SHELTER
NEW SOUTH WALES

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Urban Renewal
Department of Planning and Environment
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Herring Road, Macquarie Park, urban activation precinct

The proposals for the Herring Road, Macquarie Park, urban activation precinct

- repeat the failure of the previous UAP plans to incorporate affordable housing dwellings among the additional dwellings that will follow from densification, and
- may well lead to the loss of existing affordable housing in the precinct.

Lost opportunity

At the highest level of policy the Government has indicated support for affordable housing in the context of social mix for Sydney. The 'Draft metropolitan strategy for Sydney to 2031' (Department of Planning and Infrastructure, 2013) includes actions for the preparation of housing strategies to provide for future housing mix and identify local affordable housing opportunities (action 6.2) and for planning for the inclusion of affordable housing in Sydney (action 6.3).

However these high-level commitments have failed to find a home in the urban activation precinct program. This is astonishing since many of the UAP sites capitalize on the social opportunities from transit-oriented development, and TOD is particularly suitable to creating opportunities for affordable housing (D Shoemaker and Center for Transit Oriented Development, 'Tools for mixed-income TOD', report, 2006). Moreover government-initiated densification by new planning controls can generate community benefits through value capture without cries of pain from the development industry.

Yet the UAP proposals and plans for North Ryde Station, Epping town center, Lidcombe, and Wentworth Point have ignored or specifically rejected suggestions for affordable housing as a component of the denser redevelopment, with new affordable housing units financed from planning gain. And so it is again with Herring Road, Macquarie Park. The precinct is to get massive high-rise towers and a whopping 5,400 new dwellings. But it

will contribute nothing to the housing mix and local affordable housing opportunities mentioned in the 'Draft metropolitan strategy'.

The Ryde local government area has a need for rental housing for lower-income households: only 9.8% of private-rental dwellings are affordable for low-income households (September 2013), and social housing comprises only 4% of the dwellings in the LGA (Housing NSW, 'Local Government Housing Kit Database').

The planning proposal for the precinct gives no assurance or expectation that the 5,400 new dwellings in the precinct will be accessible to a range of income groups. Increased supply of dwellings cannot be relied on as the sole mechanism for housing choice and affordability in delivering UAP outcomes, especially if the market is oriented to producing apartment buildings with small bedroom numbers. Rezoning and building construction needs to be supplemented, or reinforced, by specific mechanisms — to foster diversity — in the new planning and development controls.

- Development controls for apartment buildings need to encourage a range of bedroom numbers, including for large families, and accommodate features conducive to children living in medium-rise and high-rise apartments (B Randolph, 'Children in the compact city: Fairfield as a suburban case study', City Futures Research Centre, University of NSW, 2006). This would involve new provisions in the site-specific DCP. The draft *Ryde DCP 2011* is probably unable to provide this diversity. It has a worthwhile aim of seeking to ensure that multi-dwelling housing developments *in low-density residential zones* contain a mix of dwelling sizes to meet the needs of different household groups, but the actual provision (Part 3.4, clause 2.7) is for developments containing 4 or more dwellings to have no more than 75% of dwellings with the same number of bedrooms. It gives an example of a 6-dwelling development: 4 dwellings could have 3 bedrooms and 2 dwellings could have 2 bedrooms. We might also see the provision as allowing for a 12-unit apartment building with 9 2-bedroom units and 3 1-bedroom units, which, if repeated in all high-rise apartment buildings in the Herring Road precinct, would be undesirable. We suggest, therefore, a control similar to one in the City of *Sydney DCP 2012*, namely (Section 4, clause 4.2.3.12), for developments with more than 20 dwellings to provide a mix of dwellings consistent with the following percentage mix: studio: 5–10%; 1 bedroom: 10–30%; 2 bedroom: 40–75%; 3+ bedroom: 10–100%.
- The planning controls should provide a mechanism for affordable-housing contributions to 'capture' a share of the value-uplift of the land in the precinct following the densification. These provisions, drawing their authority from section 94F of the *Environmental Planning and Assessment Act,* could be modelled on those that apply to another intensive redevelopment area, namely Green Square in the City of Sydney. In that precinct, the relevant provisions in the *Sydney LEP 2012* allow
    - the consent authority to, when granting development consent to development (other than development that is excluded development), impose a condition requiring a contribution equivalent to the affordable housing levy contribution, being: (i) 3% of so much (if any) of the total floor area of the development that is intended to be used for residential purposes, and (ii) 1%

of so much (if any) of the total floor area of the development that is not intended to be used for residential purposes;

- a person to satisfy the affordable housing levy contribution: (a) by way of a dedication in favor of the Council of land comprising one or more dwellings (each having a total floor area of not less than 50 square meters) with any remainder being paid as a monetary contribution to the Council, or (b) if the person so chooses, by way of a monetary contribution to the Council;
- the rate at which a monetary contribution is to be taken to be equivalent to floor area to be calculated according to a rate determined by the Council.

