



Can the latest planning reforms bring on density done well?

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Committee
for
Sydney



Source: NSW Government

Acknowledgement of Country

We acknowledge Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land on which we live and work – Australia.

We pay our respects to their Elders both past and present. We recognise that sovereignty was never ceded. This was, and always will be, Aboriginal land.

Introduction

Housing unaffordability is costing Sydney over \$10b every year in lost productivity, talent and innovation. Without change, less than half of children born today will ever own a home in Sydney.

Over Christmas the government released a suite of proposed housing reforms. This statement summarises the Committee's submissions to two of them: The overview of the [Transit Oriented Development \(TOD\) SEPP](#) and the [Explanation of Intended Effect \(EIE\): Changes to create low-and mid-rise housing](#). Together with the [TOD accelerated precincts](#), these suite of proposals presented by the NSW Government represent a once-in-a-generation shift in housing delivery aimed at improving housing access in Sydney.

The Committee is one of the loudest advocates for density done well and we want these policies to succeed and to deliver great outcomes for the people of Sydney. To do so, they must strike a balance between delivering on its objectives to unlock housing supply, while building the social license for future expansion through a clear demonstration of the benefits that communities can receive through density done well.

This is done by ensuring these housing reforms contribute not only to housing supply, but importantly for the communities at the heart of these centres, demonstrate that they will create the leafy, walkable and family-friendly places that Sydneysiders want and deserve.

It is the Committee's view that if there is a clear demonstration of the 'density dividend' to communities, the NSW Government will be able to build the social license for future program expansion. If it does not, it is likely that the policy will be short-lived.

To this end, we've highlighted some of the elements of the reforms we think the government has gotten 'just right', can push further and can pull back on.

For some elements of the government's proposals (particularly automatically increasing the heights to six-stories around centres), taking the time to properly collaborate with councils on this policy, even if this results in a small delay initially, we will achieve better design outcomes, faster uptake, and a more prolonged and enduring impact in the long term.



Things that are just right.

The scale of the government's ambition

We commend government for producing such a significant reform program in such a short period of time.

These big and bold reforms are urgently needed and will help shape a better Sydney. While there are elements that need to be finessed, the government's desire to throw everything they've got at housing access and affordability is clear in these reforms.

Proposed parking provisions

We at the Committee love to push the boundaries when it comes to parking policy and Building more it was a delight to see maximum parking rates considered in the TOD SEPP.

Building homes around train stations offers an opportunity to rethink Sydney's reliance on cars to get around. It's better for our health, our wallets, and the planet. It's also great for reducing congestion – especially important as concerns about 'traffic chaos' is one of the most common reasons people oppose new development. Key to the policy's success will be parking management. The Committee has been a long-time supporter of maximum parking rates and is pleased to see it proposed.

While the TOD SEPP included talk of maximums, low-and-mid rise did not. This is something that does need to be looked at.

Things to push even further.

Why only 400m around stations? Expand the TOD SEPP to 800m or even 1km walking distance from the station.

Given the time already invested in the creation of the SEPP, and the sound principles behind it, there is an opportunity to expand the area it applies to maximise its impact and take advantage of existing transport infrastructure.

Suggest:

- Given the objective of the TOD program is to increase the number of people living within walking distance of train stations, the radius should not be applied as 'the crow flies', but using an 800m to 1km pedestrian catchment approach.
- The objectives of the policy would be greatly improved by expanding the radius the SEPP from a 400m radius to a 10 to 15min walking catchment (usually around 800m to 1km). While a radii approach does not factor in walking accessibility barriers, taking a walking catchment approach does.
- We suggest that 6 storeys be applied to the first 400m radius, with the potential to taper down to 3 to 4 stories for areas ranging from the 401m to 1km walking catchment.

[1. Committee-for-Sydney-Nature-Positive-Sydney-February-2023.pdf \(hostroomcdn.com\)](#)

[2. Tree canopy data | Planning \(nsw.gov.au\)](#)

[3. Urban Greening Factor \(UGF\) guidance | London City Hall:](#)

Greening our suburbs is a non-negotiable to achieve density done well. We need to make sure that there's room for more of it as these suburbs grow and change.

If you picture your favourite street, it's probably lined with beautiful trees. To do density well, we need to make sure that there's room for plants to grow as the buildings do.

The Committee's [Nature Positive Sydney](#) report outlined several benefits from increasing nature in urban areas from reducing heat, improving air quality, resilience, health and happiness¹.

Nature-positive and urban greening controls are also a critical to ensure equity right across Sydney, with a particular need to green Western Sydney which has far less urban tree canopy than the east, despite experiencing far higher temperatures during heatwaves².

Suggest:

- Consideration should be given to how development will improve tree canopy, plants, shrubs and biodiversity in the neighbourhood – this can be achieved through maximum site coverage controls (70%), while removing FSR maximums (noting that deep soil is not likely able to be achieved in commercial areas as buildings often have zero setbacks and are built wall-to-wall).
- An alternative to compliance with minimum deep soil requirements could be the creation of a tool similar to London or [Melbourne's](#) 'Urban Greening Factor' that helps applicants calculate the UGF score of a scheme and present relevant information as part of their application³. This provides applicants with more choice in how they can achieve a nature-positive outcome such as green rooves, walls, courtyards, tree canopy etc.

Increase supply of family-friendly apartments: Family-friendly houses around train stations should be replaced with more family-friendly apartments.

Apartments are typically a stepping stone into the housing market, and very popular with first-home buyers. However, unlike 2004 when the median age of buying a first home was in Sydney's mid-20s, the median age of first home buyers is now 36 – also an age where many people typically have, or are planning to have young children.

