milton Keynes: Better by Design. City Profile – 2025.  
<sup>45</sup> Milton Keynes City Council: Annual Report 2023-24.  
<sup>46</sup> <https://www.ons.gov.uk/explore-local-statistics/indicators/additions-to-the-housing-stock>

With strong economic growth in recent years, Milton Keynes City Council is in a sound position to undertake large and innovative projects such as Love Wolverton. The Council was in the main seen by interviewees as a competent, financially stable and growing economy and population, and has benefited from political stability, which supports:

*Quite a progressive development agenda ... this is one of a number of quite significant capital projects that they're seeking to do and that is partly, you know, a mixture of reasons for each project in terms of housing regeneration but there is quite a progressive agenda that seems to sit behind the Council and their activities (Love Wolverton IV1).*

Almost 3,000 homes were completed in Milton Keynes in 2022-23, which places Milton Keynes in the top 5 Councils for housing delivery within the UK<sup>44</sup>. The UK Government has supported housing development in Milton Keynes through the Housing Infrastructure Fund, providing £95m for infrastructure to enable the development of 5,000 houses in the Council.

The Council manages 11,000 homes, almost 9% of the municipality's total housing stock of 124,705, which are leased at below-market rents. Income from Council housing was more than £70m in 2023-24, which was reinvested in increasing stock, maintenance and improvements. Part of this expenditure is used to encourage tenants to downsize and to free up family homes that are in higher demand within Milton Keynes<sup>45</sup>.

*... they are a really significant housing and commercial tenant landlord across the city. They probably retain a lot more land and buildings and a bigger estate than most local authorities. And because of the history, because of the fact we're a new town, so as a result it is more experienced in those sorts of things (Love Wolverton IV2).*

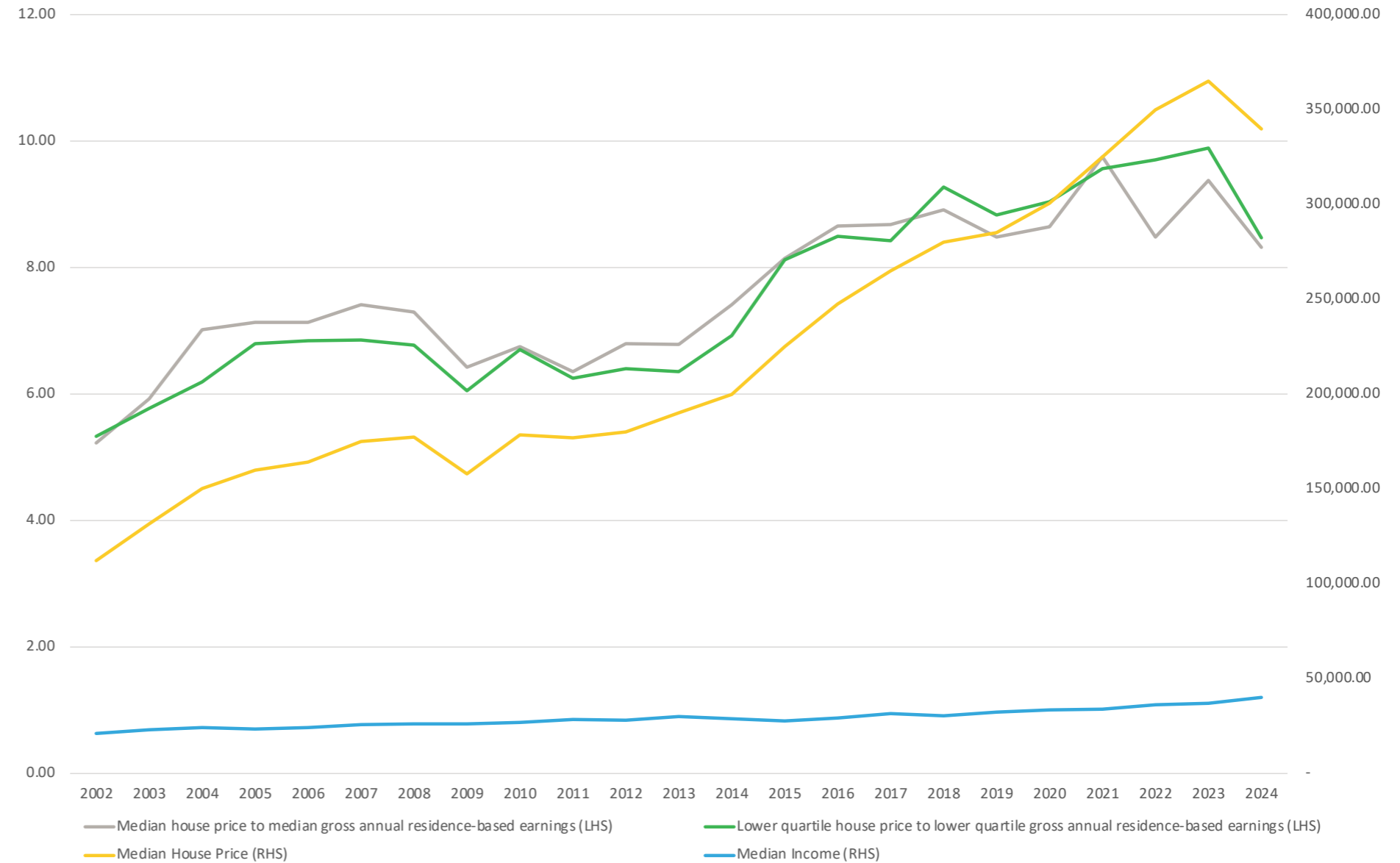


Figure 12: Milton Keynes City Council - ratio of median house price to median gross residential earnings - 2002 to 2024

Source: Office of National Statistics, 2025. Median house prices for administrative geographies (existing dwellings). Crown copyright 2025.

The Milton Keynes Council area has had one of the fastest increases in dwelling stock in recent years<sup>46</sup>, adding more than 20,000 dwellings between 2009 and 2023 as shown in Figure 9. Over this period of growth, the proportion of private housing stock has remained between 80% and 82% of the total, and dwellings managed by Milton Keynes Council between 10% and 12%. This reflects the rapid population growth in the area, as well as Council’s commitment to affordable housing.

As expected with such growth, Milton Keynes has been facing issues with housing affordability, with steady increases in the ratio between median house prices and incomes up to 2023. This increase has been mainly driven by house prices, as the median has tripled over the twenty-year period, while median incomes have only increased by 1.9 times, as shown in Figure 10.

The housing mix in Milton Keynes is mostly 3 or more bedroom dwellings, comprising 64% of the stock in the municipality, as shown in Figure 11. The low proportion of single and two-bedroom dwellings supports the aim of the Love Wolverton project to address gaps in the housing mix, as discussed in the following section.

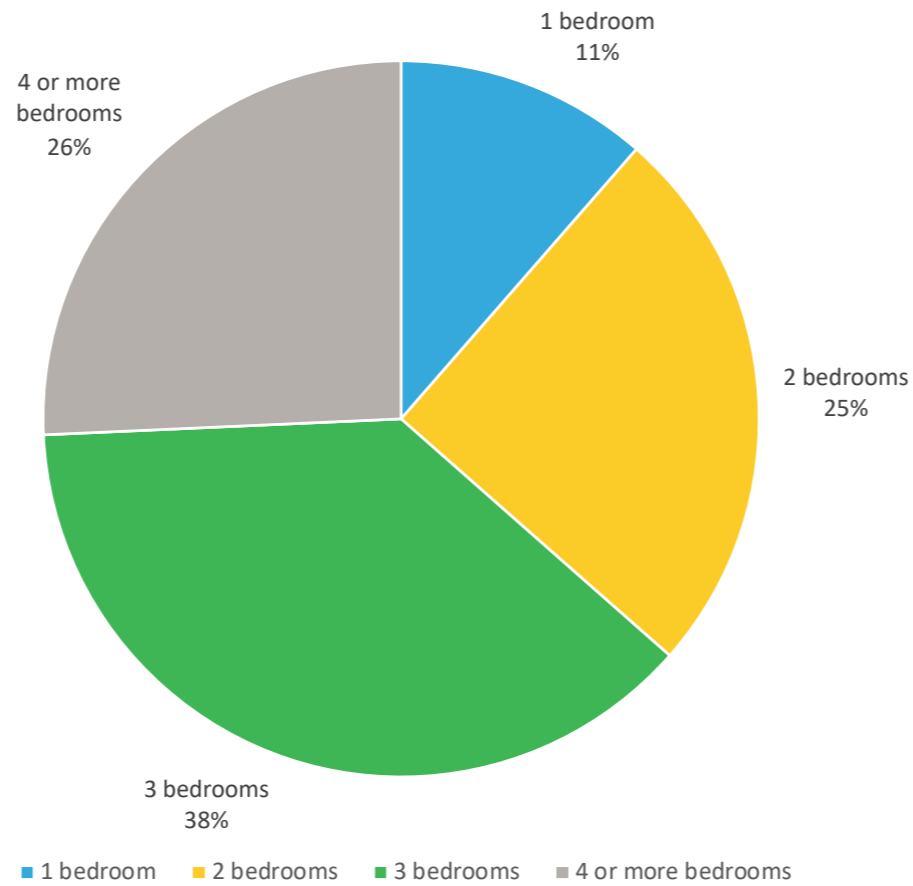


Figure 13: Dwelling mix, Milton Keynes 2021

Source: Office of National Statistics, 2021. Crown copyright 2025.

## Transforming the Agora

The Wolverton Agora was formerly a shopping and leisure centre, developed by the Milton Keynes Development Corporation in 1967, which was established to oversee the development of Milton Keynes as a 'new town' and therefore precedes the Milton Keynes City Council. As one resident of Wolverton stated:

*We were gifted by the Development Corporation building this spaceship that looked like it had landed in the middle of the town, which completely cut off the grid system that the town operates on ... It was successful for about five years, and then very quickly, it became a huge source of antisocial behaviour and problems, basically loads and loads of social problems (Love Wolverton IV3).*

The centre had not achieved the commercial success expected, and in more recent years had struggled to find buyers. Local newspaper sources state that residents were divided about the fate of the centre<sup>47</sup>, and that the site was proposed to Historic England for a heritage listing, which it did not obtain<sup>48</sup>. There had been earlier proposals for redevelopment, but none had come to fruition. Included in the development site is the Milton Keynes City Council owned carpark, adjacent to the main Agora site, as shown in Figure 13.