The value of the contributions used in this LEP, dating back to 1½ decades ago, are very low, and given the scale of the redevelopment proposed for Herring Road compared with current building envelopes, a contribution of 15% of the floor area for residential development, and of 5% of the floor area of commercial development, would seem more appropriate.

This approach uses value capture as the substantive basis for the contribution, and since the contribution is less than the full value of the gain from betterment accruing to the landowner's property, it cannot be regarded as a tax or a disincentive to development. It would yield a 'social return' to the government, through promoting social mix by locating homes for lower and moderate-income households in an established suburb with good access to public transport and other services.

To satisfy section 94F(1), in tandem with this previous suggestion, we recommend the amendment of *State Environmental Planning Policy 70* to add 'City of Ryde' in clause 9.

Lost housing?

The absence of any commitment to new affordable housing in the UAP proposal is particularly striking given that part of the site northeast of the Herring Road and Epping Road intersection is currently used for medium-rise *social housing*. The dwellings include rows of 3-5 storey apartments and 2-storey cottages. This social housing, the Ivanhoe Estate, is identified as having 'potential as a possible future redevelopment site' (Planning and Environment, 'Herring Road, Macquarie Park: urban activation precinct proposal', June 2014, p.21).

The planning proposal affects the existing built form on this estate in 3 critical ways. It will remove existing cul-de-sacs and create a new grid-pattern street network through existing buildings ('Herring Road, Macquarie Park: urban activation precinct proposal', p.9). Secondly, it will increase the heights possible for new buildings on the site and the frontage to Herring Road to the immediate west of the estate (most of this strip is owned by Macquarie University). Instead of the current height control of 15.5 meters, the controls will increase to 75 meters (23 storeys) at Herring Road (includes the University-owned land), to 65 meters (20 storeys) along Epping Road, and to 45 meters (14 storeys) at the eastern part of the estate. These increases are quite dramatic compared to the current controls and to the height controls across the road, at Epping Road, where the height control is 9.5 meters. Thirdly, it will increase the maximum floor space ratio

possible for new buildings on the estate and the frontage to Herring Road. Instead of the current FSR control of 1:1, the controls will increase to 2.9:1 (with the Herring Road frontage, which includes land owned by Macquarie University, increased to 4.5:1). Again, these increases are quite dramatic compared to the current controls and to the FSR controls across the road, at Epping Road, where the FSR control is 0.5:1.

These changes send a signal to the landowners that the Government regards the current street pattern (which has a protective function) and the current built form as suboptimal. They encourage demolition and redevelopment, and therefore displacement and — given the absence of any mechanism to create affordable-rental housing (as already noted) — gentrification.

There are only 2 elaborations on this scenario of demolition and displacement ('potential as a possible future redevelopment') in the documents on exhibition with the UAP proposal. Both are cursory. One is in a factsheet (Planning and Environment, 'Have your say: new vision for Herring Road Macquarie Park — frequently asked questions', June 2014), which notes the *formal* procedure that decisions on whether to redevelop land are made by the landowner not by the planning authority. The factsheet tells us that 'The Government has made a commitment to manage public housing assets in NSW in a responsible way. NSW Land and Housing Corporation has advised that a decision has not been taken on the Ivanhoe Estate.' (p.3) The other is in the planning report backing the UAP proposal, which mentions that people from the Ivanhoe community (i.e. the existing public-housing residents) had:

- expressed their concerns over the 'uncertainty' around possible redevelopment, and
- expressed the importance of replacing any public-housing lost with public housing within the same area — which Shelter interprets to be 'within the *precinct*'

(Planning and Environment, 'Herring Road urban activation precinct: planning report, vol.1', June 2014, p.61; these statements in this planning report are drawn from a 'consultation report' prepared by AECOM Australia)

The 'consultation report', just mentioned — which is an attachment to volume 2 of the planning report— has only those 2 points to make about the Ivanhoe estate: residents' concerns about 'uncertainty', and residents' wish that should they be displaced and their homes demolished, there would be an equivalent amount of replacement public housing in the area. Such important issues, not only for the existing residents but also for the role of social mix in a class- and tenurially-divided city, are wrapped up in 43 words.

We understand that the landowner, the NSW Land and Housing Corporation, commissioned a social impact assessment (www.cred.com.au/project501.html). But it does not seem that findings from this study were incorporated into AECOM Australia's 'community consultation' report or into the DPE planning report (neither of which mention the LAHC-commissioned study). The UAP guidelines anticipate that the DPE might draw on information on existing studies when investigating UAP proposals

(Planning and Infrastructure, 'NSW urban activation precincts guideline', 2012, p.9). It would seem sensible therefore for the DPE to draw on findings from relevant studies.

