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16 November 2020

Mr George Dedes  
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Dear Mr Dedes

### Draft Local Housing Strategy / Planning Proposal – Housing LEP2020/2

The Property Council welcomes the opportunity to provide comments to Council on the draft Local Housing Strategy and Planning Proposal to make amendments to Ryde Local Environmental Plan 2014.

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes.

We are pleased to provide the attached for your consideration.

Should you have any questions regarding the content of this submission, please contact Troy Loveday, NSW Policy Manager, on 0414 265 152 or [tloveday@propertycouncil.com.au](mailto:tloveday@propertycouncil.com.au)

Yours sincerely

A handwritten signature in blue ink, appearing to read "Adina Cirson".

**Adina Cirson**  
**Executive Director**  
**Property Council of Australia**

## **Submission to City of Ryde**

**Draft Local Housing Strategy & Planning Proposal to remove multi-dwelling housing from R2 Low Density Residential zone.**

**16 November 2020**

## 1.0 General Comments

Council has prepared this Local Housing Strategy (the Strategy) as a requirement of the Greater Sydney Regional Plan (Action 3), the North District Plan (Action 17) and Ryde Local Strategic Planning Statement (Action H1.1). We support City of Ryde participating in the NSW Government's Accelerated LEP Review Program which has allowed for this important piece of strategic planning work to be completed earlier than would have otherwise been possible.

In 2018, the Department of Planning, Industry and Environment (DPIE) issued "Local Housing Strategy Guidelines" to local councils that provides a step by step process for councils developing local housing strategies. We note that Council has prepared the Strategy to be consistent with the Department's guidelines.

It is crucial that the Strategy sets out actions to provide for a greater diversity of housing types needed by the community. This includes housing which is appropriate for seniors, single member households and larger families. Actions to encourage these housing types should be included in the final strategy.

Based on the LGA's projected population increase over the life of the Strategy, opportunities to increase the supply of housing within the City of Ryde should be investigated. Areas for new housing supply ideally should be focused within and around existing retail and employment centres that are served by infrastructure such as transport and other services.

The Property Council suggests that Council give consideration to a special clause in its Strategy and LSPS that allows for it to consider requests for spot rezonings in an area or areas that hasn't been identified. In this regard, we note that Council has initially focused on West Ryde but that should not prevent it from considering a request from a landowner to rezone a site for housing that is not identified in the Strategy or LSPS. We request Council to look at a mechanism that can allow for consideration of out of sequence or unsolicited proposals that have merit but do not align with the current endorsed strategic plan.

## 2.0 Housing Targets

The Property Council and our members have taken the opportunity to review many draft local housing strategies that have been released for consultation. We applaud Council's acknowledgement there is more strategic planning work required to provide for greater diversity of housing, especially for seniors and smaller households, and propose strategies to improve housing affordability.

Together the draft Local Housing Strategy and Council's Local Strategic Planning Statement (LSPS) should identify how medium and long-term housing targets will be achieved. It is understood the Greater Sydney Commission identified a 6 to 10-year housing target for the period 2021/22 to 2025/26 of between 8,400 and 8,900 additional dwellings during the LSPS assurance process. The draft Local Housing Strategy has found that City of Ryde LGA has sufficient zoned land and capacity under existing planning controls to accommodate short to medium-term dwelling growth (2016-2026). Additional supply will need to be developed to meet the longer-term targets to 2036 and beyond.

We believe that Council as part of its process of setting housing targets should provide extra capacity that will account for unrealised development potential. Historical evidence will point to the fact that planning for housing supply does not necessitate housing delivery will occur in a simple linear process. Council should consider referring to past trends where housing delivery has not matched identified targets or supply predictions.

### 3.0 Local Housing Strategy

Council's draft Local Housing Strategy indicates:

- The current population of the City of Ryde is 127,446 (2018).
- For the past decade the population has been growing at 2% per annum and will increase further to more than 2.6% each year.
- Demographic changes involve more couples with children, couples without children and seniors living in the LGA.
- At the 2016 census, there were 46,149 dwellings within the LGA and 43,020 households.
- The number of households is growing and will reach 64,419 in 2036.
- At the 2016 census, the average household size was 2.61 persons.
- 12.1% of the households in Ryde LGA are in housing stress (marginally higher than the rate across Greater Sydney which is 11.8%).
- Between 20,191 and 22,000 additional dwellings will be needed between 2016 and 2036.
- 4,300 additional dwellings needed between 2021 and 2026.
- Approximately 35,000 additional dwellings are capable of being supplied under existing planning controls.
- Nomination of five (5) investigation areas that will be subject to further review and master planning.