### Development History

The Wolverton Town Centre Neighbourhood Development Plan 2015-2025 was developed out of an initiative of the UK Labour Government in 2010 'to democratise and enable more local involvement in neighbourhood planning' (Love Wolverton IV2). The plan states that the:

*... principal reason behind the decision to develop a neighbourhood plan for the town centre was the long-standing community aspiration to redevelop the Agora shopping centre<sup>49</sup>.*

The Wolverton & Greenleys Town Council<sup>50</sup> and Future Wolverton<sup>51</sup>, a local community group, were involved in the community consultation and preparation of the Neighbourhood Development Plan, with the vision to:

*... ensure that Wolverton's centre, as the heart of the town, is a vibrant, attractive and distinctive neighbourhood with a variety of retail, commercial, cultural, and leisure ...<sup>52</sup>.*

The Neighbourhood Plan process uncovered strong support for the redevelopment of the Agora site, due to its disruption to the street network, the inappropriate design within a heritage area, its state of disrepair and the failure to attract people to the town. The Neighbourhood Plan sets out 20 principles for any proposals for a redevelopment of the Agora site to gain support, including three with direct relevance to this case study:

- Include a mix of new housing, which complements the existing provision and meets the particular needs of older people (extra care housing) and younger people (supported housing). Housing provided on the site should also meet the Lifetime Homes Standard and best practice guidance in 'Safer Places' and 'Secured by Design'. Some dwellings should support home based working and all homes should have high-speed broadband.
- Include a range of small to medium sized retail (50 to 1000 square metres) and office units and workshops suitable for current town centre businesses that may require relocation and new occupiers. (Allow for a range of land uses and unit sizes.)
- Subject to viability testing, new development will be zero-carbon and resilient to the impact of climate change and served by a district heating network where convenient connection is available<sup>53</sup>.



Figure 14: The Agora before it was demolished

Source: <https://www.mkcommunityhub.com/post/structural-demolition-of-wolverton- agora-begins-to-make-way-for-award-winning-love-wolverton-scheme>

<sup>47</sup> <https://www.miltonkeynes.co.uk/news/people/plan-to-demolish- agora-in-milton-keynes-stall-after-mystery-bid-to-make-it-a-listed-building-971131>

<sup>48</sup> <https://www.miltonkeynes.co.uk/news/politics/council/experts-refuse-to-list-wolvertons-controversial- agora-as-an-historic-building-950147>

<sup>49</sup> Wolverton Town Centre Development Plan 2015-2025, p.30.

<sup>50</sup> Wolverton & Greenleys Town Council is a tier of local government below the Milton Keynes City Council, and has input into planning decisions but not the planning authority, which is held by Milton Keynes City Council.

<sup>51</sup> Future Wolverton formed out of earlier community organisations who had worked with the Wolverton community to develop the Neighbourhood plan.

<sup>52</sup> Wolverton Town Centre Development Plan 2015-2025, p.5.

<sup>53</sup> Wolverton Town Centre Development Plan 2015-2025, p.35.

The Neighbourhood Plan also includes a portentous section on options to proceed with the Agora redevelopment if the private sector development proposal in effect in 2015 did not proceed, including community-led development and a public subsidy. The Neighbourhood Plan is important in the history of the Agora redevelopment and the long process that has resulted in the Love Wolverton scheme, the involvement of TOWN and the support of Milton Keynes City Council for the project. One of the founding directors of TOWN, Jonny Anstead, was supportive of and involved in the Neighbourhood plan process, which sets out the community's preferences for the site's redevelopment.

In 2019 a partnership between TOWN and Trivselhus purchased the Agora site, and a planning application was submitted to the Milton Keynes City Council in 2020. TOWN is a London-based profit-with-purpose developer working across the three areas of master planning, urban regeneration and cohousing. The proposal included many innovative aspects, including offsite and low-carbon methods of construction such as the use of structural mass timber, cohousing for seniors, sustainable housing and transport, and below-market rent dwellings. Despite these proposed outcomes, the Wolverton and Greenleys Town Council objected to the planning application because it was perceived as reducing the availability of parking spaces.

By 2021, the project was again at risk due to financial viability. A decision was made by Council to purchase the site from Trivselhus and to continue with the project, with TOWN remaining as the development manager on behalf of Council.

*All along it's been very, very commercially difficult because it's a really big development to do, and making sure that it's in keeping obviously has a cost, and making sure it's sustainable has a cost (Love Wolverton IV2).*

In the view of a community representative, the Milton Keynes City Council was left without other options to take on the Love Wolverton project ('it would have been political suicide not to do it', Love Wolverton IV3). The Wolverton Neighbourhood plan, as discussed above, sets out the aims for the development. As the project was competing with greenfield sites for investment, the Agora was not going to be redeveloped without public sector support:

*If ... you have a Greenfield site in the middle of nowhere or Wolverton town centre. What are you going to choose? Of course, you're going to choose the nice greenfield site. So I've always argued the Agora would never have happened had it been left to the public sector ... You know, the market wasn't going to deal with this issue. It needed the public sector to be involved ... they had to get involved. They only got involved at the point where the whole thing was falling apart (Love Wolverton IV3).*

A discussion paper presented to Milton Keynes City Council cabinet in 2021 argued for the purchase of the Agora site for the following reasons:

1. The Agora site was underused and a blight within Wolverton, however the private sector proposals for redevelopment had not come to fruition, over many decades.
2. Council would assume control of the development, including managing the risks and finances of the project.
3. Private developers require a higher rate of return on investment in the Agora site than the Council, as Council does not need to return a profit on top of recouping the costs of purchasing the site.
4. The plans for the Agora site developed by TOWN and Trivselhus were considered to be of high quality and community benefit, preserving Wolverton's heritage as a railway town and restoring the street pattern that had been disrupted by the Agora's construction in the 1970s.
5. The Council would also retain ownership of the housing in the development, with a total of 115 homes, including provision for affordable housing.

The site was purchased by Council, a Tier 1 builder (Wilmot Dixon) was contracted for the build, including 88 new homes<sup>54</sup>, and the Agora building was demolished during 2022:

*It needs to obviously be commercially viable to an extent but ... economic regeneration and social value case are also really important to the Council and that recognising this isn't just a straight-up commercial development (Love Wolverton IV1).*



Figure 15: Love Wolverton redevelopment precinct, aerial view

Source: Google Earth.

As indicated above, a key argument for Milton Keynes City Council's intervention was the quality of the proposal prepared by TOWN. The proposal for the Agora site is for a mixed-use precinct, including more than 900m<sup>2</sup> of commercial floor space and 105m<sup>2</sup> for a community centre. The precinct proposal also states that it will support sustainable mobility and active transport, including an upgraded bus stop, bike docks and parks, and car sharing spaces. The project will realise other benefits for Wolverton and its community, as the project will revitalise an underused and central section of Wolverton and re-establish the street network in the centre of Wolverton, as the Agora cut off pedestrian through lines and reduced street traffic.

Council expected construction to commence in the middle of 2025 and to be complete during 2027. The project has experienced delays, as explained on the Love Wolverton website for community engagement:

*The last two years have seen unprecedented challenges in the development and construction industry, including record build cost inflation, new legislation (the 2022 Building Safety Act), ongoing changes to the Building Regulations, and evolving local standards, for example in surface-water drainage and waste management.*

*Incorporating essential changes to the detailed specification and engineering of the scheme, while remaining faithful to the design that obtained planning permission three years ago with widespread community support, has been technically challenging and time-consuming<sup>55</sup>.*

The delays have led to some community unrest:

*The important point is that now I think that community views are ... getting less positive and that's because demolition has happened and what we have now is the same barrier across the town, except not quite as bad visually and an enormous pile of bricks ... The Community [was] really dismissive and defeatist about the Agora, saying it will never be knocked down and then it was, and now they're saying it'll never be replaced. (Love Wolverton IV2).*

While this indicates the ongoing challenges faced by Milton Keynes City Council in delivering the project and from its constituents, it also highlights the importance of their intervention of purchasing the site, as otherwise, it is likely that the cycle of failed private sector proposals would have continued.



Figure 16: The Agora's demolition site in 2022  
Source: <https://lovewolverton.co.uk/demolition-update/>

Table 4: Love Wolverton dwelling mix

Housing Type	Rental		Cohousing		Total
	Market Rent	Affordable/ Discounted Rent	Market Sale	Affordable – Social Rent	
1 Bed	10	5	4	4	23 (20%)
2 Bed	24	10	19	0	53 (46%)
3 Bed	14	10	2	0	26 (23%)
4 Bed	11	2	0	0	13 (11%)
<b>Total</b>	<b>59 (51%)</b>	<b>27 (23%)</b>	<b>25 (22%)</b>	<b>4 (3%)</b>	<b>115 (100%)</b>

Source: TOWN, 2020. Planning and Economic Statement, Love Wolverton.

<sup>55</sup> Agora Regeneration Update – November 2024. <https://lovewolverton.co.uk/agora-regeneration-update-november-2024/>

## Housing Outcomes

In addition to the attributes of the Love Wolverton project discussed above, the proposal includes a notable intervention in housing supply. A crucial aspect of the intervention by Council is that they will retain ownership of the housing stock, which will be offered for rent by the Milton Keynes Development Partnership. The Milton Keynes Development Partnership (MKDP) was established in 2013, is wholly owned by the Milton Keynes City Council, and has the responsibility of developing Council-owned land to meet Council objectives. The MKDP will lease the dwellings from Council, and then re-let them to tenants. This provides a mechanism for retention of the social and affordable housing goals within the project, and also offers a return on the investment by the Milton Keynes City Council.

As set out in Table 1, the 115 dwellings include 31 offered at affordable or discounted rent, including four within the cohousing precinct within Love Wolverton.

The cohousing aspect of Love Wolverton is provided under a separate development arrangement by Still Green Co-Housing<sup>56</sup>, and will provide housing for people aged over 50. The cohousing is focussed on sustainability and low energy use, as well as communal facilities alongside the individual dwellings.

The Love Wolverton sustainability statement, prepared in 2020 prior to Council's purchase of the site, addresses the requirements for housing provision:

- A preference for a timber structural scheme to reduce embodied carbon.
- Using high fabric performance in construction, above regulatory minimums.
- All-electric heating technology, including heat pumps.
- Efficient services including mechanical ventilation with heat recovery (MHVR).
- A passive approach to mitigating overheating.
- On-site renewable generation, including considering a community electricity microgrid<sup>57</sup>.

The Milton Keynes City Council planners and Councillors have remained committed to the housing goals included in the development proposal, and to:

*The vision that needs to be delivered for the site and that was ... quite hard-fought vision because there were lots of compromises, kind of taking people a journey around what needs to be fitted on the site to kind of make it even vaguely viable as a development ... I'm pleased to say that, actually, it is relatively intact as a proposal because often these things do get watered down over time, as things are determined to be too hard, too expensive (Love Wolverton IV1).*

However, meeting the objectives set for the precinct with TOWN's development proposal and the Wolverton Neighbourhood Development Plan creates tensions within the project planning, which are being navigated by Council and the project partners:

*The most important thing is to get the balance right ... because we don't want something to come back that is like the Agora, completely out of keeping in sort of heritage visual terms, because that will affect people's response to it as a space. But that obviously means that it's going to have to be less dense than it might otherwise be. So there's a tension there against something which everybody wants in the whole country, which is more housing, and what anyone in their right mind wants, which is more sustainable housing.*

*If this comes off, it's going to be a good example of how to do something that has those sustainability and environmental objectives, like that's the one where it will stand out more than the other two ... but it can't do that at the expense of not providing housing as much as reasonably possible and that housing includes social housing and affordable housing, and at least do the whole thing in such a way that it's successful, visually (Love Wolverton IV2).*



Figure 17: Love Wolverton redevelopment precinct, artist's impression of intersection

Source: provided by TOWN, 2025.

