

Our Ref: Calibre Consulting Missing Middle Submission - New Medium Density Housing Code 071216.docx  
Your Ref: Calibre Consulting Submission  
Contact: Peter Lee

7 December 2016

Director Codes & Approval Pathways  
NSW Department of Planning and Environment  
GPO Box 39, Sydney, NSW 2001

**Attention: Director of Codes & Approval Pathways**

Dear Sir / Madam,

**The Missing Middle - Submission in regards to the new Medium Density Housing Code**

We thank the Department of Planning & Environment (the Department) for the opportunity to provide a submission in regards to the new Medium Density Housing Code and for their work to improve housing choice in Sydney. We provide our submission as a consultancy of Town Planners, Engineers, Surveyors and Project Managers involved in the delivery of thousands of residential lots throughout Sydney per year, together with the preparation of rezoning applications and applications for new industrial subdivisions, apartment buildings and drainage solutions.

We have structured our submissions under sub headings of key matters that we have identified.

**1. Proposed Complying Development**

- i. General support for proposal as an incentive to increase opportunities for housing supply.
- ii. The policy as proposed is however too restrictive in that the use is only proposed where medium density development is permissible and as Complying development where the proposed dwellings have direct road frontage.
- iii. As such the use of the proposed policy is restricted to R3 Medium Density zones where villa, townhouse and medium density development are already permissible.
- iv. The policy is considered inadequate in achieving any substantial reforms when the proposal permits Councils to seek exemption from the application of the proposal.
- v. Accordingly, the policy is not seen as going far enough to encourage increased opportunities for housing choice in low rise developments in the majority of the residential areas.

**2. Multi-Unit Development definition**

- i. The proposal seeks to rely upon the definition of multi-unit housing to cover the forms of proposed development for villa, townhouse, terrace and manor housing.

- ii. The Standard Local Environmental Order for definition of multi-unit development is defined as: *'multi dwelling housing' means 3 or more dwellings (whether attached or detached) on one lot of land, each with access at ground level, but does not include a residential flat building'*.
- iii. Multi-unit development for villa and townhouse development is commonly referred as low rise development with each dwelling limited to two storeys in height and having direct ground floor access to private open space.
- iv. Villa, townhouse and terrace housing fits within the terms of multi-unit development.
- v. While a Manor House for 3 or more dwellings where a dwelling may be located above another dwelling; which does not provide each dwelling having direct ground floor access to open space would be regarded as a type of Residential Flat Building.
- vi. It is recommended that 'multi-unit housing' be restricted to villa, townhouse and terrace development; while Manor House development should be classified as a form of a Residential Flat Building.

### 3. Flexible Land Use Zones

- i. The Standard Local Environmental Plan (LEP) template land use zones is seen as discouraging different forms of residential development in low density areas.
- ii. The Standard template and its implementation has meant that Councils have taken the template zones and land use as 'must comply' and have not considered the unique locational criteria of an area that may be suitable for some form of multi dwelling development.
- iii. The Standard template has "pigeon holed" land uses into R2 Low Density housing, R3 Medium Density and R4 High Density development with very little opportunity given to a flexible approach to land uses that may be more appropriate for alternative forms of housing.
- iv. Some Councils have encouraged alternate form of housing in R2 Low Density areas, such as Ryde and Sutherland Councils that permit multi dwelling housing in R2 zones. This form of multi-unit development encourages a mix of housing choice in low density areas and has provided opportunities for small scale development villa development. Ryde Council's villa code has especially proved successful in encouraging alternate housing in low density areas.
- v. The Standard LEP template has, with some Councils, removed the opportunities for multi-unit housing in R2 zones. For example, Blacktown Council previously permitted multi-unit development in Low Density zones in certain areas, however with the adoption of the LEP template and resultant Blacktown LEP 2015 this land use was removed.

### 4. Housing Incentives in Low Density Zone

- i. Across the Sydney Metropolitan area, the R2 Low Density zone represents the most significant residential land area for the middle and outer ring of Council areas.
- ii. The R2 zone, as the land use zone which has the most land area of any residential zone, is considered underutilised as a result of restrictions on single dwellings on large allotments.
- iii. The R2 zone also represents the zone that is occupied by large areas of aging population in our suburbs, with the baby boomers and empty nesters having built free standing dwellings which represent in most cases their largest asset. This asset is being kept from development opportunities

and hence is making it difficult for this sector of the population to move to smaller housing and free-up land for more housing opportunities.

