



Australia's property industry

Creating for Generations

13 December 2022

Mr Tom McCarry
Strategic Planning Department
North Sydney Council

Email: yoursay@northsydney.nsw.gov.au

Property Council of Australia
ABN 13 00847 4422

Level 1, 11 Barrack Street
Sydney NSW 2000

T. +61 2 9033 1900
E. nsw@propertycouncil.com.au

propertycouncil.com.au
[@propertycouncil](https://twitter.com/propertycouncil)

RE: Exhibition of Draft Amendment to North Sydney Development Control Plan 2013

Dear Mr McCarry,

The Property Council of Australia welcomes the opportunity to provide a submission to North Sydney Council regarding the proposed amendments to the North Sydney Development Control Plan 2013 - Car Parking Rates for new high-density residential, mixed use and non-residential development in areas with high public transport accessibility levels (PTAL).

Property is the nation's biggest industry, representing one-ninth of Australia's GDP and employing more than 1.4 million Australians, as well as being the largest employer in Australia. In NSW, the industry creates more than \$581.4 billion in flow on activity, generates around 500,000 jobs and provides around \$36 billion in wages and salaries to workers and their families.

Our members are the nation's major investors, owners, managers, and developers of properties of all asset classes. They create landmark projects, environments, and communities where people can live, work, shop, and play. The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive, sustainable and safe places.

The Property Council of Australia provides in principle support for North Sydney Council's objective of encouraging greater public transport use to better manage traffic demand and improve the efficiency of the local road network.

The NSW Government's investment in the Sydney Metro network and the stations at North Sydney and Crows Nest will significantly improve public transport accessibility within the Local Government Area. Driving modal shift from private car to public transport use will be critical in ensuring the benefits of this investment are fully realised. With cars and light commercial vehicles accounting for 66 per cent of total transport emissions in NSW¹, it is equally vital we leverage this investment to drive decarbonisation across the transport sector.

¹ [Future Transport Strategy, Transport for NSW, 2022](#)

While the Property Council supports these objectives, we strongly object to the proposed dramatic reduction of permitted off street parking spaces in new high density residential apartment buildings, mixed use and non-residential development.

The proposed DCP changes are ill-considered and fail to balance and account for many key policy considerations. These reasons are outlined below, with further detail on each provided in the attachment:

1. The proposed ratios do not consider the high level of car parking demand within the residential and commercial property market and the impact these ratios would have on development feasibility and the provision of future housing supply.
2. The methodology used in Council's traffic and transport report, alongside its car ownership conclusions, are flawed.
3. Residents and visitors in new high-density residential apartment buildings will seek out unrestricted parking space within surrounding streets.
4. The Council is seeking to implement changes to car parking ratios before a holistic LGA-wide car parking strategy is developed.
5. No appropriate transitional provisions have been proposed and the consultation approach has not been adequately scaled to the impact on residents, businesses and the property industry.

Given the above issues, the Property Council strongly recommends the Council does not proceed with the Draft Amendment to North Sydney Development Control Plan 2013 - Car Parking Rates.

While industry acknowledges that a reduction in car parking ratios in residential and commercial development may be required over time to achieve broader public policy objectives, the evidence presented by North Sydney Council does not support its proposed approach. Indeed, there is no justification for North Sydney Council to adopt the lower bound car parking ratios considered in its modelling, which would represent the most restrictive parking controls in Greater Sydney for two- and three-bedroom dwellings.

As such, the Property Council requests North Sydney Council engage constructively with industry on a more realistic implementation timeframe for changes to car parking ratios, which adequately reflect the dynamics of market demand and address the key issues outlined in this submission.

Furthermore, we recommend Council develop an LGA-wide Parking Strategy before considering any changes to the DCP to ensure a holistic evidence-based examination of all parking issues is undertaken.

Further detailed commentary is provided in Attachment A. We look forward to our continued engagement with North Sydney Council. Should you wish to discuss our submission further, please contact NSW Policy Manager, Michael Player on 0424 698 189 or mplayer@propertycouncil.com.au.

Yours sincerely,



Adina Cirson

Acting NSW Executive Director
Property Council of Australia

ATTACHMENT A – DETAILED COMMENTARY

1. Development feasibility and demand for car parking within residential property

The profile of housing demand has changed significantly over the last 30 years as urbanisation has increased and housing affordability has deteriorated. Over that period, the development sector has identified an increase in demand for larger apartments and car parking capacity within well-located areas of Sydney.

Development feasibility has become dependent on the provision of sufficient car parking capacity, particularly within high density residential developments. Dramatically reducing car parking ratios for one, two and three-bedroom apartments within the identified DCP zones will significantly constrain the ability of the development sector to meet market demand and achieve its feasibility requirements.

The proposed North Sydney Council plan to adopt the lower bound car parking ratios considered in its modelling, would represent the most restrictive parking controls in Greater Sydney for two and three-bedroom dwellings. On a weighted average, the car parking rates proposed by North Sydney Council are more restrictive than Category A rates in the City of Sydney (central Sydney rate) – which has a far higher PTAL than North Sydney LGA.

Given the chronic undersupply of housing within the LGA and the Eastern Harbour City (as identified by the Greater Cities Commission), the economic cost of restricting supply should be given greater regard when assessing the benefit of this policy intervention. The Property Council contends this higher cost-benefit threshold has not been adequately applied by Council in its proposed amendment to the North Sydney Development Control Plan 2013 - Car Parking Rates.