We support Council undertaking further work to implement this Strategy once it has been endorsed by DPIE. In particular, Council should give careful consideration to providing a supply of suitable dwellings that meet the needs of the demographic groups identified in the Strategy as having unmet housing needs.

### 4.0 Other Factors

A significant factor in the supply of new housing is development feasibility which is determined by a range of considerations, including the cost of land, costs of finance and construction, Government charges and taxes and finally the sales price of completed projects. Greater certainty should be provided to minimise changes to regulatory requirements and contributions for local and regional infrastructure which have not previously been identified or foreshadowed.

The Property Council has supported the capping of development contributions at \$20,000 per dwelling in 2009 and note the progressive introduction of a soft cap for contribution rates in 2017 which require IPART approval to exceed the \$20,000 threshold. Apart from contribution rates, councils and the State Government have imposed a range of other costs on housing supply including contributions for affordable housing, Community Infrastructure Contributions (CIC), biodiversity offsets, design excellence competitions, public art levies and the like.

Council should consider development feasibility when it is making assumptions about housing production rates and the supply pipeline if it is to have the market to deliver against housing targets.

## **5.0 Impacts of COVID-19**

The Property Council is aware that some councils have used the temporary pause of international immigration and population increase to argue for a reduction in their current housing targets that are based on the Greater Sydney Regional Plan and District Plans. We do not support this position and submit that housing strategies need to recognise that this is likely a short term trend and Sydney's councils need to be planning for 'business as usual' approach over the 20 year period.

## **6.0 Mechanisms to deliver options**

Section 10 of the Strategy identifies several actions recommended to deliver its outcomes. The following table responds to these actions.

Proposed Mechanism and Actions	Property Council Response
<p><b>1. Adopt Housing delivery target</b>  <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Adopt housing delivery targets for 2016 to 2021 and 2021 to 2036</li> <li>2. Mitigate effects of the implementation of Part 3B of the Codes SEPP (SEPP Exemption or Planning Proposal)</li> <li>3. Develop centre masterplan investigation schedule</li> <li>4. Conduct West Ryde Centre Masterplan investigation</li> <li>5. Develop West Ryde Centre Masterplan</li> <li>6. Implement West Ryde Centre planning proposal</li> <li>7. Undertake annual review of residential development applications and actual dwelling delivery.</li> </ol>	<p>The Property Council welcomes and supports this mechanism and most of the seven (7) associated actions.</p> <p>In particular, we support Council identifying a 6 to 10-year housing target based on the evidence collected by this Strategy. We also applaud Council for identifying West Ryde as the first centre to be investigated for an increase in medium density housing.</p> <p>We do not agree with Council's proposed action to mitigate the impact of Part 3B of the Codes SEPP. We have outlined our concerns on this issue on page 9 of this submission.</p>
<p><b>2. Focus growth in centres</b>  <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Develop centre masterplan investigation schedule and method.</li> <li>2. Conduct West Ryde Centre masterplan</li> <li>3. Implement West Ryde Centre planning proposal</li> <li>4. Conduct remaining centre masterplan investigations and implement findings</li> <li>5. Undertake annual review of growth in centres to track background growth, lot consolidation and need for master-planning.</li> </ol>	<p>The Property Council welcomes and supports this mechanism and the five (5) associated actions.</p> <p>In particular, the intention to focus new growth around and within existing centres is appropriate and supported. We note that the timeframe for the commencement of this work is short to medium-term and for completion in the medium-term. It is important that Council adopt a faster timetable for undertaking this work given the certainty it will provide to industry and the community, particularly given the government's efforts to stimulate the market and economy as a result of the COVID-19 induced recession. Much of the new supply must be identified, planned and rezoned for 2025 when it will be needed.</p>

Proposed Mechanism and Actions	Property Council Response
<p><u>3. Increase the supply of medium density dwellings</u>  <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Identify preferred medium density typologies for transition areas around centres, including heights, built forms and overall densities.</li> <li>2. Identify preferred planning control for permitting medium density housing (eg zone, key site map, or other provision)</li> <li>3. Investigate area immediately surrounding West Ryde centre and identify medium density transition area.</li> <li>4. Implement West Ryde medium density planning proposal.</li> <li>5. Conduct remaining medium density investigations and implement findings.</li> <li>6. Review planning controls to identify opportunities to promote planned and staged small lot development outside of major centres.</li> <li>7. Undertake annual review of medium density residential applications and dwelling delivery to track uptake of permissible uses.</li> </ol>	<p>The Property Council fully supports this mechanism and the seven (7) associated actions.</p> <p>There is a very clear gap in Sydney's housing supply with a large supply of detached houses and high-density apartments but a low supply of housing between these groups. The focus on medium density housing as a buffer between these housing types is warranted. Incentives that encourage the development of appropriately designed medium-density housing should be explored to deliver higher volumes of these homes in the right locations.</p>
<p><u>4. Match housing delivery with infrastructure development</u>  <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Undertake annual review of development contributions plans and asset delivery plans in the context of long-term growth</li> <li>2. Develop and communicate infrastructure requirements as part of master-planning exercises.</li> <li>3. Consider and identify need for alternative State and developer funding mechanisms for significant assets required to support long-term growth.</li> </ol>	<p>The Property Council generally supports this mechanism and the three (3) associated actions.</p> <p>The NSW Productivity Commission is currently finalising the recommendations of the Review of Infrastructure Contributions and they will be provided to the Minister later this month. It is critical that Council align its actions with the final decisions made arising from this review process.</p>

