

# **SUBMISSION FOR CHANGES TO KELLYVILLE STATION PRECINCT PROPOSAL**

**Submission to:** Director, Urban Renewal  
Department of Planning and Environment

**Date:** 25<sup>th</sup> February 2016

**Community Assoc:** Neighbourhood Association D.P. No. 285740  
Lot 136, Eastbourne Estate  
Stanhope Gardens NSW 2768

## **PURPOSE OF THIS SUBMISSION:**

For changes to be made to the Kellyville Precinct Planning Proposal

- **To increase Building Height in the area of concern in Stanhope Gardens to T3 – 8 Storeys (28m)**
- **To increase Floor Space Ratio to V - 3.0:1**

## **Area of concern in Stanhope Gardens:**

The housing area bordered by Midlands Terrace, Fletcher Street, Somerset Street & Darcy Street in Stanhope Gardens.

Proposed Zoning under the Kellyville Precinct Planning Proposal:

R4 High Density Residential

Building Height: P2 – 18m

Proposed Floor Space Ratio (FSR) 1:2:1

Submission for changes to increase to:

**R4 High Density Residential**

**Building Height: T3 – 8 Storeys - 28m**

**Proposed Floor Space Ratio (FSR) 3.0:1**



## **REASONS FOR THESE CHANGES TO THE AREA OF CONCERN:**

### **1. Financial Viability of Development areas**

The Kellyville station Precinct Planning Report states a proposed range of Floor Space Ratios (FSR's) have been developed to balance a number of factors, including creating a financially viable development.

#### **Concerns over the financial viability of the proposed FSR of 1:2 in the area of concern:**

Feedback from local Real Estate Agents indicates the proposed FSR 1.2 would not allow for a reasonable return for developers under this ratio, therefore there would be little incentive or benefit for a current homeowner to sell their property, with consideration of additional on-costs

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that would be incurred such as Stamp Duty for the next property, moving costs and general lifestyle upheaval.

Apart this obvious lack of financial incentive for householders, another concern is when development proceeds on an assembled development block within the community area, the current homeowners will be living in an area with significant construction happening on adjoining neighbourhood areas, with the associated disruption, noise, increased traffic movements with heavy vehicles etc. Eventually this would result in current homeowners being surrounded & over shadowed by high rise apartments. These apartments will be constructed on land where the zoning for building height & FSR has been determined to be financially attractive to a Developer -as opposed to my area of concern where the proposed land zoning does not make acquiring these properties financially feasible to a developer.

*Ref: Exhibition Materials*

*Appendix F – Economic Feasibility Kellyville Station Precinct*

*Report provided by AEC Group for NSW Planning & Environment 01/09/2015*

This Report identifies a number of 'opportunity sites', within the Precinct. A number of staging scenarios were tested to examine when/if at FSR 2:1, residential development could be feasible on the sample site. Generic Feasibility Testing (GFT) was carried out to ascertain the planning controls required to facilitate feasible development of the sites.

Only developments that achieve target hurdle rates are considered to be financially feasible. The feasibility modelling findings are detailed in the Report at *Appendix B: Key Sites Tested*.

The testing example of Site 6 – using 4 adjoining properties located in Somerset Street & Roxburgh Crescent, Stanhope Gardens is relevant because of its proximity to the area of concern identified in this Submission.

### **Summary of GFT Results**

**Based on generic feasibility modelling and after allowing for the cost to assemble a development block (including land cost with a 20% premium) in Stanhope Gardens, a minimum density threshold of FSR 2.5:1 was found to be required to facilitate feasible residential development (subject to site assembly).**

**Feasibility testing at various timeframes suggests that feasibility improves towards 2020 and 2021 as expected end sale values of completed product are expected to increase against and exceed 'as is' site values. This is subject to the ability of a developer to assemble a development block.**

Development to FSR 2:1 is marginally feasible on Site 6, with performance indicators achieving just under minimum hurdle rates. To be immediately feasible, densities exceeding FSR 2:1 would be required; subject to urban design, traffic and other considerations, there could be an opportunity to accommodate development beyond the marginal threshold of FSR 2:1.