Recent research shows that there is a mismatch between the demand for family apartments and supply. A University of Wollongong study found that compared to family preferences, there was an overproduction of one and two-bedroom apartments in their study area (Liverpool CBD)⁴. They found that over half of Liverpool CBD apartments are occupied by families with children, yet the proportion of family-sized (3bd+) apartments is falling from 15% in 2011 to 14% in 2021⁵.

Development trends in Liverpool reflect the increasingly high-density community around centres and transport hubs that are being created across the 31 TOD locations. Despite growing demand for larger apartments (even without children, work from home means increased need for office spaces), it is unlikely the market will increase the provision of 3bd apartments without regulatory intervention.

Ipsos polling commissioned by the Committee for Sydney showed that attitudes towards raising families in apartments are changing significantly. Of Sydneysiders surveyed, while only 25% of baby boomers think it appropriate to raise a family in an apartment, this increases to 40% of Millennials and 46% of Gen Z, indicating an increased demand for family-apartments in coming years.

Suggest:

- Increase guidance for 3bd apartments from 10% to 20% specifically for development affected by the TOD SEPP. This will increase housing diversity across Sydney and provide more options for families to live within proximity to good public transport. This approach also aligns with existing DCP provisions in place at Hills Shire Council which has not seen a decrease in apartment approvals post intervention.
- Depending on the scale of development, encourage the provision of storage for play equipment and prams at the ground level.

Be bolder when it comes to the inclusion of affordable housing

While these policies are noble in their intention to increase housing supply, it's unlikely that key workers like cleaners, health-care workers, child-care workers or teachers will still be able to afford to live in these areas, close to the station, without having affordable rental housing available.

It is disappointing that despite potentially increasing the density of some areas three-fold there is no affordable housing contribution proposed by the low-and-mid rise EIE.

Suggest

- That at a minimum, the TOD SEPP's 2% affordable housing in perpetuity is applied to mid-rise housing as a starting point, but recommend the Department works with Industry to understand the feasibility of a higher proportion. Recent work by the Committee for Sydney suggests that in certain circumstances where the uplift is 3 times or more, percentages as high as 15-20% are feasible.

[4. Suburban densification: unpacking the misalignment between resident demand and investor-driven supply of multi-unit housing in Sydney, Australia: Australian Planner: Vol 59, No 1 \(tandfonline.com\)](#)

5. Ibid.

Things to pull back on.

Automatically uplifting heights around all centres.

Not all centres are created equal. Additional considerations should be given to where upzoning to allow six-to-eight storey development applies prior to all local centres being given automatic uplift.

While it's a good step to be seeking to densify areas around centres, not all centres this policy could apply to are equal. Better filters around social infrastructure capacity and public transport frequency and reliability should be undertaken before automatically upzoning a significant portion of Sydney.

The Midrise component of the low-and-midrise proposal would apply the same controls to a centre like Marrickville in Sydney's inner west – which has relatively great access to public transport, jobs, shops, services, childcare, open space and education – as centres like Beaumont Village in the Hills which has a shopping centre, but can be over a 20min bus ride (with infrequent and unreliable services) to the nearest train station.

The reference in the EIE to “800m walking distance of land zoned E1 or MU1 Mixed use but only if the zone contains a wide range of frequently needed goods and services such as full line supermarkets, shops and restaurants” omits many other critical pieces of social infrastructure communities need like: good levels of access to child care; reliable and frequent public transport; a primary school; open space; and depending on population, other critical social infrastructure like libraries or community centres.

The feasibility of residential flat building development across Sydney is also uneven and changes depending on location and context. It is critical that feasibility is another filter when it comes to which centres should be affected by this policy.

There is significant risk that the proposal will upzone land in areas the market is not ready (market and regulatory uncertainty), and therefore sterilise sites from any housing renewal at all. Premature rezoning also increases the costs to council when purchasing land for open space or community facilities.

Suggest:

- **Take the time to get it right:** While the Committee supports the TOD SEPP coming online as planned after April, due to the far-reaching impact of the low-and mid-rise proposal, time needs to be taken by the Department of Planning, Housing and Infrastructure and Councils to get this right.
- **Seek to prioritise which centres are rezoned first, rather than try to do everything, everywhere all at once:** An alternative approach to upzoning everywhere all at once would be to prioritise areas that have the highest likelihood of update and focus on different areas over time. This is a similar approach adopted by Victoria for greenfield sites and has strong industry support, with the pipeline mapped out to FY30. This approach provides the development sector with the certainty they need, and reduces risk. If this approach was applied to Sydney, it would make sense to work from the East of the city, through to the west in a clear and certain manner, allowing markets to mature over time.

- **Work with councils to refine the centres. This applies to:** Local place planning is always going to be superior to blanket one-size-fits all approaches. Local Councils know their local community and neighbourhood contexts intimately in ways that State Government can't. When deciding which centres this policy applies to the following considerations should apply at a minimum:
 - Walking access to frequent and reliable bus services (every 5-7 mins on-peak and every 7-10 mins off-peak), or a train, metro or light rail station.
 - Walking access to a primary school
 - Walking access to open space
 - Walking access to childcare (or a site suitable for a future childcare facility).
 - Walking access to local amenities – at least two community or public amenity centres
 - Consideration must also be given to whether these facilities (schools, shops, community centres, open space) have capacity to accommodate growth or whether further investment is required. This extends to other infrastructure such as water and sewage.
- Whether councils are already well-advanced in masterplans for centres, and if they can demonstrate that they are working towards them, let them continue and work with them to find out how the state can support them in advancing their master plans, rather than starting again, or creating uncertainty.

What we will do over the coming years will be locked in for decades to come. If we get it wrong, it will be hard to retrofit and they will shape community perspectives on density for the next few generations. Taking the time to collaborate with councils and community as much as possible in the short term will be well worth it in the long run.



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+61 2 8320 6750