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26 February 2021

Ms Lisa Miscamble
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Dear Ms Miscamble

Draft Hunter's Hill Local Housing Strategy

The Property Council welcomes the opportunity to provide Hunter's Hill Council (**Council**) with comments on its draft Local Housing Strategy (**the Strategy**).

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 following comments for your consideration.

We support the actions identified by Council in the Strategy to meet the community's future housing needs by identifying locations where additional capacity could be planned and delivered through changes to Council's' LEP and DCP. The Strategy rightly identifies the need for greater diversity of housing types in Hunter's Hill and develops appropriate policy responses to this issue, including seniors housing and affordable housing. We look forward to Council implementing the Strategy after it is has been endorsed by the Department of Planning, Industry and Environment.

Should you have any questions concerning the content of this submission, please contact Troy Loveday, NSW Policy Manager, on 0414 265 152 or tloveday@propertycouncil.com.au

Yours sincerely



Jane Fitzgerald
NSW Executive Director
Property Council of Australia

Submission to Hunter's Hill Council

Draft Hunter's Hill Local Housing Strategy

26 February 2021

1.0 General Comments

Council has prepared this draft Local Housing Strategy (the Strategy) as a requirement of the Greater Sydney Regional Plan (Action 3), the North District Plan (Action 17) and Hunter's Hill Local Strategic Planning Statement (Action 3.1). It is understood this important piece of strategic planning is required to be completed during 2021.

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 the actions to provide for 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 changing demographics over the life of the Strategy, opportunities to increase the supply of housing within the Hunter's Hill LGA 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 Local Housing Strategy and Local Strategic Planning Statement (LSPS) that allows for it to consider spot rezoning in an area or areas that hasn't been identified. We request Council look at a mechanism that can allow for the 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 potential for more housing supply in the three key centres of Gladesville, Hunters Hill and Boronia Park as well as the two strategic sites at former Gladesville Hospital and Montefiore Seniors Living site for longer term supply options. We strongly encourage Council to initiate the 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 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 150 and 200 additional dwellings during the LSPS assurance process. The draft Local Housing Strategy has found 82 new homes are needed between 2016 and 2041.

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 Housing Strategy

Council's draft Local Housing Strategy indicates:

- Dwelling capacity under existing controls is (in theory) less than 150 dwellings;
- Much of the Hunter's Hill community maintain a longstanding connection with the locality and their respective local centres;
- With population growth projected to remain steady relative to the small size of the council area, there is an opportunity for council to prioritise planning controls and a regulatory regime that targets higher quality dwellings, fit for purpose dwellings that respond to the needs of the community;
- New housing can form the focus for delivering dwelling typologies that are best placed to support social, community and wellbeing outcomes;
- Changing demographics within the LGA will create a need for additional dwellings by 2041;
- Based on dwelling approvals and completions over the last 5 years, Hunter's Hill appears to be on track to meet housing demand but not GSC targets. A further 35 dwelling completions per year will be needed;
- Hunter's Hill has a lack of affordable housing, including rental housing, in key centres across the LGA more broadly;
- Housing typologies in Hunter's Hill are strongly weighted towards large-detached houses, with much lower supply of medium to low-density apartment dwelling types. This limits options to downsize, remain in place or for younger generations to purchase an entry level property in their local area;
- Many of the State Environmental Planning Policies either do not apply to the majority of the LGA (due to large coverage of heritage conservation areas), or are not a pathway currently being utilised by proponents due to market and economic factors; and
- Capacity for future development under existing controls is extremely constrained. Almost all future development would be categorised as infill, therefore the planning regime needs and DCP needs to factor in detailed built form controls that govern the nature and desired future character of built form and housing typologies.

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 towards affordable rental housing, Community Infrastructure Contributions (CIC) schemes, 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 Impact of COVID-19

The exhibited version of the Strategy is silent regarding the impact of COVID-19 on the local government area's population and demand for housing.

Despite this, 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 their respective district plan. 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 a 'business as usual' approach over the 20-year period.

6.0 Implementation

Section 6 of the Strategy identifies several actions that have been recommended to deliver its outcomes. The following table responds to these actions.