<sup>56</sup> <https://stillgreencohousing.org/>

<sup>57</sup> Max Fordham 2020. Sustainability Statement: Love Wolverton. Note: In the UK, lock-in masonry is the norm for housing construction, rather than timber frames. <https://lovewolverton.co.uk/wp-content/uploads/LW-Sustainability-Statement.pdf>

The housing outcomes were seen by one interviewee as a direct result of the Neighbourhood Plan, and the extensive community consultation process that informed it:

*There is diversity in the scheme that was written into the planning policy, which is the cohousing scheme and also you know the level of affordable housing and that is only there because of the [Neighbourhood Plan] ... There would be no cohousing scheme if it wasn't actually in the planning policy for the site that there should be a development of that nature. The Council didn't write that in. [There is] a community based upon a need that has been identified where older people were leaving the community because they couldn't find anywhere appropriate to live ... So that scheme is there as a direct result of that community input.*

*It's very deep, very effective exemplar community participation in the planning process that created a quality scheme (Love Wolverton IV3).*

While the overarching design of the scheme and its commitments to affordable and sustainable housing have been retained, some aspects have been lost due to design and cost pressures. A key aspect of the changes made by Council have been to:

*... improve viability in the economic situation that the project finds itself in. And the Council, I think has been ... realistic ... Part of the changes that were made since the sort of initial outline application, it has been densified ... corner buildings which were originally all going to be three storey, but there are now some four storey blocks on the corners. The local authorities are happy to do that to affect its viability and fundability (Love Wolverton IV2).*

The concerns regarding project viability are also evident as the project progresses towards contracting builders. There are ongoing discussions regarding the use of timber frame, which was originally in the design:

*Even before getting a contractor involved we'd basically taken the decision to make it a hybrid mix of block work and timber frame. And we've been in a discussion [with contractors] ... around 'is that the best approach?' ... they would prefer to eliminate as much timber as possible owing to perceptions of fire risk, we've got a fire engineer saying that it's going to be fine and that's more their risk averseness [by the] contractor rather than a reality (Love Wolverton IV1).*

The decision to reject a timber frame was attributed to Council and stems from concerns regarding insuring the scheme in the context of the *Building Safety Act* and potential further changes in legislation:

*The Council was more comfortable with a masonry construction, and that's partly bound to sort of insurability and concerns about fire (Love Wolverton IV4).*

While the arguments regarding minimising the embodied carbon in the development continue, there is a focus on operational carbon through measures such as air sealing, triple-glazed windows and external blinds. Air tightness of the housing stock is seen as a vital aspect of this:

*Things that ... impact the operational carbon rather than the embodied carbon, because if we move away from timber ... that was the main thing that was supporting a lower embodied carbon because the rest of the scheme or the cladding is mostly brick, which has quite a high embodied carbon ... if we're moving away from timber frame, actually the thing we can try and retain is the operational carbon aspect (Love Wolverton IV1).*

This passive approach to sustainable housing is innovative within the UK, which reflects the cooler climate. However, as recent experiences of hotter weather and heatwaves in the UK indicate the impacts of climate change, these measures are becoming more important:

*... those are kind of early discussion early on with Milton Keynes City Council when they took on the scheme. Why are we doing this? And they eventually realised why it was actually a good passive measure to allow that user control, mechanical approach (Love Wolverton IV1).*

Another example of these challenges was the proposed solar-powered battery system that could sell back to the power grid and thus reduce residents' bills. An appropriate site for the installation could not be identified, to some extent due to the setbacks from housing required by regulation. Other minor changes have been made, such as an increase in tarmac over pavers on the streets due to costs (Love Wolverton IV1).

Even amidst the support for the project, the provision of car parking is a concern amongst the Wolverton residents, which was discussed by multiple interviewees, including:

*Lots of people are like, 'oh, can't you just turn it into more car parking' ... That doesn't really work, that's not going to achieve the outcomes that we that are sought here ... so parking is obviously always a kind of absolute bone of contention where everyone immediately starts talking about that ... (Love Wolverton IV1).*

*As soon as anywhere in this part of the country, you propose anything which reduces the amount of parking that's available, people go up in arms because they think that means that they'll be way more parking on the roads (Love Wolverton IV2).*

*... people who were really just were so angry, they just couldn't understand how it was going to work. They couldn't make that leap in their heads. That not everyone would have to car parking spaces, they just couldn't get it, you know, and on a community level, it was very, very divisive (Love Wolverton IV3).*

The concerns about car parking provision, while a frequent community concern in planning, also stem from the high number of car parks in the precinct in its previous form. The Agora shopping centre was obliged to provide free parking, and the proposal for the precinct:

*... has been designed to be sustainable and not to encourage lifestyles dependent upon the use of the car. Furthermore, the investment in sustainable modes of transport and the accessibility of development within a 15-minute neighbourhood will make sustainable travel choices more attractive. Car parking provision for residents is consequently lower than would be permitted under local policy<sup>58</sup>.*

## Role of Local Government

Milton Keynes City Council was seen by one interviewee as:

*One of the better examples in the UK of Councils which do get involved in developments ... the City Council is more experienced in leading developments than a lot of other local authority types and they have some other successful ones around the wider city of Milton Keynes (Love Wolverton IV2).*

The Milton Keynes City Council has been instrumental in initiating the redevelopment of the site through the Love Wolverton project and in prioritising equitable housing outcomes. First, the Council purchased the site when the development of the Agora by TOWN and Trivselhus became no longer viable. Second, the approved development proposal led by TOWN was retained to secure the benefits arising from the project, including housing and sustainability outcomes. One interviewee, however, pointed out that this project was a 'big learning curve' for Council, who had so far 'never procured direct delivery of housing other than some new build affordable housing through the housing revenue accounts or Council housing programme' (Love Wolverton IV4).

Through ownership of the site and the transfer of management to the Milton Keynes Development Partnership, Milton Keynes City Council ensured that a portion of the housing was retained at below-market rent. The Council has been supported by the community in this process:

*The Council has funding for that ... and people thought that they would be being involved in the development, which they would then sell or then be able to have social housing in would be of huge benefit to the Council (Love Wolverton IV2).*

Milton Keynes City Council's involvement in the project is also seen as a mitigation of 'consent risk' when approaching external sources of funding in the opinion of one interviewee:

*... it can go anywhere for that funding because those funds are going to be convinced that the project will go ahead once it reaches that stage because the local authority wants it [and] will give it planning consent (Love Wolverton IV2).*

In addition to these interventions, the Council has worked to engender community support for the redevelopment of the Agora site, from the time of the original proposal by TOWN and Trivselhus:

*... right from when the neighbourhood plan was drafted through to actually getting planning permission for the Love Wolverton proposal ... it was that political support that then helped, obviously, the Council had to make a big financial decision to then decide to acquire the site and the investment in it to date, in terms of all the kinds of design work and planning work. And then, essentially with that decision, making a big commitment to fund construction, which shows the level of political support there was for it, which obviously has its roots in the local population: residents and businesses really wanting to see this happen (Love Wolverton IV1).*

The Milton Keynes City Council has been participants on the decision making on issues related to sustainable housing and has shown the capacity to, financial or political, to assume greater costs in order to deliver more sustainable housing:

*It's always a very balanced argument or that they're open to debate. They will certainly challenge it like, why? Why are we doing this? Is this the right approach? And if they understand the logic of the sustainable outcome ... then, provided the cost isn't excessive, then they've always been open to taking a view on it, rather than just saying no, cost is king (Love Wolverton IV1).*

According to one interviewee, the Milton Keynes City Council, through one Councillor, also showed readiness to promote unconventional models of housing development, such as opting for a collective garden instead of individual gardens:

*He also really bought into the idea that Wolverton was changing ... this plan was going to address the needs of the sort of future generation who did want a bakery and a tap room, and didn't necessarily want a big garden and three parking spaces ... so he and another Councillor, also a Wolverton member in senior position in the cabinet, really got behind it and that made a big difference (Love Wolverton IV4).*



Figure 18: Love Wolverton redevelopment precinct, artist's impression of pedestrian street

Source: provided by TOWN, 2025.

This ties into an important aspect of the project that Milton Keynes City Council is the owner of the housing and landlord through the Milton Keynes Development Partnership. Therefore, Council has a strong interest in Love Wolverton's outcomes:

*That goes back to your originations of the project of trying to not only create a great regeneration project but also create somewhere that is seen as a good place to live and attractive to live ... the Council has a particular view on that because their five blocks will all be for rent, and their subsidiaries are likely to be holding those properties for a long period of time. They have a longer-term view over making sure these places are very liveable (Love Wolverton IV1).*

*The opportunity to be progressive and innovative also comes from, essentially, being able to take a much longer-term view as the Council is doing in Wolverton rather than seeing it as a quick in and out (Love Wolverton IV1).*

The project also benefits from what is seen as a politically central electorate in Milton Keynes, where government is formed across the political spectrum and often in coalitions. This provides stability as the project proceeds:

*I certainly think it happened in an election year because that incumbent party wanted to be able to say, 'look, we're doing something about this project'. It won't matter if it changes to a different administration, because they'll still want to get that project going and develop it. I can't think of any possible political change, that would mean that the focus on it would change, to be honest (Love Wolverton IV2).*

This also indicates some cynicism in the community regarding Council's intervention to save the project:

*The fact that something is constructed on a site by local government that the market would never have put there means it's got to be removed by government. And I maintain that argument, they could have realised that 10 years earlier and saved us all this rubbish. But they didn't. They got involved when the whole thing was about to collapse and all credit to them for getting involved at that point (Love Wolverton IV3).*

Underlying this view of the role of Milton Keynes City Council's role in Love Wolverton is that TOWN and Trivselhus's proposal is a manifestation of the Wolverton community's preferred outcomes for the redevelopment of the Agora, as well as Council's support for earlier, less innovative proposals for the site.

There is no doubt that the Wolverton Neighbourhood Plan, which was developed through a community-led process external to Council, provides the framework for the innovations included in the planning scheme. This includes the guidelines for sustainable and affordable housing, reinstating the heritage streetscape and the reduced dependence on car parks within the site. Whether the Milton Keynes City Council's intervention in the project was motivated by the politics of the community priority to demolish the Agora or more progressive ideals such as social inclusion and sustainability, this case study still presents an example of a Council acting to support innovation through direct intervention and ongoing management of the site.

It is also the case that the financial situation in the UK following Brexit, the pandemic, and the Truss Government, as well as increased regulatory standards following the Grenfell disaster, can be seen to have affected what could previously have been seen as a commercially viable project. In this light, Milton Keynes City Council can be seen as a developer of last resort, as commercial ventures had collapsed and left the Agora standing and underused. While some of the ambition is being negotiated away due to the costs and difficulty in identifying suitable construction partners, the integrity of the development scheme is being retained, in partnership with TOWN.



