



Weekend Australian  
Saturday 11/6/2011  
Page: 9  
Section: Property  
Region: Australia  
Type: News Item  
Size: 713.81 sq.cms.  
Published: S

Brief: CANDETTI  
Page 1 of 2



ALICE PROKOPEC

Playford mayor Glenn Docherty says the city will see 20,000 new jobs

# Regional cities going for growth



PRESTIGE  
PROPERTY

As cities reach capacity commercial developers must look to the suburbs

LOUIS WHITE

SOUTH Australia's Playford local government area in Adelaide's north is the latest region to cash in the nation's predicted population boom by creating a completely new central business district.

Playford's population of 80,000 is expected to more than double to 169,000 by 2038. The council area comprises 35 suburbs 30km from the Adelaide CBD including the already developed Elizabeth area.

The good news for commercial property developers is that as Australia grows so does the need for residential, office, industrial and retail facilities. At the time of a RMIT University report in 2008, the Australian commercial property market was valued at \$252 billion. This was broken down into office space at \$99bn (39 per cent); retail \$96bn (38 per cent) and industrial at \$57bn (23 per cent).

If the population reaches the hotly debated figure of 36 million by 2050, it is estimated that for every new Australian an extra 2sq m of retail space will be needed.

"We will have ratio growth in proportion to the population expansion," says Kevin Stanley, CB Richard Ellis's director of global research and consulting. "If you double the population you double the amount of commercial property that you need.

"At some point in the next 10 to 20 years you will have growth out of the city. All it will take is for one big company to relocate their head office out

of the city combined with substantial commercial and residential development on the fringe of the CBD with good transport links."

Welcome to Playford, which is part of the SA government's 30-year plan for Greater Adelaide, that sets out land use policies to manage the growth that is forecast for the region.

During the next 30 years the SA government is expecting a population increase of 560,000 people; the construction of 258,000 additional homes, economic growth of \$127.7bn and the creation of 282,000 additional jobs.

The state government is spending \$11.4bn on infrastructure investment, which started in the 2009-10 financial year. "We are the fastest growing council in Australia with the second fastest growing population in Adelaide," Playford mayor Glenn Docherty says. "We are connected to the CBD by rail and road and we have notable industrial land available for development and 20,000 jobs will be created in the next 15 years."

Playford is presently home to the Holden manufacturing plant, a RAAF base and some defence industries, but bigger plans are under way.

The state government is spending \$336 million upgrading the Lyell McEwin Hospital, which Docherty wants to turn into a health precinct that would include research laboratories, training facilities, shops and student accommodation. The state has committed an additional \$30,000 to help fund a feasibility study for those plans.

A \$564m upgrade to the Northern Expressway is being completed, which will provide a gateway for Playford to the Barossa and Clare valleys, the mid-north, the Riverland and other regional communities; a further \$30m is being spent on a rail freight terminal at Penfield.

An additional \$24m in infrastructure upgrades is being spent to attract defence-related and global business to the area and 27.4ha has been put aside for sports fields and facilities. The city is also embarking on new green initiatives. "Playford is part of an innovative program designed to demonstrate how solar power, smart meters, energy efficiency and new approaches to electricity pricing can combine to provide sustainable energy future urban location around Australia," Docherty says. "Playford has partnered with Adelaide City and Tea Tree Gully councils to deliver five installations of solar photovoltaic cells."

Alex Candetti, executive chairman of Candetti Constructions, says SA has not experienced the boom or bust cycles of other states. "The mining industry is taking off here for the first time but like all states in Australia [SA] is still struggling somewhat," he says.

"We are investing in commercial projects in the state but mainly focusing on community user facilities. Playford is benefiting from a heavy defence force presence combined with a growth in horticulture production."

But Playford is not the only area that will benefit from a larger population as a result of coal seam gas projects and the continuing resources booms in Queensland and Western Australia.

"As the costs of running a head office in the city escalate, you will see a corporation move out either on to the fringe of the CBD or further," CBRE's Stanley says. "It could be a bank or a government department and once it starts it will have a knock-on effect.

"It will probably be too expensive to build a new city from scratch because that will cost in the billions, but what you are likely to see is regional cities like Newcastle, Geelong, Townsville and the Hunter Valley region developed further. The key will be infrastructure development."

The federal government has pledged \$1bn to transport projects in 2011-12 as part of a \$36.2bn commitment to infrastructure.