In May 2012 the Land and Housing Corporation distributed a factsheet (see Attachment) on the work of the Macquarie Park Task Force, work which predated the announcement that the site was to be a UAP. This factsheet indicated that there was potential to develop the land currently constituting the Ivanhoe Estate at higher densities. It contained 3 clear, public commitments from the Corporation:

- 'If the Ivanhoe estate is redeveloped, the same number of social housing homes will be built. There will be no loss of social housing in the area.
- 'If the estate is redeveloped, existing social housing residents will be relocated to new or vacant social housing that is suited to their needs.'
- 'Where tenants are moved out of the estate to allow redevelopment to take place, they will have the option of moving back to the estate provided that a new dwelling is available that is also suited to their needs.'

It is unfortunate that these commitments have not been noted in the planning report, which, while it focuses on land-use planning, does cover a number of other matters of interest to other government agencies. Given that the new planning controls for this part of the precinct are likely to, and indeed are *intended* to, have a negative impact on the Ivanhoe Estate — by inciting 'redevelopment' (that is, demolition and displacement) — a considered social-impact assessment that includes mitigation and compensation measures should have been done by the Department.

We are talking about some 260 dwellings with some 600 residents about which and about whom the Department is telling the landowner (Land and Housing Corporation), the Government doesn't want your medium-rise dwellings in this precinct, instead Government wants high-rise apartments and people who can afford to buy units in them.

In sum, we believe that the finalized version of the vision and strategy for the precinct should include:

- no decrease in the numbers of social-housing dwellings and no displacement of current residents except as unavoidable during any redevelopment process
- a net increase in the numbers of affordable-rental housing (including social housing) units through use of a value capture mechanism based on section 94F of the Act

We recommend these changes with a view to promoting a more comprehensive approach to housing wellbeing than has been evidenced in the UAP program so far.

Sincerely

Mary Perkins
Executive Officer

MACQUARIE PARK TASK FORCE

NSW GOVERNMENT | Land & Housing Corporation

May 2012

What is the Task Force?

The NSW Government has announced a specialist task force to advise it on the redevelopment of Government land at Macquarie Park and opportunities to work with the private and tertiary sectors to maximise the potential for urban development and jobs growth.

The Macquarie Park Task Force is made up of representatives from Department of Finance and Services, Department of Planning and Infrastructure, Infrastructure NSW, NSW Ministry of Health, NSW Treasury, Transport for NSW and Housing NSW. The City of Ryde Council and Macquarie University will also be invited to participate.

The task force is expected to report back to Government by the end of this year.

Why is the Government looking at this area?

Macquarie Park is one of Sydney's premier high technology business parks, close to the Epping to Chatswood rail link and next door to Macquarie University with retail and other services nearby. The City of Ryde has a long term vision for a new town centre at the intersection of Herring and Waterloo Roads.

Given the proximity of the Ivanhoe estate to transport, educational, retail and other services, there is potential to develop the land to significantly higher housing densities.

By retaining the same number of social housing units, future social housing residents will benefit from new housing in a mixed income area. In addition, any net revenue from redevelopment can be applied to the creation of additional social housing elsewhere for those most in need.

What land does the Government own in Macquarie Park?

The Government has two large land holdings in the area:

- The State Property Authority has a 3.9 hectare parcel at Macquarie Park approximately 180m from Macquarie Park Station.
- Land & Housing Corporation owns the Ivanhoe social housing estate where there are some 260 social housing units set on 8.3 hectare of land.

Has the Ivanhoe estate already been sold?

The Ivanhoe estate has not been sold. No decision will be made about the long term future of the Ivanhoe estate until the task force submits its report to the NSW Government by the end of the year.

What will happen to social housing in the area?

If the Ivanhoe estate is redeveloped, the same number of social housing homes will be built. There will be no loss of social housing in the area.

If the estate is redeveloped, existing social housing residents will be relocated to new or vacant social housing that is suited to their needs.

Where tenants are moved out of the estate to allow redevelopment to take place, they will have the option of moving back to the estate provided that a new dwelling is available that is also suited to their needs.

The timetable for any redevelopment is still to be determined but we do not expect that any social housing tenant will need to move before the beginning of 2014 at the earliest.

How will residents be kept informed?

Residents will be kept informed and updated about plans for the estate through newsletters, meetings and community events.

For more information

For more information about the task force please contact Joshua Brandon, Development Manager, Strategic Projects Division, Department of Finance & Services on (02) 9268 3446.