Figure 19: Community engagement activity steered by TOWN for Love Wolverton

Source: <https://lovewolverton.co.uk/>

## 2.2. Adaptive Reuse Policy

### 2.2.1. ARCHI, Adelaide, South Australia, Australia

Key dates:

- **May 2023:** Capital City Committee Adaptive Reuse Forum.
- **July 2024:** ARCHI incentive scheme commences for two years.
- **2025:** ARCHI is renewed for three years.

The Adaptive Reuse City Housing Initiative (ARCHI) Project is a collaboration between the City of Adelaide and the South Australian Government, emerging from the Capital City Committee Adaptive Reuse Forum, held on 5 May 2023<sup>59</sup>. The forum focused on opportunities, problems and barriers to adaptive reuse in central Adelaide, and was attended by an estimated 100 representatives from government, academia, housing agencies and the property industry. The main outcome from the forum was the ARCHI program, funded by the State Government for \$250,000 over two years, and the focus of this case study.

The ARCHI program responds to several issues that the City of Adelaide is responding to, related to increasing housing supply in the city:

*One of the issues that seems apparent to the just casual observer is that in the cities that have survived well and had less retail vacancy, they actually have people who have residence in the city. And one of the challenges from the perspective of urban design in Australia is that a lot of our retail CBD precincts are shops only, with no residents. So in our city there are very few shops that have over-shop flats that are occupied, they're usually empty, used for storage, and so I was interested in the retail decline and also the homelessness crisis ... one of the things that has always enraged me about Australia is the fact that decent, beautiful buildings are demolished and sent to landfills when they should be changed and repurposed and used (ARCHI IV6).*

ARCHI is an incentive scheme which provides grant funding towards the cost of developing and delivering residential adaptive reuse projects. At its core is the administrative and expert support to catalyse residential conversions of existing buildings in the city. ARCHI was formally launched in July 2024, with an initial focus on buildings up to 4 storeys, which provides 'quick wins'. This is important, as the project is a response to the shortage of rental accommodation in the City of Adelaide, as well as the available non-residential areas in 'shop tops' and similar buildings (Figure 17). Therefore, ARCHI presents a distinct case study of Local Government support, as it is an indirect, policy- and facilitation-based intervention intended to activate multiple small-scale residential developments. As a two-year program, ARCHI was initially set to conclude in October 2025, however, a three-year extension of the program was announced in August 2025.

ARCHI addresses several aspects of housing in the City of Adelaide. First, it increases the supply of housing, which should assist in alleviating the current pressures in the rental market. Second, as an adaptive reuse project, it is a low embodied carbon method for increasing housing supply, by making use of otherwise vacant spaces and by reducing the volume of raw materials required to produce housing. ARCHI also has short-term benefits, delivering additional housing within a much shorter timeframe than precinct activation and development.



Figure 20: A shop top in the City of Adelaide

Source: City of Adelaide – <https://www.cityofadelaide.com.au/development-infrastructure/archi/>

## The City of Adelaide

The City of Adelaide is the municipality for the central business district of Adelaide, covering 15.57 km<sup>2</sup>. The city had a population of 27,901 people in 2021, with a target of reaching 50,000 by 2035.

Housing within the City of Adelaide LGA is different to the rest of the state. First, there is a greater proportion of rented dwellings, at 46% of the LGA compared to 24% for South Australia in total, as shown in Figure 18. Second, a lower proportion of dwellings are detached houses, at 8% in the City of Adelaide compared to 77% across the state. Across South Australia, 43% of dwellings in blocks of more than 3 storeys are in the City of Adelaide local government area, as shown in Figure 19.

As shown in Figure 20, the City of Adelaide also has a higher proportion of one- and two-bedroom dwellings, as would be expected given the preponderance of apartments within the LGA.

Central Adelaide is also the location of the state's main universities, indicating that there is demand for student accommodation. The implication is that the demand for housing in the City of Adelaide is suited to the ARCHI intervention, addressing the shortage of rental housing and contributing to population growth targets, through adding to the smaller housing units on offer.

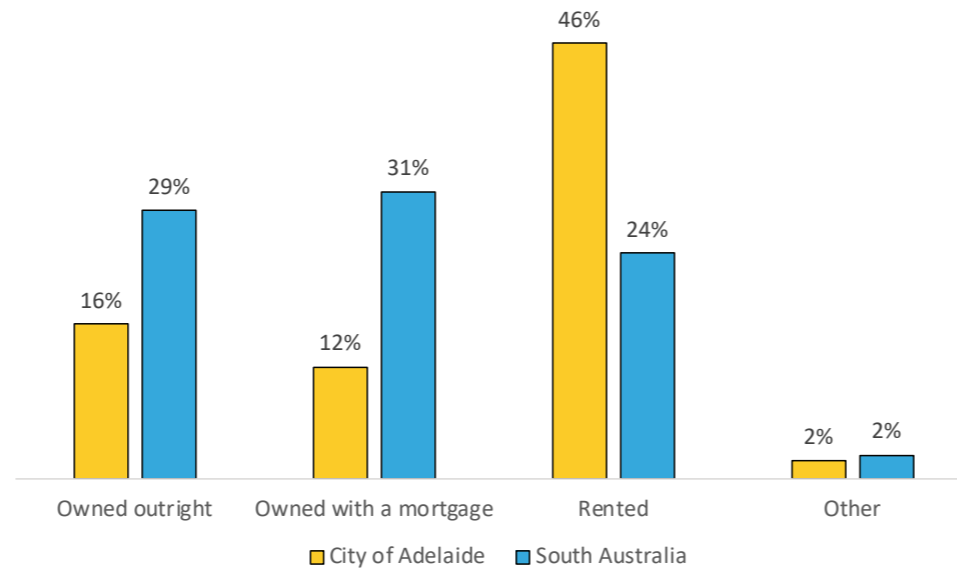


Figure 21: Housing tenure, City of Adelaide and South Australia, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by TEND Tenure Type, counting dwellings.



Figure 23: Bedrooms per dwelling, City of Adelaide and South Australia, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by BEDD Number of Bedrooms in Private Dwelling, counting dwellings.

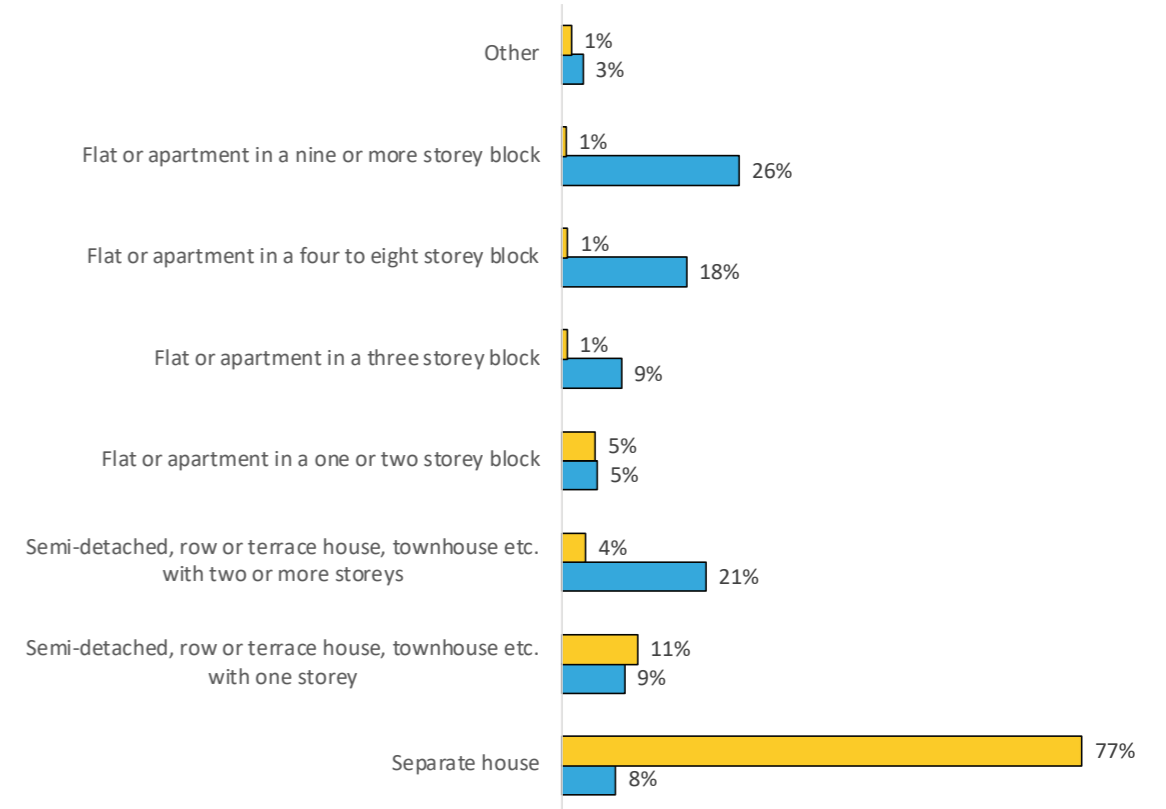


Figure 22: Dwelling type, City of Adelaide and South Australia, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by STRD Dwelling Structure, counting dwellings.

## From Forum to Grant Scheme

### An ARCHI History

ARCHI emerged from an Adaptive Reuse Forum organised by Adelaide's Capital City Committee, held on 5 May 2023, and reflects the Lord Mayor's interest in adaptive use and increasing the residential population of the area. The forum brought together government, housing advocates, academics and the property industry to discuss how to promote the conversion of vacant commercial space, including above retail shops, to dwellings<sup>60</sup>. While ARCHI arose from this forum, previous work undertaken by the City of Adelaide underpins the project. The City of Adelaide's ARCHI webpage now serves as a central hub, offering online resources and links to grants and incentives, simplifying access for developers and property owners (*Adaptive Reuse City Housing Initiative | City of Adelaide*). The support of the Lord Mayor for the program is 'critical, in a word' (ARCHI IV2), a view also supported by other interviewees.

This preliminary work led to the instigation of the ARCHI Scheme in July 2024, supported by \$250,000 of funding by the South Australian Government plus repurposed building grants administered by the City of Adelaide.

Initial support for eligible projects included:

- Up to \$10,000 for feasibility assessment.
- Up to \$50,000 towards construction costs.
- Guidelines and process assistance.

The City of Adelaide Strategic Plan also sets the following goals:

- Population target increase from 26,000 to 50,000 by 2036.
- Provide 50 dwellings per year through adaptive reuse.

This funding is used to provide grants towards feasibility assessments, professional advice and documentation for the Development Approval, and also funding towards the construction, and for an officer within Council to administer the project. The scheme is first and foremost aimed at 'shop top' conversions of non-heritage-listed buildings of up to four storeys<sup>61</sup>. In addition to the funding support, a series of guides on adaptive reuse has been prepared by the Council to provide information for developers interested in exploring adaptive reuse<sup>62</sup>.

