

SECOND PART
 INSTALMENT OF THIS QUESTIONNAIRE
 PUT TO THE PANEL OF EXPERTS

Alternative Building Materials



How they will influence the Perth market place

In our second instalment of alternative building materials and what impact they might have on the Perth real estate market we are going to focus more on the end user, that being the home owner the project developer or the investor.

For some of us, we remember the old brick is best advertising campaign that was mounted by one of Perth's leading brick manufacturers many years ago. The flow on effect at that time and the legacy it has left was purchasers, owners and developers all started to focus on brick as a preferred construction material, with the perception being anything that wasn't brick wasn't as good.

Meet our guest journalist Marc Drexel, a property consultant with over 30 years' experience in the industry. With a passion for engaged and connected communities and environmentally responsible outcomes. Marc specialises in identifying sites and advising his clients on the best developed outcomes. Marc also assist in coordinating proactive and accountable sales and marketing results for his clients.

During the 30 years he has been in the industry he has been involved in some of Perth's leading projects and worked with many of Australia's most respected builders and developers.

In some suburbs we saw the old jarrah weatherboard selling for less than the equivalent brick house even though they may have offered the same accommodation, finishes and block size. I'm pleased

to say the gap has significantly narrowed and as architecture evolves and the palette and choices of building materials expands we're seeing all building materials being looked at with

open eyes and little or no penalty being applied by the purchasing public. This bodes well to the various alternative building construction methods and choices now available within the market.

If there is a trend starting to take traction, it is a desire to understand where materials come from, how much energy was used in their construction and delivery, how much maintenance will they require in the short and long term and at the end of their life how recyclable are they, commonly referred to as a life cycle assessment. No matter what material you use, quality construction will always stand the test of time.

ADVERTORIAL SUPPLIED BY CLIENT

The Agency Projects Department

Well positioned as a one-stop-developers-shop, THE AGENCY – Your Property Partner's new Projects Department has been established to provide solutions in all aspects of the development cycle.

THE AGENCY Projects Department assists developers with many aspects of property development. The business offers an all inclusive range of services, including comprehensive research, structured finance solutions, owner/occupier, and investment sales, access to the team's full professional network and industry leaders, wholesale distribution, full project marketing, contract administration, settlements, and asset management solutions. All of these services are offered under one roof for ease and convenience to the client.

THE AGENCY is yet another successful business arm to the award winning Ausnet Real Estate & Financial Services group, which was founded in 1996 with the Ausnet Real Estate Network and

recognized by REIWA as the top franchise, marketing, and referral group on eight occasions. Ausnet has an extensive database of electronic marketing and customisable campaigns, and can use their resources to help give the developer a personalized service incorporating all aspects of the project. "In line with our shared vision, we will be able to guide our clients step by step with the 'one stop real estate shop' approach, supported by the Ausnet Group of companies, affiliates and industry partners helping our clients through their development journey," says Marc Drexel, who is THE AGENCY'S Head of Projects. Drexel has a rich history in property consultancy spanning 30 years, and has a passion for working on quality development projects that are connected with communities.

THE AGENCY Projects department will also focus on identifying development sites, as well as assisting in exploring the full development potential for various properties, working hand in hand to create project opportunities. "By working with

Ausnet's exclusive VIP client program, 'Club A', through workshops and key marketing programs, THE AGENCY Projects Department are able to assist potential developers to identify good development opportunities in the market, our property investment division is then able to match clients with prospective investments that will help them get exactly what they are looking for" says Ausnet's, CEO Paul Niardone. "THE AGENCY'S access to the entirety of Ausnet's resources, enables them to offer comprehensive services that are unlike anything else on the market right now. The variety of services available provides a comprehensive property development experience that is unrivalled by any other service."

Call Marc to discuss the services and opportunities we can offer to add Value to your developments and additional income potential. Marc Drexel on 0412 928 504 or 1300 AGENCY

www.theagencypartners.com.au

THE TEAM

Meet our panel of experts and their understanding of the drivers that will influence the building trends in Perth over the next 20 years.

Aaron Sice is a sustainable designer with a passion for applying the three cornerstones of sustainability: energy, diversity and future-proofing, to all projects large and small. Running his own practise for a decade he has worked on many exciting inner suburban projects.



Anthony Pillinger is a trained Quantity Surveyor/ Project Manager and Registered Builder. Anthony has been a practicing Greensmart Professional since 2006 and his award winning company Swell Homes' work is largely composite construction, utilising conventional methods of construction for mass, and alternate methods for insulation and airflow.

Phil Bertram has been in the business of creating and rolling out Property Investment Strategies for property investors for over 12 years. He has joined forces with Ausnet, WA's largest independent Real Estate Network, to fill a need for quality information in the investment field to clients wishing to purchase 'Future Proof' investment properties.



Ian McGivern has a formidable breadth of industry experience and depth of construction knowledge which he draws on as Managing Director of The Goodland Building Company. Ian is the only multi storey residential registered builder who sits on the Master Builders Modular (Smart Construction) Committee and has recently successfully delivered a modular building.

Cath Evans has over 20 years' experience in the urban planning and development industry. Underpinning her experience is a passion and desire to create vibrant and sustainable communities that retain a sense of place. Cath is also a current member of the HIA Environment, Planning and Development Committee, that advise on policy changes impacting the building industry.



How do you think the market is reacting and is going to react to these changes?

AARON SICE: The market appears to be reacting as if it's 'business as usual'. I guess at the end of the day, as a consumer, you want a choice; in previous years gone by, Perth-ites had little to no choice of building materials. I do see end-buyers still performing that dreaded knock-test, but then I also see end-buyers physically seeking out alternative products and almost 'snubbing' a double brick dwelling.