- iv. If the Standard template was modified to permit multi-unit housing in R2 zones and adopted by Councils, this would provide a significant incentive for the redevelopment of R2 land and opportunities for more housing.

## **5. Housing Diversity**

- i. Sydney's Growth Centres State Environmental Planning Policy has amended in 2014 through a housing diversity initiative to permit a range of housing types and sizes in all residential zones.
- ii. The housing diversity package of the Growth Centres SEPP allows attached and detached housing product to a lot size as small as 250m<sup>2</sup> and 225m<sup>2</sup> as integrated housing and subdivision.
- iii. The new planning controls have proved successful in increasing density and a variety of housing choice in Sydney's Growth Centres and there is no reason why the planning controls cannot be translated into existing urban areas.
- iv. Appropriate controls based on locational provisions and density criteria are a key concept of the Growth Centres SEPP. These controls may be applied throughout the existing residential areas to provide a range of housing types in appropriate locations.

## **6. Location Criteria**

- i. Location criteria for multi-unit housing should be encouraged based on proximity to amenity and services.
- ii. As with the Growth Centres SEPP, housing diversity is encouraged in areas that adjoin or are adjacent to Business zones and Open Space zones. Similarly, multi-unit housing should be encouraged in R2 zones in appropriate locations such as adjoining and/or adjacent to Business and Open Space zones.

## **7. Density**

- i. In order to control multi-unit housing developments and assist in protecting the character of low density areas, locational criteria are an important element together with design controls.
- ii. For example, Ryde Council's villa development is permissible in R2 Low Density zones with restrictions on minimum lot frontages as well as density controls based on the number of other multi-unit developments within a street block.
- iii. Such restrictions on development frontage and density can be introduced as a local provision in the Council's adoption of this initiative.

## **8. Minimum Lot Size Subdivision**

- i. For multi-unit housing to be an attractive form of development the land use must be able to be subdivided to provide security of tenure and assist in financing.

- ii. Torrens title subdivision of multi-unit housing should be encouraged as opposed to Strata Title arrangements. Torrens Title subdivision provides flexibility with purchasers being able to borrow against land as security and for the developer to issue separate building contracts for the housing.
- iii. This has worked well in Sydney's Growth Centres with approval processes allowing a flexible approach to land title for small lot housing with restrictions based on approved forms of integrated development.
- iv. Council's minimum lot sizes in the Standard templates need to provide flexibility for multi dwelling housing. For example, a combined subdivision and built form application gives certainty to the built form of housing and should permit smaller Torrens title lots down to 250m<sup>2</sup> in area.
- v. We propose to amend the multi-unit development definition '*on one lot of land*' to '*as an integrated development and subdivision application*' to allow for the concurrent approval of development and subdivision application.

## 9. Suggested Approach

- i. The suggested approach in this submission is to seek to encourage multi-unit development as an opportunity for housing choice in residential low density zones.
- ii. The missing middle bit should apply to R2 Low Density Residential zone otherwise it is lost opportunity to support a variety of housing subject to the suggested planning controls in this submission.
- iii. By installing multi-unit development in the Standard LEP template in the R2 Low Density Residential zone this will ensure that Councils are required to permit this form of housing. Should a Council seek to remove this form of housing they will need to demonstrate how they are meeting housing diversity in their Residential Housing Strategy.
- iv. Location criteria for multi-unit housing adjoining or adjacent to Business zones and Open Space zone need to be encouraged along with design criteria such as minimum lot frontage and density controls.
- v. The Standard LEP template definition for multi-unit housing needs to be amended to include a provision for Torrens Title subdivision where an application seeks consent for housing and subdivision (integrated development).
- vi. The suggested approach to increasing housing opportunities across all residential areas needs to be pursued in order to provide more housing diversity which can assist in housing supply and conversely assist in housing affordability.

We trust that the Department will consider this submission and welcome the opportunity to discuss it further.

Please contact me on 8808 5000 if you would like to discuss any aspect of our submission further.

Yours Sincerely  
**Calibre Consulting**



**Peter Lee**  
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