*We have identified that's a real opportunity of converting these single storey former dwellings that have been turned into offices in the ... 70s, 80s and 90s back into housing outcomes. That's something we're actively trying to support because it's ... actually fairly low hanging fruit ... you're not going to have all of the fire safety upgrade issues with single storey and it was an original dwelling, so it doesn't have site contamination issues and things like that (ARCHI IV1).*

The City of Adelaide developed ARCHI as a housing policy to facilitate adaptive reuse and to contribute to the dwelling and population growth targets for their council area. There were two factors behind the policy-based approach to facilitating adaptive reuse. First, the City of Adelaide owns few assets within the municipal area, limiting the potential for them to activate precinct developments or other large-scale projects to respond to the strategic direction taken by council. Second, *ARCHI IV 2* reported that the advisory group to the Lord Mayor said:

*... we want the carrot approach, not the stick. And that was a very deliberate decision because we feel that the stick will come and it is coming through the mandatory reporting and through other policies and frameworks, it's not council responsibility to hold the stick, it needs to come [from a higher] level.*

Another interviewee indicated strategic reasons for implementing the ARCHI program related to the aim of increasing activity in the city centre. The increase in working from home was seen as a concern, given the reduced daytime city population, and increased residents in the area may address that. There was also property available within the City of Adelaide that could be considered for adaptive reuse:

*The Adelaide context is B, C & D grade buildings are hitting vacancy rates and it's really the new A-Grade buildings that are the ones that entities are moving to ... that perfect storm of wanting the carbon and climate benefits of saying you're in an A-Grade building from that commercial entity space, and new carbon reporting, is driving people off to new products and leaving more empty products that are vacant, not utilised (ARCHI IV4).*



Figure 24: The Capital City Committee adaptive reuse forum in Adelaide Town Hall, 5 May 2023

Source: <https://www.cityofadelaide.com.au/development-infrastructure/city-policy/adaptive-reuse-forum/>

<sup>60</sup> <https://www.cityofadelaide.com.au/development-infrastructure/city-policy/adaptive-reuse-forum/>

<sup>61</sup> ARCHI Incentives Scheme | City of Adelaide. Note: The City of Adelaide has a Heritage Incentive Scheme in addition to the ARCHI program.

<sup>62</sup> The guides are available from the City of Adelaide's ARCHI website: <https://www.cityofadelaide.com.au/development-infrastructure/archi/>

ARCHI, as an adaptive reuse program then supports these aims as a 'perfect storm' to:

*Get the professional workforce [and] essential workers into the CBD and hit the target of 50,000 [additional residents] in a reasonable time frame. What's then the housing supply that needs to be achieved? How do we keep heritage character and then how do we look at carbon footprint and scope 3 emissions and embodied carbon through adaptive reuse of buildings? (ARCHI IV4).*

ARCHI is supported by South Australia's Capital City Committee, which sits under the state's Department of Premier and Cabinet and whose membership includes the Premier, and three state ministers; the Lord Mayor, and three City of Adelaide councillors. The Capital City Committee committed \$750,000 to support the program for the 2023-24 and 2024-25 financial years, and the basis for support is included in the committee's annual report:

*Adaptive Reuse City Housing Initiative (ARCHI) ... has been established to unlock dwelling potential in underutilised buildings in the City of Adelaide. ARCHI's goal is to diversify the housing supply by repurposing existing structures, while maximising the utilisation of retained embodied energy, activating dormant spaces, and breathing new life into heritage buildings – Capital City Committee, Annual Report 2023-24, p.6.*

ARCHI is part of a range of initiatives and strategies put in place by the City of Adelaide:

*... to increase housing supply in the context of trying to drive population growth and the proposition that the City of Adelaide is a residential base as much as a place to come and do business ... a very deliberate, intertwined bit of policy and outcome work ... (ARCHI IV4).*

Members of the Capital City Committee also sit on the ARCHI Steering Group, which supports the project through guidance, advocacy and oversight. The Steering Group is chaired by the Lord mayor, and includes representatives from the State Government alongside members from academia and industry.

In establishing the program, a key focus was on addressing the risks and barriers, both real and perceived, to adaptive reuse. There was also a lack of examples of successful projects in the city, particularly of buildings of over 5 storeys, which also indicated the need to promote an understanding of what was possible and to support developers in working through the process.

*Heritage people 'just didn't think you could do anything to a heritage property to change it'. And probably a little bit around planning, you get a change of use from commercial to residential, 'and doesn't that take ages and planning always takes ages. And you've got to get approvals, and that's too hard'.*

*So you, rather than easy wins, with some of those we had to go 'How do we deal with the hard barriers and put all that effort there?' [And in response] ... Did you realise that the planning pathway on a low-rise building is actually very quick and the city's geared to do it? And if you're willing to do it, we can help you get there quickly (ARCHI IV4).*

This process of building support also included engaging with bankers from Sydney and Melbourne, who had experience in funding adaptive reuse projects, to overcome resistance in Adelaide offices. The successes have also been promoted, highlighting the quick turnaround of the adaptive reuse projects and the returns on investment.

A key aspect of the implementation of the ARCHI program is a designated role for Council, with responsibility for:

- Coordinating advice on building regulations and application lodgement. This includes planning and heritage advice from within the City of Adelaide, directing project proponents to appropriate consultants and State Government departments if required.
- Coordinating the development of the guidelines, drawing on consultants and expertise within council.
- Communicating with the development industry regarding opportunities for adaptive reuse.
- Providing recommendations on applications for ARCHI grants to support feasibility studies and projects.



Figure 25: Examples of flyers supporting the ARCHI program

Source: City of Adelaide – <https://www.cityofadelaide.com.au/development-infrastructure/archi/>

The work of the project officer was seen by interviewees as a source of substantial benefits resulting from the program.

The City of Adelaide continues to support the program, through developing an understanding of the residential market within the municipality by engaging with potential renters and purchasers. Discussions on the future of ARCHI were underway when this report was being written, following the success of the program in facilitating adaptive reuse in the City of Adelaide. A key debate regarding the project is whether to shift the focus to larger, multi-storey buildings to increase the contribution of adaptive reuse to increasing the housing stock within the municipality:

*Adelaide is characterised by lower scale main streets outside of our central core, so that was sort of the main the initial focus. But of course, that scale of development isn't going to meet our targets. And while there's lots of really wonderful benefits that come with reusing these spaces, it's not housing at volume, it's certainly become clear that we also should tackle the five plus storey commercial to residential (ARCHI IV1).*

The engagement with the community about ARCHI, which has included the use of a digital model of the city to illustrate the opportunity, has underpinned the importance of the program in changing attitudes towards adaptive reuse in the city:

*The guideline approach and the engagement approach and then the incentivisation approach is in this short space of two years, a discussion that started with 'what you're doing is ridiculous and it's not commercially viable and no one will ever do it' has turned into 'Can we get more of it? What's the opportunity? When will you extend it to taller buildings?'. So there's been a very deliberate conversation about the future of Adelaide (ARCHI IV4).*

Adaptive Reuse Housing Strategy

ARCHI promotes adaptive reuse to meet the City of Adelaide’s housing and sustainability objectives. The City of Adelaide Strategic Plan sets out targets for a population of 50,000 people by 2036, an increase of 24,000, which needs to be supported by an increase in dwellings, and especially those that are ‘affordable, safe and quality’<sup>63</sup>. ARCHI is directly contributing to the adaptive reuse target of 50 dwellings per year, also included in the Strategic Plan. The funding support for the ARCHI project also responds to the Strategic Plan’s direction to increase the use of grants and incentives from council and the State Government to increase housing diversity.

The South Australian government supports adaptive reuse in its 2019 State Planning Policy 3: Adaptive Reuse<sup>64</sup>. This policy includes directions to remove barriers and encourage adaptation of underused buildings, conversion of commercial and office buildings to contribute to localities, and the introduction of incentives for adaptive reuse. The program also aligns with circular economy initiatives, such as Australia’s Circular Economy Framework 2024. Representative from the City of Adelaide explained how ARCHI was contributing to council’s sustainability goals.

*Adaptive reuse is tied into our climate strategy, and ... it’s also tied into our incentives for sustainability ... that’s about what can we package up for adaptive reuse projects. So we can really demonstrate retained embodied carbon, improving energy efficiency, we’re improving the building envelope. So all of those metrics are really important in terms of demonstrating value (ARCHI IV1).*

And, more broadly to address the need for additional housing and to make use of existing buildings:

*It’s morally wrong to have all these empty buildings in the park stranded assets. It seems that there is a real opportunity to have some changes in policy settings, some inducements, and to get more people in accommodation (ARCHI IV6).*

Another interviewee implied the benefit of the adaptive reuse initiative was in the retention and better use of existing buildings, rather than wasteful demolition and rebuild:

*We have a responsibility as designers and people in the industry to make the most of what we’ve got. And I just see vacant buildings as waste. It just really irks me that we are wasting buildings, wasting materials. So I’m trying to shift the conversation to that direction and just say look, it just makes good common sense to use what we’ve got (ARCHI IV 2).*

An additional benefit, highlighted in the way the program is promoted, is that it results in increases in housing supply in the short-term:

*... it’s critical to the messaging is that this is a way to deliver housing quickly, and without having to go through those processes of demolition and actually the complexities of building new build in the city (ARCHI IV1).*

This is in contrast to the other case studies undertaken for this report, which may include more ambitious housing aims in terms of scale, affordability and sustainability, but take much longer to deliver than ARCHI.

Preparative work by the City of Adelaide was conducted to establish the ARCHI program. Suitable building stock for adaptive reuse was identified through an audit to assess the availability and quality of stock available, including those owned by Council and State Government. Detailed analysis of the building stock was undertaken by Colliers, with further assessments undertaken by students at the University of Adelaide. The planning system and building code were also reviewed to identify impediments to adaptive reuse across building types and to support development.

*People won’t just get up and do the right thing without incentive. So from the conversation with Lord Mayor ... she knows people will only do it if it makes financial sense. If it stacks up and they would, they’re more likely to do it ... if there’s obvious support through council through the planning framework (ARCHI IV2).*

There has also been a review of grant and incentive schemes and how these could be applied, aggregated, and enhanced to support adaptive reuse – through this work, Council has amended their existing incentive schemes to heritage, sustainability, and noise management to include and prioritise residential adaptive reuse projects. The City of Adelaide has also engaged with the South Australian Government’s Director of Building, who is responsible for the building code. Work is ongoing with Local, State and National Governments to facilitate easier approval processes. Work on the financial and insurance aspects of adaptive reuse is also ongoing. The program also aligns with national circular economy initiatives, as outlined in Australia’s Circular Economy Framework.

### Case Study

Sturt Street  
Adelaide



**ARCHI**  
Adaptive Reuse  
City Housing Initiative

This project involved the adaptive reuse of ground floor commercial tenancies, transforming underutilised office spaces into three high-quality studio apartments. The conversion embraced the building’s existing architectural advantages, which included individual entries, full-height street-facing windows, and secure courtyards.