Oddly enough, I'm also experiencing those who were staunch brick-buyers and builders starting to understand its limits with construction and insulation properties – possibly because the benefits of other materials are now becoming more obvious and apparent.

However, I don't think brick and tile is going anywhere, anytime soon.



ANTHONY PILLINGER: Enhanced solar gathering, widespread household DC batteries, and residential oversupply would result in an explosion in electric cars. After this, these changes could well help shift our attention to even greater water saving.

I am aware of recently developed composite products which comprise water filled walls for both ambient mass and drinking water. With energy self-sufficiency and oversupply to grid by residential houses, a collective drive for greater water efficiency would need to be encouraged.

IAN MCGIVERN: I believe the younger generation will have no issues with our changing

methods, as both overall cost and life cycle cost will partly drive the change. There appears to be an acceptance by younger people to change when factored with the environmental advantages. The reluctance of



lending institutions and valuation experts accepting alternative construction, against conventional construction, is starting to change. There will always be strong resistance from certain market sectors, as these groups have built a formidable business over many decades in bricks and mortar.

PHIL BERTRAM: There has been a fairly negative reaction by many Bank Valuers to this change to date unfortunately. I have seen a number of cases where the valuation on a property has suffered as a direct result of the Valuer not considering light weight construction materials to be an option of comparable quality. For the most part however the market has been relatively open to it. Younger people have been far more receptive and in time I would anticipate that Banks and Valuers will begin to better understand the advantages in these alternative construction techniques.

CATH EVANS: The Perth market has largely not moved away from the preference of double brick construction, as it is considered that this is more economical, has better resale value and performs well environmentally (better insulation and energy efficient). Further education and an increase in the awareness of the benefits of alternative construction techniques, in conjunction with the availability and cost of BRM's, will influence the market acceptance of these changes.



Do you see any negatives coming out of these new trends?

AARON SICE: Unfortunately, yes I do. New materials being used in somewhat inappropriate circumstances.

End-user not understanding any care and maintenance issues from a new product.

New providers of the end-product not being in business long enough to effect a suitable warranty.

However, these are the standard hallmarks of a new industry, just like Solar, Double Glazing, and Insulation etc. All these industries have overcome their downfalls and I am confident that as the construction market evolves, these issues will be better understood and avoided.

however is placing a greater burden on electrical service provides as the income generated to maintain the supply network drops. This will have a cost impact on all users.

PHIL BERTRAM: One of the negatives experienced by early adopters of prefabricated modular design was that the workmanship was not up to scratch, resulting in damage and warping over time as water and other elements penetrated the building's structure. Like any new technology it takes time for companies to build up to an acceptable and reliable delivery of quality.

CATH EVANS: Not so much 'negatives', more challenges, particularly in the availability of skilled tradespeople in alternative construction techniques/ methods, and that can operate in the project home market, not just as a boutique business.

Another challenge will also be educating the public that that alternatives exist that will allow the consumer to weigh up the benefits of a range of construction methods and materials, ultimately giving them more choice.

IAN MCGIVERN: As infill development occurs in the Perth CBD and surrounding suburbs, pressure will be placed on utility services such as sewer, water and power. These services will need upgrading, particularly sewer and water as the net is both at capacity and also ageing.

Electrical services are not under the same pressure as water and sewer, as a result of new dwellings requiring less energy and the uptake of solar supply. This disruptive change

What are the flow on benefits with these changes?

AARON SICE: One of the bigger benefits will be a wider pool of trades to construct a dwelling with – and a wider demand for different trades. There's real employment incentives when a new market opens up – which equates to more consumer choice, faster construction times, less interest paid during construction, a (hopefully) smaller carbon footprint and greater efficiencies – which means less waste, or waste that is more easily recycled/repurposed. Efficiency is the backbone of a good industry.

ANTHONY PILLENGER: Our society's demand on fossil fuels would be drastically reduced (following residential electronic city vehicles being widely utilised). These resources could be used more frugally and for services that are not capable of being powered by a solar powered battery.

IAN MCGIVERN: The use of light weight construction provides better thermal efficiency, less embodied energy and faster build times. In general terms light weight systems are recyclable and can be placed into perpetual service. Modular prefabricated systems provide less disruption to the end user and neighbouring properties.

As they are lighter than conventional construction, they require less ground works and can be built on sites where previously the cost of ground remediation prohibited the construction.

As higher density occurs, the cost efficiency in public transport improves; this will enable better public transport to be provided. This should slow down the urban sprawl and help alleviate the need for major capital works programs providing major infrastructure to our growing urban footprint.

PHIL BERTRAM: In many cases light weight construction reduces build times significantly. This results in less interest being payable by the client during construction and less expenses to the builder, making a property more affordable to a potential investor. In the case of larger developments there are an increasing amount of developments being built off site in modular form and then being assembled on site. This makes the process of constructing these buildings much less disruptive to the neighbouring residents.

CATH EVANS: Cost savings to the purchaser and better environmental performance of buildings/ possible less waste.

CASE STUDY

**Future Vision
Lightsview, South Australia**

Exemplar small lot housing and variable pallet of built form and material

We selected this project as a future vision case study as not only does it showcase flexible planning outcomes close to a major city but it celebrates affordable quality designed homes by delivering flexible choices in planning and most importantly in construction methodology.

A walk through Lightsview reveals the outcome of design vision for this important inner-urban site: promoting fresh architecture and custom design.

With 14 different allotment types on offer they have encouraged diversity across terrace and detached home designs – the diverse mix of design elements, colours and materials draw on the latest trends with a focus on enduring appeal, functionality and environmental sensitivity.

From its energy-efficient design and construction to the large central private courtyard which enables light and ventilation into all living and bedrooms.