



22 December 2016

Director, Codes and Approval Pathways
NSW Department of Planning
GPO Box 39
SYDNEY, NSW 2001

Dear Sir/Madam

RE: draft Medium Density Design Guide and Medium Density Housing Code

Lend Lease is pleased to provide comments to the NSW Department of Planning in response to public exhibition of the NSW draft Medium Density Design Guide and Medium Density Housing Code.

Lend Lease works in many sectors of the property development industry in NSW and as a result we are able to value add to the proposed planning approval pathway based on our experience in medium and high density residential development, specifically within masterplanned communities across many different local authorities in NSW.

Lendlease support any provisions and innovations that improve housing affordability metrics in Sydney in particular. As a mechanism to increase affordable housing supply where most appropriate, that is in the "Middle Ring" of existing urban areas, this policy is to be supported. However, the application of the policy to Greenfield Release Areas needs to be carefully thought through in terms of its potential impact.

MD Design Guide

Lend Lease's masterplanned communities include a wide range of housing product types from traditional single detached dwellings to terraces and apartments on medium to high density residential sites. It is important that when considering the local context, that each individual Medium Density site is afforded some flexibility in building design based on the local context. The Design Guide has potential to standardize design responses with developers taking the easy pathway. If Councils adopt the design guide as is suggested, there is also the risk that this document becomes the rule, not the "guide" as it is intended.

Impact on Yield

As a developer / landowner of any masterplanned development in a new land release area for an approved number of dwellings (between say 1,000 – 5,000 homes), Lendlease typically take on the obligations of delivering the supporting community infrastructure (roads, open space, community buildings, utilities, school sites, etc.) required to service that increase in local dwellings and resultant population.

If as proposed, individual land purchasers of Medium Density lots have the “right” under the SEPP to build additional dwellings (more than nominated) on their block of land, they are in effect “taking” part of the masterplanned community approved yield. This could impact the master developer / landowner by way of increasing required total community contributions. The management of yield on any masterplanned community is a continual focus of Councils and developers, and any increase in contributions as a result of CDC on MD sites is likely to be sought from the developer.

The potential for yield creep can likely be managed, to a degree, by incorporating clear contract provisions on the sale of individual blocks of land by restricting the number of dwellings that can be built on site. This agreement will typically only cover the initial sale of land, not any on-sale, therefore opening the risk for increased yield on individual lots. In cases where projects take 5, 10 or more years to complete, control by using contract law gets more difficult and is ultimately impossible to govern.

A potential solution that may resolve this yield management issue, is to suggest that the Missing Middle policy should only be applied to release areas / master planned communities where it has been proposed by the developer / landowner and then incorporated into the planning framework for that release area / project.

Site Specific Planning Controls

In many cases a masterplanned community is developed with site specific planning requirements that supersede Local Authority LEPs. If Complying Code Assessment is proposed on any Medium Density Site on a masterplanned community, the application should also consider site specific planning requirements including, but not limited to the following:

- urban design principles established to control new development such as land use and product type, street typologies including on street parking, and building orientation, height and bulk;
- Local pedestrian, cycle and public transport routes are well defined;
- Local values such as heritage and environment are respected;
- Local open space networks providing significant public amenity and facilities are defined; and
- Housing affordability objectives/targets (if applicable) are usually defined for the whole development.

Site Specific Design Controls

In many cases a masterplanned community is developed with site specific DCP requirements, building on local authority-wide DCP's and policies. If Complying Code Assessment is proposed on any Medium Density Site on a masterplanned community, the application should also consider site specific design codes and requirements including, but not limited to the following:

- building siting, heights, bulk, materials and finishes taking into account local context;



- Specific treatment of facades including awnings and verandahs, services zones, boundary treatments;
- Adaptability and access requirements;
- Carparking, service and storage requirements;
- Communal open space requirements; and
- Sustainability targets.

We look forward to working with the Department of Planning in the review of the draft Medium Density Design Guide and Medium Density Housing Code, and welcome any questions or comments that may arise from this submission.

Yours sincerely



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Lend Lease Communities