**Project team**  
Design and Construction - Semets Mirams Projects  
Building certifier – BCA Concepts  
Engineering – Nexus Consulting Engineers  
Acoustics – Marshall Day Acoustics  
Energy Assessment – Star Energy Central

cityofadelaide.com.au/archi  
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GOVERNMENT OF SOUTH AUSTRALIA

CITY OF ADELAIDE

#### Design Approach

The design strategy focused on creating flexible, functional, and affordable residential spaces without compromising on comfort or aesthetic appeal. Each apartment was planned to maximise natural light and usability, while keeping construction interventions minimal. One of the three studios was designed with flexibility to support a variety of occupant arrangements, including shared living or dual-key rental options.




#### Upgrade works

To meet modern residential standards and enhance overall liveability, the following upgrade works were undertaken:

- Installation of brand-new kitchens and upgraded wet areas
- Replacement of floor coverings throughout
- Introduction of new acoustically treated glazing to improve energy performance and reduce noise
- Acoustic insulation and fire-rated linings for enhanced safety and comfort
- New electric hot water systems
- Split system air conditioning units installed in each apartment.

#### Space Planning

The project placed a strong emphasis on smart space planning and cost-effective detailing. Key features include:

- Efficient and open studio layouts
- Walk-in robes for enhanced storage
- Coloured joinery elements to inject warmth and individuality
- Contemporary bathroom fittings and finishes
- Durable, high-quality flooring selected for both aesthetics and longevity.

These strategies ensured that the apartments offer both functionality and a sense of home.



#### Outcome

The Sturt Street project demonstrates how thoughtful, economical design can successfully convert commercial spaces into high-quality urban dwellings. The result is three well-appointed studio apartments that offer flexibility, comfort, and a strong connection to the street and surrounding community.

ARCHI has been established by the City of Adelaide in partnership with the State Government of South Australia.

Figure 26: Adaptive reuse Case Study for Sturt Street, Adelaide

Source: <https://www.cityofadelaide.com.au/development-infrastructure/archi/>

<sup>63</sup> City of Adelaide Strategic Plan 2024-2028, p.13.

<sup>64</sup> [https://regional.plan.sa.gov.au/media/documents/spp/State\\_Planning\\_Policy\\_3\\_Adaptive\\_Reuse.pdf](https://regional.plan.sa.gov.au/media/documents/spp/State_Planning_Policy_3_Adaptive_Reuse.pdf)

## Housing Outcomes

Although ARCHI is a relatively new program with limited resources, it has already contributed to the development of adaptive reuse projects and housing supply in the City of Adelaide. As of August 2025, ARCHI had:

- Supported the delivery of 7 adaptive reuse dwellings, with a further 5 projects in the immediate pipeline.
- Supported the 23 change-in use to residential development applications in the system for 45 potential adaptive reuse dwellings.
- Received 35 formal enquiries, covering a range of building types, including single storey former dwellings, shop tops, State and Local Heritage Places and taller commercial assets (5+ storeys) that have the potential to deliver adaptive reuse housing at scale.

An early success of ARCHI is the support it provided for the conversion of ground-floor offices into 3 new studio apartments. The building already had townhouses on upper floors, which assisted with regulatory issues in adaptive reuse, and the owner saw an opportunity to transition from the commercial market in Adelaide to the rental market, with greater unmet demand. This was the developer's first foray into residential adaptive reuse, and they are now working on another adaptive reuse project and ARCHI assisted with the processes and working with builders to deliver the project, and the townhouses have been successfully rented.

In addition to these quantitative outcomes, the case management service offered by the City of Adelaide as part of ARCHI has seen the establishment of relationships between the City of Adelaide and the developers who are interested in and progressing residential adaptive reuse projects. The case management service assists developers interested in adaptive reuse with free pre-lodgement and pre-purchase advice and project support.

*One of the key elements to the programme is not just having the strategy, not just having a website, not just having the grants, is to actually hold the hand of the property owner, because very often our stranded assets and our shop top properties are owned by pretty inexperienced, not very professional property owners, mums and dads who are the most difficult to deal with, they're one category. The others are low scale developers who haven't got the width to really work out how to rescue their stranded assets. But the really good part of our programme is what I call the 'triagements'. It's actually the project manager who will talk to everybody and help them through the maze (ARCHI IV6).*

Council is considering further support for adaptive reuse innovations. For example, they are discussing the potential of offsite construction with other stakeholders in Adelaide's development, including the South Australian Government Architect and local architectural firms:

*What could be prefabricated off site and inserted into these buildings to even further kind of repeatable ... the ability to install and infit buildings ... in the way that David Jones or Australia Post or Telstra, they prefab and fit out a building very quickly and they refit a building very quickly. Why can't we apply that same thinking to adaptation from commercial to residential and have kitchen products that are ready to install piping that might go through a lift well in a certain building typology and make it quicker (ARCHI IV4).*

However, not all proposals for adaptive reuse supported by ARCHI are successful. Interviewee 3 provided an example, as they had received financial and process support for a proposed conversion of a low-rise office building into a dwelling. Council had identified the project as suitable for ARCHI through its lodgement in the planning portal. The support of the officer and grant towards feasibility studies was seen as of benefit to the developer, and reflected positively, but the costs associated with the adaptive reuse proposal put forward by Interviewee 3 were preventing the project from proceeding. This included seismic testing and engineering works, as well as the additional fit-out required for compliance. The recommendation for improving the process for Interviewee 3 was earlier and strategic engagement by Council through the ARCHI program, to enable collaboration between the project proponent and Council to arrive at solutions for adaptive reuse that respond to the constraints of the planning system, building regulations and the aims for increasing housing in the City of Adelaide.

While the example above has not yet realised housing outcomes in the City of Adelaide, Interviewee 3's view that benefits would result from proactive engagement by council, with an understanding of limitations. This was seen as a positive aspect of the ARCHI program:

*What ARCHI does really well is just being transparent and being honest ... We're not saying that they are not barriers, but we can work with you on those barriers and turning them into opportunities (ARCHI IV2).*

Interviewee 5 is from a business that provides digital modelling services to reduce the risks perceived by clients in adaptive reuse projects, and had been introduced to ARCHI project's stakeholders by Council. As they explained:

*The main challenges are regulatory uncertainties. Sometimes the owners don't know if the building can be converted until they already invest in resources ... There are a lot of fragmented responsibilities without a common view of the whole process. You have the architect, engineer, planners, tradies, electrician, plumber, all working together and each one has their own siloed view and we help with this unified view (ARCHI IV5).*

This interviewee provided an example of an ARCHI project they had worked on, where their client was proposing the conversion of the first floor of a commercial building into several residences. In this example, Interviewee 5 connected the ARCHI grants to project outcomes:

*With the funding ... we assisted the client with the business case to see if this is a feasible opportunity for them (ARCHI IV5).*

## Role of Local Government

ARCHI is an example of a policy-based and facilitation role taken by local government to foster housing development within its municipal area. The prominent roles for local governments in housing are typically land release and approval processes, both of which enable development market responses. In contrast, ARCHI is an intervention in housing designed to support innovative approaches to housing supply.

The City of Adelaide has provided financial and administrative support to developers under the program. A key part of the success of the program has been to align various other Council initiatives to support adaptive reuse and housing:

*We had to incentivise the action we want. For instance, I think that housing should be top of the list for a heritage conservation grant. If the outcome is housing, you should be top of the list for the sustainability grant. If the outcome is housing, you should be top of the list. For assistance with building refits, whether it's to do earthquakes or fire resistance. If you get a housing outcome. We have designed this programme to do all the things (ARCHI IV6).*

Further benefits have been discussed above: engendering developer confidence in residential adaptive reuse projects and building relationships between developers and council. As discussed with the example of a project that was supported by ARCHI above, Council is identifying proposals to support:

*We pulled through whatever we see in the planning portal into our system. And then [Council worker] reaches out to them in a triage sense and we have one-to-one case management engagement and say 'Did you realise that your property has this potential? If you're interested, come and talk to us and we've got guidelines that can help with your work' (ARCHI IV4).*

An important role played by the City of Adelaide was to create support for adaptive reuse in key State Government agencies, such as the Capital City Commission, which directly led to funding for ARCHI. A committee was established prior to ARCHI, to consider adaptive reuse, which then became the program's steering committee:

*You invite people who are decision makers to join your steering committee, and then they see the merit and they say yes, we should support it. So the governance structure ends up becoming a critical path to getting the financing (ARCHI IV4).*

The role of the South Australian Government through agencies such as the Capital City Commission, the Office for Design and Architecture, and the State Planning Commission has been important to the establishment and success of the program. There was recognition of the importance of this support, and the need for more, at a recent workshop on adaptive reuse in Adelaide:

*... one of the big picture, consistent comments was that there has to be more commitment from government across all levels. So it's great that Council is doing this, but they've got limited access to funding: State and Federal have to get involved as well (ARCHI IV2).*

The City of Adelaide has also implemented organisational structures and processes to support the program and contribute to its continuity. This includes the establishment of a project officer within Council with responsibility for all aspects of ARCHI, as well as ensuring longevity:

*I find that if there's not a champion in an organisation that can push these things through, they don't actually happen. Obviously, the problem then is if that person leaves, these initiatives can fizzle out, which is why it's so important to get them into policy. It's not enough that we have people that think these are good ideas. We also have to have a compelling reason for other people to do them and to take it up, and especially with positions that have a set life span like the Lord Mayor's role ... So it's really critical to have that championship at the highest level, but then build frameworks around it that can carry it through the next iteration or the next person that comes along. (ARCHI IV2).*

This was also discussed by Interviewee 4, who discussed the opportunities for staff development in Council, including post-graduate study in fields aligned to ARCHI.

The benefits of the ARCHI program are seen as arising from having a designated officer within Council to run the program and support applications, highlighting the importance of appropriate and targeted resourcing in fostering innovative approaches to housing.