Clearly the result of this analysis shows there would only be a financial incentive to a Property Developer if the FSR was 2.5 or above.

**For this reason, this Submission requests the zoning contained in the Precinct Proposal be increased to a Building Height of T3 – allowing for 8 Storeys and a Floor Space Ratio increase to 3.0 for the properties in the identified area of concern. This would then align to the adjoining land parcel which is already proposed at FSR 3.0.**

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The Generic Feasibility Testing indicates although the likely financial incentives for Property Developers improve in future years, this would also mean that the current homeowners would be at the mercy of Developers in deciding any realistic timeframe for progress of a development.

Homeowners would be left 'living in limbo' for many years until a suitable timeframe is decided by a Developer when it would be financially beneficial for the Developer to consider moving ahead with any development opportunities.

During this time of uncertainty, homeowners would be faced with the uncertainty of remaining in the existing property, selling now or waiting for a development offer at a later stage – that may never eventuate. Homeowners would be hesitant to make improvement to their properties, undertake major repairs or make other financial commitments when they have no real certainty around the future of their property, this would also impact planning for their own financial security. This uncertainty would result in the areas falling into disrepair & generating an associated fall in social / community living standards and would be a very stressful and worrying period for current homeowners.

If current homes were purchased by a Developer, financial benefits to the homeowners would enable them to purchase another property & the financial benefits of the subsequent property transaction would flow through to the NSW Government & Local Council.

#### **Benefits of increasing the Building Height zoning to T3 – (8 storeys) and Increasing the FSR to 3.0:**

- **Enabling Property Developers to create a financially viable development;**
- **Maximising the use of acquired land within the Precinct;**
- **Additional Stamp Duty payments to Government;**
- **Additional GST contributions;**
- **Additional Council contributions from Developers;**
- **Enabling existing homeowners to have some certainty over their future;**
- **Enabling existing homeowners to receive fair returns for the acquisition of their property.**

#### **Other effects of increases to the Building Height to T3 (8 storeys) and Increasing the FSR to 3.0:**

##### **Environmental - No Change**

No additional land would be required, no impact on any planned parkland, creek upgrades. Utilities & Water services would be part of any planned development anyway.

##### **People, Jobs & Growth - No change**

Projected growth forecast indicate strong need for additional housing. People want to live in close proximity to work – with strong forecasts for job growth within the Precinct indicated.

##### **Heritage /Cultural – no change**

##### **Proposed planning controls - No change**

Assuming all development will address the controls contained in *Environmental Planning Policy No. 65 – Design Quality of Residential Apartment Development* & the applicable Development Control Plan.



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#### **Traffic Management - No change**

Changes to roads, bicycle & pedestrian pathways are already included in the Precinct Proposal & these improvements will be provided as part of the overall development anyway, there would be no additional impact on this planning.

#### **Car Parking - No change**

Already included in Kellyville Station planning & underground residential parking would be included in Apartment building designs.

#### **Infrastructure & Facilities development – No change**

Through the Precinct Support Scheme, the NSW Government has allocated around \$5m to fund local infrastructure upgrades. This is in addition to any development contributions (Section 94 contributions) that could be used by local council for other upgrades and improvements – this will be provided as part of the overall development anyway, there would be no additional impact on this planning.

#### **Neighbourhood & local Parks – No change**

A number of neighbourhood areas, local parks & open space would be provided as part of the overall development anyway, there would be no additional impact on this planning.

## **2. Meeting the demand for Apartment living**

I have lived in the Kellyville area for over 40 years and have seen previous Governments fail to deliver on commitments to build rail infrastructure & improve the public transport system in the area. Despite having minimal public transport service in the North West area, this sector has continued to boom with rural land blocks being rezoned into new sub divisions. Part of the reason the North West area has continued to grow is that it's been able to offer home buyers an affordable opportunity to buy into the Sydney property market.