Housing Priority & related actions	Property Council response
<p><u>Housing Priority 1 – Hunter’s Hill will plan for additional housing in appropriate locations</u></p> <p><i>Actions:</i></p> <p>1.1 - Continue to facilitate housing development utilising the existing capacity available under current planning controls,</p> <p>1.2 - Develop a range of tailored site-specific controls within the revised LEP and DCP to manage change and support sensitive uplift in key strategic centres and neighbourhood centres,</p> <p>1.3 – Focus mid-rise residential development on Gladesville Town Centre, Hunter’s Hill Village and Boronia Park and complete precinct plans and detailed urban design analysis to inform new planning controls in these areas.</p> <p>1.4 - Undertake a review of the LEP & DCP to ensure that in strategic centres controls are reviewed and revised if necessary, to ensure that there is sufficient capacity to encourage additional housing delivery and signal to market areas that are suitable for redevelopment,</p> <p>1.5 – Work with relevant State agencies (Transport for NSW, Sydney Water, DPIE) to review the capacity of essential infrastructure networks to understand the requirements for further residential growth in key areas. Inform affected agencies of likely implications of LEP amendments.</p> <p>1.6 – Assess planning proposals for consistency with housing priorities and the community vision outlined in the LSPS.</p> <p>1.7 – Work with NSW Government authorities and agencies, to ensure public transport services and facilities provided by the NSW Government support the needs of current and future residents in a timely way, including direct services between ferries, bus stops and train station interchanges in peak and nonpeak times.</p>	<p>The Property Council supports Council taking action to plan for additional housing in appropriate locations and understands the limits on future growth due to the LGA’s small area and heritage constraints. We suggest Council maximise the available opportunities to provide extra capacity for diverse housing types in existing local centres and key sites.</p> <p>We welcome actions 1.1, 1.2 and 1.3 which are focused on housing supply and represent efforts to meet District Plan housing targets to meet future demand for housing.</p> <p>Actions 1.5 and 1.7 that aim to coordinate housing with infrastructure and other services are important and we support the consideration of these initiatives.</p>

Housing Priority & related actions	Property Council response
<p><u>Housing Priority 2 – Hunter’s Hill will continue to support the delivery of housing diversity and housing affordability.</u></p> <p><i>Actions:</i></p> <p>2.1 – Ensure there is an adequate pipeline of new housing that is fit-for-purpose and addresses the social, cultural and wellbeing needs of diverse community groups,</p> <p>2.2 – Review bedroom mix controls for residential apartment development to ensure that there is supply of one, two- and three-bedroom apartments are allowed for to cater to shrinking household types, young families, those who wish to downsize and rental demand,</p> <p>2.3 – Undertake a detailed analysis of capacity to address additional future seniors housing. Confirm opportunity sites in consultation with key stakeholders and implement revisions to planning controls that will encourage supply of additional seniors housing that will respond to demand and in keeping with existing character,</p> <p>2.4 – Develop an affordable and social housing policy for Hunter’s Hill, including an affordable housing contributions scheme, a VPA policy and a plan to update the relevant zone objectives to provide for affordable housing,</p> <p>2.5 – Work with neighbouring councils (Ryde, Lane Cove and Canada Bay councils) to explore district approach to affordable housing,</p> <p>2.6 – In collaboration with key stakeholders, State agencies and community housing providers, investigate and implement affordable housing delivery models in partnership with established providers,</p> <p>2.7 – Ensure planning instruments are updated to ensure the delivery of housing to reflect aging and specialist disability housing needs, which will grow into the future. Ensure new development responds to Universal Design Principle,</p> <p>2.8 – Ensure the DCP is updated to allow for the sensitive upgrade of existing housing stock and a consistent approach to assessing proposals to older apartment stock and some older residential buildings,</p> <p>2.9 – Explore opportunities for new and innovative housing / tenancy models to occur in the LGA such as creative tenancy arrangements, build to rent models and co-operative living /co-housing.</p>	<p>The Property Council is concerned that many councils in Sydney talk about housing diversity but fail to adequately provide sufficient incentive to encourage broader choice in housing typologies for their communities. In this regard, we support in principle the actions identified by Council to encourage greater diversity but urge Council to commit to actively incentivising more of the housing needed by the community.</p> <p>Action 2.3 is particularly important given the increasing aged population expected to reside in Hunter’s Hill by 2041. We would encourage Council to engage directly with existing aged care facility and retirement village operators in the LGA to fully understand the nature of the industry and how planning controls can respond to any challenges.</p> <p>The development of an affordable and social housing policy is noted and supported in-principle. Given Council does not expect large redevelopment of infill sites, the intention to develop a contributions scheme and VPA policy may not provide sufficient funds to provide additional supply. We would encourage Council to pursue Action 2.5 to look at a District-level response to meeting the challenge of affordable housing supply.</p>