Recommendation:

The Property Council of Australia strongly recommends the Council does not proceed with the Draft Amendment to North Sydney Development Control Plan 2013 - Car Parking Rates for new high-density residential, mixed use and non-residential development in areas with PTAL without further consultation with the industry and key stakeholders.

2. Traffic and transport report assumptions and conclusions

The methodology used by Council's traffic and transport report is flawed as the framework and assumptions require revision. North Sydney Council's proposed DCP amendments draw upon the Guide to Traffic Generating Development (the Guide), which Transport for NSW (TfNSW) has admitted is over twenty years old and requires revision. The Property Council understands TfNSW is currently reviewing the Guide. Given the Guide establishes the framework and assumptions that underpin the LGA-wide North Sydney Transport Strategy, the draft DCP should be delayed until the TfNSW review is complete.

Furthermore, North Sydney Council's traffic and transport report presents inaccurate conclusions and cannot be relied upon to support the proposed DCP changes. While the report draws on the Guide to justify its assumptions, the Guide itself establishes no clear correlation between parking and traffic activity. In addition, there are only eight building surveys, all in different suburbs with different yields and parking provisions. As such, it is not possible to draw a connection between parking ratios with Council's traffic activity conclusions, given there are no surveys from the North Sydney LGA.

While there is a sunk cost related to car ownership, trip generation particularly in peak periods, is impacted by several other variables, including proximity to other transport modes. The ABS Census data from 2016 and 2021 confirms that between 75 per cent and 79 per cent of residents in the North Sydney CBD own a car, but the 2016 Journey to Work data confirms only 23.4 per cent of residents travel by car to their place of work. This indicates that whilst car ownership can stay the same, public and active transport use can increase significantly, particularly in areas with high PTAL such as North Sydney.

While the Property Council supports policies which encourage more sustainable transport use, not all car owners use their vehicles every day. Increasingly, evidence suggests private cars are used for incidental trips, where public transport isn't a viable option. Encouraging greater car sharing within the LGA alongside other active transport options should be considered within a holistic parking strategy to better manage traffic, congestion, and associated impacts.

Recommendation:

North Sydney Council should wait until TfNSW has completed its review of the Guide before proceeding with any further changes to car parking rates.

Recommendation:

Instead of dramatically reducing car parking ratios for new high-density residential areas with PTAL, North Sydney Council should consider the appropriate allocation of parking within the LGA to car share uses.

3. Impact on parking across the on-street network and business

As demonstrated above, it is not uncommon for residents to own a car for occasional use and not for daily use. A dramatic reduction in car parking ratios in new high density residential developments will likely encourage incoming residents to park or store their car on streets with unrestricted timing, the same way boats and trailers are often parked in these areas, for occasional use by their owners. This will have a deleterious impact on existing residents by reducing the total parking capacity across the street network.

The proposed abolition of all visitor parking in the R4 High Density zone will also create additional conflict between residents and local businesses. Without any adequate on-site parking, visitors will use short-term parking on surrounding street networks. This is the same on-street parking that residents with a permit often rely upon to park. Increased competition for short term on-street parking from short-stay visitors will adversely impact the trade of local businesses and further reduce total parking capacity available to existing residents.

For the last twenty years', North Sydney has struggled to transform its commercial core into a vibrant centre. These proposed car parking restrictions will only add further barriers to activating the North Sydney CBD and run counter to Councils economic enhancement strategy.

4. North Sydney Council LGA-wide Parking Strategy

The Property Council remains concerned North Sydney Council is attempting to rush through changes to the proposed DCP amendments before the LGA-wide Parking Strategy

is complete. The evidence presented above makes clear North Sydney Council has insufficient cause to justify the implementation of such a restrictive level of car parking rates in the timeframe proposed.

A holistic strategy which considers total parking provision within North Sydney, including the inter-relation between private parking, public parking, on-street parking, car-share parking, and Council's resident parking scheme, alongside other variables which impact trip generation across the LGA, would yield a more fruitful outcome for both community and industry.

A sensible and evidence-based LGA-wide Parking Strategy, which considers a wide range of parking issues, would allow for a detailed examination of all land uses cases across different PTAL categories. It would also allow for more extensive community and stakeholder consultation and ensure the issues raised in this submission and others are adequately addressed.

Recommendation:

North Sydney Council should develop an LGA-wide Parking Strategy before considering any changes to the North Sydney Development Control Plan 2013 - Car Parking Rates.

5. Transitional provisions and consultation

While industry acknowledges that a reduction in car parking ratios in residential and commercial development may be required over time to achieve broader public policy objectives, the evidence presented by North Sydney Council does not support its proposed approach.

The Property Council is also concerned North Sydney Council has proposed no transitional provisions for the DCP changes. North Sydney is not the first Council to propose changes in parking ratios due to the provision of new transport infrastructure, however other Councils have conducted extensive engagement and provided appropriate savings and transitional provisions. North Sydney Council should take a best practice approach to consultation which is scaled to both the impact on community and industry.

Recommendation:

The Property Council requests North Sydney Council engage constructively with industry on a more realistic implementation timeframe for changes to car parking ratios, which adequately reflect the dynamics of market demand and address the key issues outlined in this submission.