*... what got through planning and through building rules and then finally, approved. There's a lot of projects that have got their planning approval, but they got stuck in building consent. So it's also like reaching out to those proponents and ... get a better understanding of what was the blockage for the project. But of course the typical response is complexity and cost. They sort of started that building rules investigation and suddenly they're needing to do ... more complex safety upgrades (ARCHI IV1).*

The importance of the project officer role has been supported by industry:

*... feedback was the case management and having a dedicated person leading the project that they can come to and they know that they've got one point of contact who can coordinate all the advice, answer their questions - have a coffee and talk about your concerns. So I feel like the case management dedicated role ... has been the feedback from the actual proponents, that's been really important to them (ARCHI IV1).*

A similar view was expressed by an interviewee from industry:

*There's a real person that you can talk to ... So the fact that there is a real person that will go out to your site and have a look at the building with you and is an architect and does have knowledge and can talk to you about the opportunities of converting your assets, that to me, that's invaluable ... you would pay a lot of money for someone to come out and give you that advice and give you that assistance (ARCHI IV2).*

The grants to support feasibility studies are also important in affirming council's support for adaptive reuse, assisting in the initiation of projects:

*Feasibility and cost are, of course, the bottom line for building owners, large and small, embarking on these projects and the feedback has been like the incentives are not huge, right? 10-25 grand is a drop in the ocean of how much these projects are costing. The feedback of owners and proponents has been [that] the case management support is equally valued to the money because it's really trying to ease that pathway through (ARCHI IV1).*

In addition to the direct provision of grant money to ARCHI, the City of Adelaide has also supported adaptive reuse and the aims of the program, by aligning:

*Other suites of grants around sustainability - incentives, noise management, heritage planning - we did a very simple extension of those to say if you apply for any of these ... If your property also happens to be an adaptive reuse project, you just go to the top of the list, so aggregating what we had communicating it to incentivise people to come off the couch and actually transition their property from dormant and underutilised to activated and rented has been really effective from just getting those first ones, promoting them on social media now taking the cameras through and showing this is what it looked like (ARCHI IV4).*

The collaboration with universities was evident in the attendance of academics at the Adaptive Reuse Forum, and in a Masters by Research student internship to support the project. This student is engaged in the audit and survey of building stock in the local government area to help identify buildings suited to adaptive reuse. This included drawing on research that identified:

*... building proportions and characteristics that best suit adaptive reuse to residential so you know sort of applying those metrics to our building stock. And having conversations with colleagues and the bigger commercial agents around what the opportunities might be (ARCHI IV1).*

Council has been proactive, contacting developers to generate interest in the adaptive reuse through the ARCHI program, drawing on the extensive modelling and auditing of building stock in the city:

*We went out through our rates notice process to contact building owners and then there's direct engagement as well ... There have been good conversations around potential that have come about through the agent. So the real estate agent will contact us to say, hey, you know, this building's coming to market. What do you think? How can you support? So that's been a really important conduit and relationship and then also through pre-lodgement as well (ARCHI IV1).*

On the surface, ARCHI is a simple program offering support for adaptive reuse developments through grants, advice and process assistance. However, under the surface, ARCHI grew out of and is supported by strategy, research and reflection on how to best address the barriers facing developers. The work undertaken on identifying appropriate building stock for adaptive reuse, and the strong framing of the program within population, housing and sustainability goals indicate that, as Interviewee 4 stated, the efforts applied to program design and structure within Council have been 'deliberate' rather than 'accidental'.

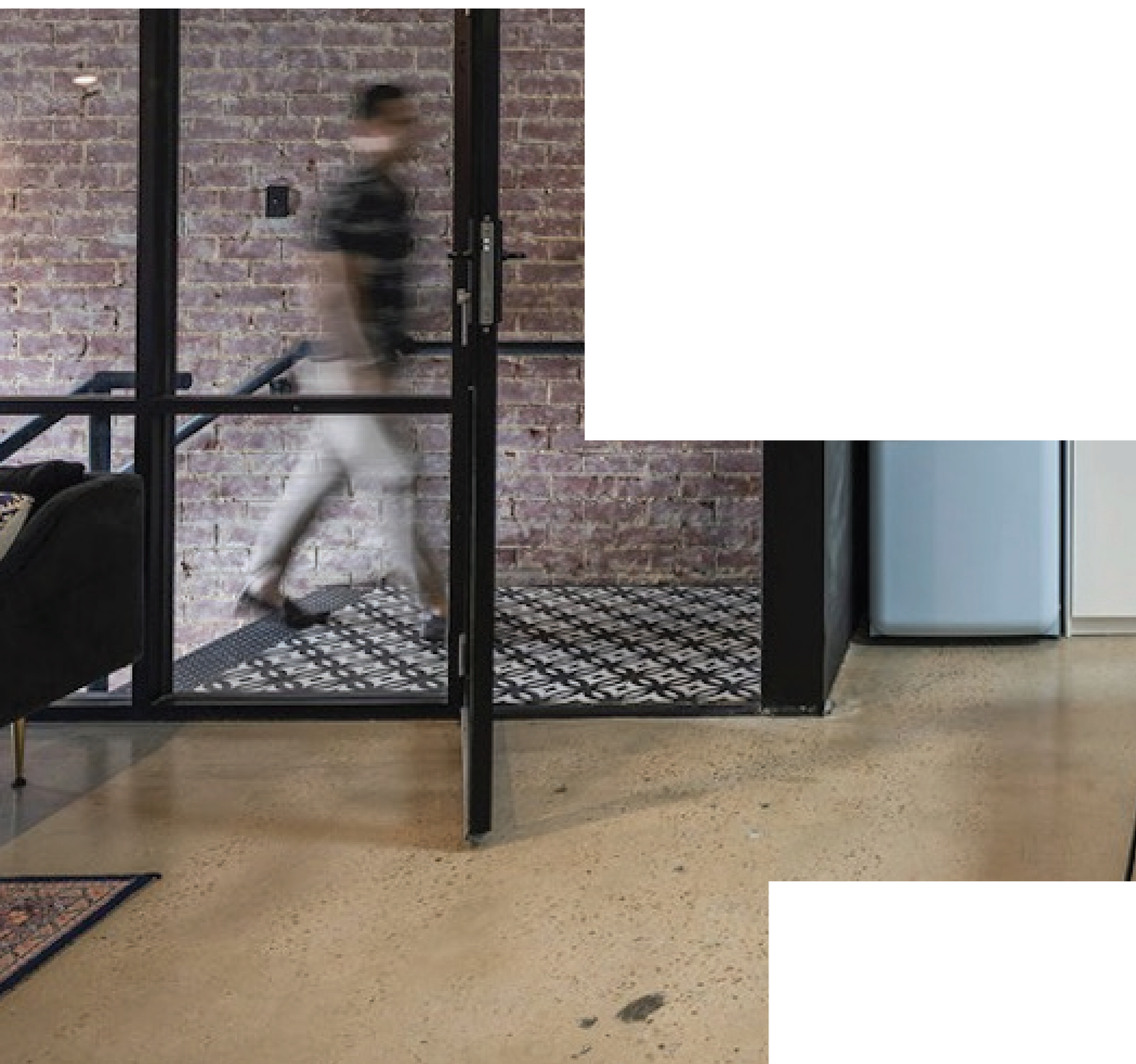
In this way, the case study represents an approach by local government in response to housing aims that uses resources and capacities available to Council, and also recognises its limitations. These limitations include the Council not holding or having access to land suited to precinct-scale development and working with existing building stock, needing to increase the resources available through advocacy and engagement with the South Australian Government.



Figure 27: Streetscape in the City of Adelaide

Source: <https://www.cityofadelaide.com.au/about-council/grants-sponsorship-incentives/archi-incentives-scheme/>

# 3.0 Policy Insights: Local Government Interventions



This section gives an overview of the policy insights this research has uncovered regarding the roles and actions available to local government to facilitate housing innovation. The policy insights are presented following Eneqvist & Karvonen’s typology of local government’s strategic functions as described in Section 1.

The roles for Victorian local government need to be considered in the context of the system of government in Australia, and also the capacities and resources available to local government. This is particularly the case for the Wolverton case study, as in the UK system of government Milton Keynes City Council has greater responsibilities for social housing provision. The Wolverton and Sunshine Coast Councils have drawn on substantial financial resources in developing the infill development precincts analysed in the case studies included in this report. These examples also show how these Councils have promoted housing innovation through using the leverage of funding to ensure development aligns with strategic objectives. In contrast, the City of Adelaide had limited financial resources and did not have a suitable plot for precinct-scale development, and therefore ARCHI can be seen as a response to address housing supply issues with constrained resources.

## Visioning

### Responding to Housing Supply Gaps

The three case-studies place housing as a crucial element of broader strategic development goals within their municipalities. Maroochydore City Centre and ARCHI address the urgent questions of unmet housing demand and created housing supply goals, albeit at different scales (precinct vs building scale) and involving contrasting timelines (short vs long term).

Maroochydore City Centre recognises emerging and future employment opportunities and seeks to ensure that housing is available for key workers, part of a vision for the Sunshine Coast and Maroochydore as its CBD. This understanding of the emerging housing demand in the region preceded a land acquisition intervention towards creating new housing for health care, hospitality and other essential workers, as well as students.

Love Wolverton represents the desire to transform an underused, if not derelict, shopping centre into a range of housing developments with the capacity to house residents and reinvigorate local streets. Love Wolverton also encapsulates transforming visions and values of homemaking in contemporary England by promoting the use of collective spaces (e.g. gardens) and by including alternative modes of tenure (i.e. cohousing for older residents).

Table 5: Summary of findings across strategic functions

Role	Aims	Maroochydore City Centre	Love Wolverton	ARCHI
Visioning	Define and achieve shared goals	<ul style="list-style-type: none"> <li>Regional CBD and urban intensification</li> <li>Transit Oriented Development</li> <li>Improved housing mix, approach to sustainable and affordable – unknown market</li> <li>Establish a strong vision before handing design control to the private sector</li> </ul>	<ul style="list-style-type: none"> <li>Establish a supported and achievable precinct vision</li> <li>Identify constraints and strategies to address these (such as costs and feasibility)</li> </ul>	<ul style="list-style-type: none"> <li>Increase CBD population</li> <li>Circular economy, adaptive reuse</li> <li>Develop a city-wide vision that can be achieved incrementally, over time, through individual projects</li> </ul>
Facilitating	Initiate and steer innovation	<ul style="list-style-type: none"> <li>Transport Oriented Development</li> <li>Leverage existing or planned transport infrastructure to support higher density, transit-oriented development.</li> <li>Housing mix</li> <li>Facilitate more intensive housing in well-serviced settings, to optimise benefits from infrastructure investment</li> </ul>	<ul style="list-style-type: none"> <li>Utilise the value of government land to provide housing, including affordable stock</li> </ul>	<ul style="list-style-type: none"> <li>Policy development leadership and advocacy</li> <li>Developing adaptive reuse capacity through site identification and the role of the project officer ‘triaging’ proposals</li> <li>Identification of suitable buildings within the council area</li> </ul>
Supporting	Support innovation	<ul style="list-style-type: none"> <li>Providing examples of TOD in public facilities: City Hall mode shift, active transport strategies</li> <li>Innovative waste solution</li> <li>Effective dwelling criteria support dwelling scales aimed at meeting needs</li> </ul>	<ul style="list-style-type: none"> <li>Decision to purchase Love Wolverton</li> <li>Cohousing development</li> <li>Sustainable housing, passive HVAC</li> </ul>	<ul style="list-style-type: none"> <li>Grants program</li> <li>Prioritisation of housing in other programs</li> </ul>
Amplifying	Apply and upscale innovative results	<ul style="list-style-type: none"> <li>Promote behavioral change through increasing housing density and public transport offer</li> </ul>	<ul style="list-style-type: none"> <li>Draws on Marmalade Lane, previous examples of cohousing</li> </ul>	<ul style="list-style-type: none"> <li>Building on experience of adaptive reuse elsewhere, and its role in housing supply (e.g. bringing in financiers from the east coast)</li> </ul>
Guarding	Protect democratic values	<ul style="list-style-type: none"> <li>Ongoing community consultation to sustain support for the project</li> </ul>	<ul style="list-style-type: none"> <li>Respecting the Wolverton neighbourhood plan and its aims</li> </ul>	<ul style="list-style-type: none"> <li>Defend access to rental housing for key workers</li> <li>Protect urban architectural heritage</li> <li>Reduce vacancy and promote resource efficiency</li> </ul>

### Sustainable Development for Australian City Centres

Maroochydore City Centre and ARCHI were examples of visions for Australian city centres (and even CBD in the case of ARCHI). In Maroochydore, the council is leading the community in its desire to create a TOD and thereby reducing car dependency. With ARCHI, the City of Adelaide is promoting population increase in the CBD, with the aim of supporting community and economic development and heritage preservation. ARCHI also carries the council's vision to provide more affordable dwellings in the CBD, suited to the more transient resident population, and where optimal transport and other services and facilities are immediately available, supporting sustainable transport.