Housing Priority & related actions	Property Council response
<p><u>Housing Priority 3 – Hunter’s Hill will protect significant environmental values through sustainable development and high design quality in new developments</u></p> <p><i>Actions:</i></p> <p>3.1 – Encourage design and delivery of new housing that is focused on environmental sustainability and the delivery of good environmental outcomes through high quality residential design,</p> <p>3.2 – Investigate a design excellence bonus in the planning controls or design excellence clause,</p> <p>3.3 – Design revised planning controls that encourage design excellence in new development and a sensitive response to the surrounding streetscapes,</p> <p>3.4 – Locate future housing away from high environmental risk,</p> <p>3.5 – Use the Hunter’s Hill DCP as a mechanism to improve environmental sustainability and resilience in new residential precincts,</p> <p>3.6 – Ensure new development meets or exceed BASIX criteria relating to water, energy and thermal comfort,</p> <p>3.7 – Prepare design guidelines for sensitive changes to older apartment blocks and older housing stock,</p> <p>3.8 – Investigate and address transport and parking infrastructure needs at local centres and other key sites, to support the needs of residents and demands of new housing.</p>	<p>The Property Council generally supports this housing priority and its associated actions.</p> <p>In particular, we support improvements in the sustainability of buildings and the use of design excellence provisions in appropriate situations. It is important that any changes to the planning controls suggested in Actions 3.1 to 3.8 are subject to wide consultation and consider the costs of compliance and implementation.</p>

Housing Priority & related actions	Property Council response
<p><u>Housing Priority 4 – Encourage compatibility of new housing with existing local character and heritage.</u></p> <p><i>Actions:</i></p> <p>4.1 – Complete Local Character Statements, for areas not subject to heritage conservation provisions, to identify important areas of local character that warrant more tailored planning controls, (ie garden suburb character) including where exemptions should be sought from the Code SEPP,</p> <p>4.2 – Complete detailed character work, including urban design analysis and desired future character, for the key centres of Gladesville Town Centre and commercial core, Hunter’s Hill Village and Boronia Park.</p> <p>4.3 – As part of the LEP review process complete a comprehensive heritage review of LGA and make recommendations for its conservation and protection,</p> <p>4.4 – Prepare Statements of Heritage Significance for the Heritage Conservation Areas to reinforce the heritage values of Hunter’s Hill and support the heritage conservation provisions of the North District Plan and Hunter’s Hill LEP and LEP Review.</p> <p>4.5 – Review and amend the Hunter’s Hill DCP to clarify and reinforce development controls addressing the garden-suburb concept, view scapes and character statements, which support the rich character and sense of place in Hunter’s Hill LGA.</p> <p>4.6 Incorporate provisions for any tree removal to be replaced with suitable tree species.</p>	<p>The Property Council recently opposed a proposal from the Department of Planning, Industry and Environment to embed a requirement to consider Local Character Area Statements into the Standard Instrument LEP due to the already complex planning system that operates in NSW.</p> <p>We do not oppose the development of local character statements, particularly for heritage conservation areas and important streetscapes but do not support their elevation into the LEP. It is more appropriate for these to form part of the Council’s DCP or other guidance material to be considered by an applicant during preparation of a DA.</p> <p>Although the significance of important heritage values and places in Hunter’s Hill should not be placed under threat, there should be accommodation made for sensible infill development that responds to a location’s heritage and also allows for additional housing to be delivered within the community providing for downsizing, aging in place, families staying in the area where they grew up and for improved affordability.</p>