Proposed Actions	Property Council Response
<p><u>5. Refine planning controls</u> <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Review and refine DCP provisions for separate houses with goal of improving design outcomes (eg side boundary envelopes, minimum permeable surface requirements).</li> <li>2. Clarify dual occupancy frontage requirement to be primary, not combined frontage.</li> <li>3. Review dual occupancy DCP provisions to improve street presence (eg. requiring rear access where available and private primary open space)</li> <li>4. Work with DPIE to refine the ADG to help ensure apartment development is appropriately designed for centres.</li> <li>5. Investigate, develop and implement local character statements relating to key low-density areas in Ryde.</li> </ol>	<p>The Property Council generally supports this mechanism and the five (5) associated actions.</p> <p>We look forward to Council undertaking future consultation on the details of these changes so that they can be reviewed on behalf of our members.</p>
<p><u>6. Improve housing design</u> <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Identify locally relevant existing and preferred character across Ryde, as defined by previous and pending studies, such as heritage reviews, local character statements and master-planning.</li> <li>2. Review design issues and responses outlined in this LHS and amend DCP as appropriate.</li> <li>3. Encourage innovative medium density typologies with potential for attached, abutting and low-rise apartment development to be permitted in medium density targeted areas.</li> <li>4. Promote environmentally sensitive design by retaining and expanding the ecological network on private land and public areas.</li> <li>5. Undertake annual reviews of planning outcomes in City of Ryde and consider lessons for design-related controls.</li> </ol>	<p>The Property Council generally supports this mechanism and the five (5) associated actions.</p> <p>We look forward to Council undertaking future consultation on the detailed aspects of these changes.</p>



Proposed Actions	Property Council Response
<p><u>7. Mandate delivery of affordable housing</u></p> <p><i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Implement Council's Affordable Housing Policy, including 5 per cent of all new housing to be affordable housing for key worker households.</li> <li>2. As part of future centre master-planning, undertake feasibility analysis to support a future affordable housing contribution scheme for specific centres.</li> <li>3. Undertake annual review of housing delivery and work with State and community housing providers to track anticipated delivery.</li> </ol>	<p>The Property Council can provide in-principle support of this mechanism and the three (3) associated actions.</p> <p>We look forward to further engagement with Council regarding the details and implementation of the Affordable Housing Policy.</p>
<p><u>8. Mitigate the impact of Part 3B of the Codes SEPP</u></p> <p><i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Seek exemption from relevant provisions of Part 3B of the Codes SEPP in the Ryde LGA.</li> <li>2. If exemption is not possible, identify preferred dual occupancy lot size.</li> <li>3. If exemption is not possible, develop planning proposal to prohibit multi dwelling housing in R2 Low Density Residential areas and increase minimum lot size for dual occupancies.</li> <li>4. If exemption is not possible, seek temporary extension of deferment while planning proposal is being finalised.</li> </ol>	<p>The Property Council does not support this mechanism as we consider complying development to be a positive and necessary planning pathway for faster approvals.</p> <p>We support the recent commencement and continued operation of the <i>Low-Rise Housing Diversity Code</i> and the outcomes that it will deliver. However, we do not support Council in seeking to amend <i>Ryde LEP 2014</i> as described in Action 3.</p>