All case study stakeholders stated that sustainability and the realisation of decarbonisation goals were part of their projects, although the extent to which this was built in the specifications and procurement was uneven. As an adaptive reuse program, ARCHI is actively retaining embodied carbon in the existing building stock by converting underused commercial buildings into single or multiple dwellings.

The development scheme for Love Wolverton envisioned by Trivselhus and TOWN included massed timber construction and a renewable energy microgrid. The ambition has diminished over time due to the changing regulatory and economic environment in the UK, however, innovative approaches to sustainable housing have been retained. This includes the use of passive air systems, not standard in the UK, and the promotion of active transport in the development.

### Housing Diversity as Affordability Vehicle

The below market rental housing to be managed by the Milton Keynes City Council in the Love Wolverton case study is an example of direct housing affordability, building on their extensive portfolio of rental properties and also their responsibilities within the UK system of government. While Maroochydore City Centre and ARCHI do not provide affordable housing, these case studies show how adding to the diversity of housing stock can make housing more affordable within their local government areas. To elaborate, by providing more smaller housing units in medium and higher density forms, households are more able to match their housing needs to local supply and, thus, all else being equal, only pay for the housing they need. This has previously been reported as an issue in regional cities, such as Maroochydore<sup>65</sup>, and responds to the expected growth in demand associated with education and health facilities in Maroochydore and Adelaide.

The Maroochydore City Centre project provides apartment-style dwellings with one or two bedrooms, a form of housing in short supply in a region almost entirely comprising standalone dwelling stock. This increase in housing diversity addresses affordability by providing housing of an appropriate type for a greater range of residents in the council area.

Similarly, in Love Wolverton, the rationale for the affordability metric is to provide 1-2 bedrooms (especially 1) apartments. Housing mix was therefore an innovative instrument to enable the vision for a precinct where local workers can afford to live, in the context of an unknown and unstable housing market.

### Building upon Residents' Vision

Love Wolverton is the outcome of a long-term community vision for the Agora site. The custodianship for the project's vision does not lie with Council, but rather with local community organisations (i.e. Future Wolverton). Across case studies, local government stakeholders were involved with local stakeholders in varying degrees. Values, norms and perceptions do not necessarily align across time with changing local politics, which was observed in the Love Wolverton case study.

### Community Building

Across the Love Wolverton and Maroochydore City Centre projects, there was an emphasis placed on community building through design and spatial features, such as shared gardens and facilities, plaza spaces and pedestrian streets, as well as through the use of high-density and/or attached housing typologies (e.g. townhouses), which can support community engagement and social interactions amongst residents. In Love Wolverton, the cohousing scheme aimed at senior residents was another way to ensure the neighbourhood is socially diverse, that residents have an opportunity to age in place, and provide opportunities for encounter and social interaction. Across all case studies, regular communication, updates and participatory engagement were embedded in the project to ensure local voices were heard and challenges discussed.

# Facilitating

## 'Triaging'

In ARCHI, the key innovation was in the development of 'adaptive reuse capacity' through the role of the project officer 'triaging' proposals and identifying sites and suitable buildings within the council area. This comes with an existing knowledge and network within the area and interstate, including with real-estate agents, architects, financiers and builders.

## Consistency and Trust Building

The long timeframes of the Maroochydore City Centre and Love Wolverton projects mean that the Councils needed to be consistent in their plans for the development and build trust with their communities. In Maroochydore City Centre, the Council provided consistent leadership, long-term vision and upholding of the sustainability and affordability ambitions that were developed at the project's inception. In Love Wolverton, consistency was more challenging to achieve due to the various prior attempts at redeveloping the shopping centre and the political and supply chain disruptions in the wake of Brexit. These fluctuations in vision had clear impacts on the way that Milton Keynes Council was able to facilitate the project in a way that remains consistent with the Wolverton Neighbourhood Plan.

# Supporting

## Directing Resources

As a grant program, ARCHI provides direct financial support to building owners who may be open to a commercial to residential conversion. However, the role of local government in this case study was not limited to directing funding to potential projects as part of this specific intervention but also included prioritising programs that had housing outcomes as part of their goals. In Love Wolverton, local government chose to keep engaging with TOWN, the profit-for-purpose developer nationally recognised as a leader in delivering innovative forms of housing, including cohousing tenure developments. Resources were directed from within council towards the purchase of the disused shopping centre, so the ambitions expressed by residents were delivered.

## Sustainable and Digital Infrastructures

Building the provision of sustainable and digital infrastructure as part of local government strategic procurement can be seen as supporting innovation. Maroochydore City Centre built an innovative waste solution as part of the precinct, as well as a high-speed digital connection to Asia, to place the future precinct at the forefront of technological communications and to generate high-quality employment opportunities alongside housing.

Furthermore, in Maroochydore, the Council led by example by implementing some of the benefits that can be realised with Transit Oriented Developments at an organisational level and in their municipal facilities, such as having a City Hall mode shift and active transport strategies. The Maroochydore initiative was a response to the upcoming rail infrastructure, being a state investment.

## Building Performance and Material Innovation

While it was often present in the earlier phases of project design, achieving outstanding building performance and material innovation was often challenging from a financial and feasibility perspective. In this instance, the strategic role of local governments can be in the choice of the developer, who will ultimately guide and advocate for these choices. In Love Wolverton, the developer ensured a cohousing scheme was part of the development on top of the affordable units included in the plans. In Maroochydore and Love Wolverton, the use of structural mass timber was considered but later abandoned, however, other sustainability metrics and the reduction of carbon emissions were achieved using other ways (including reduced car parking, pedestrian streets, low energy use and shared living spaces).

# Amplifying

## Coordination across Tiers of Government

A significant way in which local government can amplify their actions is by working across tiers or government. By understanding the limits of what they can achieve as local government alone, and without the support of State Government, the City of Adelaide coordinated with the South Australia State Government to help finance and build visibility of the ARCHI program. Similarly, the governance of Maroochydore City Centre project is built on a responsive and transparent structure through which the Queensland government is involved, most directly as the planning authority for the site.

## Upscaling and Replicating Precedents

In Love Wolverton, it was apparent that the project was built on an award-winning precedent delivered by the same developer in another nearby city, Cambridge. The cross-referencing of this precinct was useful to build trust and confidence amongst stakeholders. In Maroochydore, other precincts were investigated during the design phase to draw on lessons and avoid mistakes. ARCHI was at the time of this research in its first phase, and the project was set to be upscaled and more complex and taller buildings tackled in the next iteration.

## Policy Advocacy and Knowledge Sharing

Policy advocacy was a significant instrument throughout which ARCHI was funded but also disseminated. That was done principally by the City of Adelaide's Lord Mayor, who championed the project. Two of the case studies also involved partnerships with academia or drawing on research findings (i.e. UniSA and Australian Urban Observatory at RMIT University). Knowledge sharing was therefore a key strategic function of local government but also knowledge creation, as supporting the projects with an evidence base to back the legitimacy of the policy (in the case of ARCHI) was a key factor of success. ARCHI also built on the experience of adaptive reuse elsewhere and its role in housing supply.

# Guarding

## Managing Conflicts of Interests

The preservation of the collective interests in the case was at the centre of the three local governments' concerns. When local governments are land owners and/or become developers, some conflicts of interest can appear, which is why Maroochydore handed the management of the precinct development to an independent third party. Similarly, Love Wolverton is run by the developer, TOWN, and not by Council. This reflects the limits of local government's capabilities, as well as the need for it to lean on other stakeholders in order to protect the best interests of housing projects. Council then can retain its role in guarding the project's values and commitments, such as the commitment to affordable housing through the Milton Keynes Development Plan.

## Commitment to Good Design and Residential Outcomes

Good design and ensuring positive residential outcomes are a key value that local government aims to uphold. The Love Wolverton precinct proposal was built upon a community vision developed over many years and expressed through the Neighbourhood Plan. The City of Adelaide placed good design at the core of the ARCHI program by selecting a trusted project lead who had served as part of the South Australia Government Architect office. In Maroochydore, there is ongoing community consultation to sustain support for the project and ensuring residents are aware of the project development. Love Wolverton's plans, if realised, will consist in best-in-class good design, not only aesthetically but environmentally and socially.

## Alignment with Broader Policy

All three case studies take a broader view of the impact and integration of the project in its broader context, especially in relation to State policy, investment and initiatives in Australia. In the UK, the Love Wolverton project is also connected to broader urban and regional ambitions, in terms of providing housing to support the economic growth of Milton Keynes. However, being connected to policy at a different scale of government can also bring pitfalls, as projects can become tied to political agendas and projects or on the contrary, conflicting goals. For instance, the connection of Maroochydore to the railway line was subject to decisions and delays by the Queensland Government, which affected the project's objectives. With ARCHI, a positive outcome from the alignment with broader local government policy, such as its net-zero agenda, means that the initiative is contributing positively to Council's effort and does not detract from it.

4.0

# Concluding Thoughts



The report highlighted two different approaches to local government intervention to increase the supply and quality of housing: first a precinct delivery approach via a new precinct in the case of Maroochydore and a revitalised one in Wolverton; and second, a policy approach via the grant scheme ARCHI in the City of Adelaide. Innovation in local government housing projects resides in the governance, procurement and political mechanisms at Council's disposal. Recognising limitations in the case of local government is important: to be able to draw on other tiers of government, not just in terms of funding but also in terms of policy advocacy and lobbying.

This report has shown that there are multiple ways in which local governments may influence or promote housing outcomes, and that such roles involve various levels of responsibility, financial commitment, expertise and political willingness. A key lesson for local government arises from the clear consideration of how the resources and capacities within each of the case study Councils can be marshalled to deliver and influence housing outcomes within their areas. This is more than land parcels, precincts and rezoning, but also includes leveraging in-house expertise and competencies. More than funding, using information sourcing and strategic procurement to reach their vision was essential in the case of ARCHI and Maroochydore.

The examples provided in this report include:

- **ARCHI:** advocacy, development approval assistance and 'triaging', alignment of other programs with housing goals.
- **Maroochydore City Centre:** visioning, project preparation/ planning, and ongoing facilitation and development guidance role.
- **Love Wolverton:** facilitation between private developers' interests and local community vision; safeguarding of long-standing aspirations from residents.

Finally, aligning and embedding housing supply with other strategic goals of council was also a key instrument to develop innovative mechanisms. Such goals included population targets and projections, activity centre intensification, economic development, decarbonisation, inclusion and affordability, and well located and serviced housing.



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