It is critical the Sydney Metro Northwest is supported with sufficient capacity for affordable housing close to these stations, not just for the immediate future but with the capacity to cater for the forecast increases for housing & jobs longer term.

According to the Kellyville Station Precinct Planning Report, around 4200 additional homes & 2,200 additional jobs would be accommodated in the Precinct by 2036. The dwelling and employment growth projections in the *North West Rail Link Corridor Strategy* are supported by *The Hill Council Corridor Strategy*.

Many Sydneysiders now prefer to choose to live in apartments/units rather than houses. This preference for apartments is reflected in housing statistics with more apartments being built than freestanding houses and the weekly rent for an apartment around the same value as for an equivalent house.

As an example, unit construction on Merriville Road, Kellyville Ridge has quickly been absorbed with agents indicating there has been high demand for units in the area from young professionals and investors.

- **Supply of affordable apartment living could be increased in the identified area in Stanhope Gardens by making changes now to increase the proposed Building Height & Floor Space Ratio as suggested in this Submission.**
- **The number of apartments could be increased with no change to the proposed footprint and no effects on other infrastructure, facilities or environmental factors already considered in the Precinct planning. It would also take advantage of the**

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planned upgrades & allocated funds the NSW Government will spend on infrastructure & facilities within the Precinct.

### Benefits:

- Maximising the use of acquired land within the Precinct;
- Providing the northwest area of Sydney with sufficient housing to take advantage of Government Infrastructure investment in the area;
- Sufficient housing availability will also help to ensure housing costs remain within the reach of all NSW residents.

### CONCLUSION & RECOMMENDATIONS:

The vision for the Kellyville Station Precinct is a 'vibrant, green and connected community', one of the development principles to achieve this vision is *delivering more homes close to the station to meet growing demand and increase housing choice to reflect household sizes and lifestyles*.

Government & Local Council must ensure that a major infrastructure projects such as the Sydney Metro North West (North West Rail link) is supported by the ability to have sufficient affordable housing available to take advantage of the benefits that will flow from the Sydney Metro North West, the new station at Kellyville and the forecast increase in residents who will want to live within this Precinct development.

### Additional housing capacity can be accommodated within the Precinct Planning by:

- Increasing Building Height zoning from P2 (6 Storeys) to T3 (8 Storeys); and
- Increasing the Floor Space Ratio to 3.0 to allow for financially feasible developments.

The feasibility modelling (Appendix F – Economic Feasibility Kellyville Station Precinct -AEC Group) prepared for NSW Planning & Environment shows that a Floor Space Ratio **in excess of 2.5:1** was required to be even marginally financially feasible for a Property Developer to facilitate residential development in this area.

Increasing the proposed zoning will make Residential development in the identified area of concern in Stanhope Gardens financially feasible for a developer – with strong financial benefits for all parties & no negative effects on other planned infrastructure & facilities.

I am lodging this Submission:

- To increase the Building Height in the area of concern in Stanhope Gardens to T3 – 8 Storeys (28m)
- To increase the Floor Space Ratio to V - 3.0:1

I would appreciate if my Submission could be given full consideration as part of the planning process to ensure the best outcomes for all parties moving forward.

Stanhope Gardens Resident  
25 February 2016

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References:

- Kellyville Station Precinct – Planning Report
- Kellyville Station Planning Proposal
- Kellyville Station Precinct – *Appendix F – Economic Feasibility* (AEC Group)
- Kellyville Station Precinct – *Proposed Development Control Plan Amendments – the Hills* (December 2015)
- The Hill Council Corridor Strategy
- NSW Department of Planning and Environment and NSW Department of Transport (2013). *North West Rail Link Corridor Strategy*, Sydney
- The Hills Shire Council Local Environmental Plan 2013 (The Hills LEP)
- Blacktown Local Environmental Plan 2015 (Draft)