Proposed Actions	Property Council Response
<p><u>9. Investigate areas for long term growth</u>  <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Prioritise West Ryde centre immediately surrounding area for growth in medium-term.</li> <li>2. Monitor growth in centres and identify investigation schedule for remaining centres and investigation areas.</li> <li>3. Develop and implement masterplans for remaining centres and investigation areas.</li> <li>4. Undertake routine reviews of planning outcomes in master-planned areas to determine likely longer-term housing delivery outcomes.</li> </ol>	<p>The Property Council welcomes and supports this mechanism and the four (4) associated actions.</p> <p>In particular, we welcome Council's intention to give priority to planning for medium-term growth around the West Ryde centre and developing plans for other centres. Given the good transport service and availability of facilities and amenities to West Ryde, the focus on this location is appropriate. We look forward to Council progressing these plans further in the coming years.</p>
<p><u>10. Non planning mechanisms</u>  <i>Actions:</i></p> <ol style="list-style-type: none"> <li>1. Revisit and revise asset management strategies with the goal of supporting projected population growth.</li> <li>2. Partner with community housing providers and private sector developers to maximise affordable housing delivery.</li> <li>3. Develop urban tree canopy policy for private and public areas.</li> <li>4. Develop laneway embellishment policy to support rear-access development.</li> <li>5. Engage with State Government to encourage high quality development that aligns with the housing vision.</li> <li>6. Advocate for the provision of infrastructure to support the needs of projected populations.</li> </ol>	<p>The Property Council welcomes and supports this mechanism and the six (6) associated actions.</p> <p>In particular, we support the intention to advocate for the provision of infrastructure to support project population growth. It is important that State Government is meeting its obligations to invest and deliver enabling infrastructure to support growth and renewal in established areas.</p>

## 7.0 Planning Proposal - Housing LEP2020/2

### 7.1 General Comments

Council is seeking feedback on a planning proposal to change the provisions of *Ryde Local Environmental Plan 2014* (Ryde LEP 2014) in respect of the permissible land uses in the R2 Low Density Residential zone.

Currently several forms of multi dwelling housing (eg. manor homes and terraces) are permitted within the R2 zone and as a consequence, they may be developed as complying development under Part 3B of *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008*. Council is concerned that this creates the potential for an additional 13,875 dwellings to be constructed in Ryde's low-density zone using the complying development pathway.

The Property Council understands the Council's intention is to focus new housing in its established centres and introduce planning controls to deliver new housing in an orderly and staged way. Under the current planning controls this will not be possible. Accordingly, the proposed changes are generally appropriate and supported.

### 7.2 Proposed Changes

The proposal involves changes to certain provisions of Ryde LEP 2014 to give effect to the Council's intention of confining medium density housing to appropriately zoned areas with access to infrastructure and services.

The following amendments have been proposed:

- (a) Removal of *Multi dwelling housing* from the land use table for R2 Low Density Residential zone;
- (b) Amendment of Clause 4.1A – Dual Occupancy (Attached) Subdivisions;
- (c) Amendment of Clause 4.1B – Minimum Lot Sizes for Dual Occupancies and Multi Unit Dwelling Housing; and
- (d) Removal of Clause 4.5A – Density Controls for Zone R2 Low Density Residential

These amendments continue to allow for attached dual occupancy buildings and only give effect to Council's intention regarding preventing medium density housing in the R2 Low Density Residential zone.

### 7.3 Consequences of Proposed Changes

Implementation of the changes described above will lead to a reduction of the future supply of medium density housing within the City of Ryde. Without additional areas for medium density housing being identified to offset the loss of future supply, it will be difficult for the City of Ryde to meet its medium to long-term housing targets.

It is noted that Council proposes to make further changes to Ryde LEP 2014, that will implement Ryde's Local Housing Strategy, will be made in a series of separate stages "*to provide Medium Density Housing in appropriate areas to ensure it is adequately designed and serviced and that would provide a transition between high and low density areas*". We welcome Council's intention to bring forward additional zoning changes to increase housing supply for the medium and long-term.

Section 2.1 of the planning proposal indicates there are approximately 26,700 lots in the City of Ryde with a R2 Low Density Residential zoning and, under current planning controls, multi dwelling housing and attached dual occupancies are permitted.

We note that Council has estimated that the R2 zone holds a theoretical capacity of about 3,936 lots (5,252 additional dwellings) and these could be developed as medium-density housing under the current controls. It is claimed in the planning proposal, that the recent introduction of Part 3B of the Codes SEPP could increase the number of lots eligible for multi dwelling housing to 6,969 lots (up to 13,875 additional dwellings). Although this is theoretical capacity, in reality, not much of this potential supply will be actually be delivered for a number of reasons, including owners with no plans to sell, development feasibility, tax and contribution considerations).

#### **7.4 Conclusion**

The Property Council broadly supports the intention of the Planning Proposal and acknowledges the Council's preference for medium density housing to be limited to certain areas supported by infrastructure and services.

As the Planning Proposal will give effect to Council's draft Local Housing Strategy (LHS), it should not be finalised until such time that DPIE has endorsed the LHS and Council has commenced the preparation of a stage 2 planning proposal to commence the next stage of its implementation.