



23 June 2017

General Manager
The Department of Planning and Environment

By Electronic Submission

Dear Sir/Madam,

Our client: Wisser Capital Pty Ltd

Re: Objection to Explanation of Intended Effect - Amendments to State Environmental Planning Policy (Sydney Region Growth Centres) 2006 – For North West Priority Growth Area

We refer to the above matter and advise that we act for Wisser Capital Pty Ltd.

Our client has purchased several parcels of land on Mason Road in the suburb of Box Hill and intends to use the land for re-development purposes. We are instructed that our client's proposed development of the land would comprise a mix of townhouses and apartment units that are intended to contribute to the housing diversity in the Box Hill area. The land is zoned **R3 Medium Density Residential** (site area being approximately 27,000 square metres) and **R4 High Density Residential** (site area being approximately 17,100 square metres).

We are instructed to respectfully submit that the proposed development will be stifled by the proposed imposition of the "maximum residential density control" as an amendment proposed by the Department to the State Environmental Planning Policy (Sydney Region Growth Centres) 2006 ("**SEPP**"), and there will be an overall loss to the community

We are writing on behalf of Wisser Capital Pty Ltd to submit an objection to the amendment. The reasons for the objection are set out as below.

1. The objectives of SEPP

The relevant precinct plan under the SEPP is *The Hills Growth Centre Precincts Plan 2013*.

Amongst others, this *Precinct Plan* aims:

- To rezone land to allow for development to occur in the manner envisaged by the growth centre structure plan for the Box Hill and Box Hill Industrial Precincts; and
- to **deliver housing choice and affordability** by accommodating a wide range of residential dwelling types that cater for housing diversity.

a. Housing Affordability

When the Precinct Plan was introduced, it was envisaged by the Department that there would be more housing stock available to Sydney residents to suit different needs, budgets and lifestyle choices. More importantly, by encouraging the release of land in the area for redevelopment purposes, there would be more downward pressure on housing prices and subsequently an increase in housing affordability for the local community.

However, with the introduction of a proposed maximum residential density control by the Department, developers cannot build as much as they would expect to under the existing development controls. This will in turn lead to a significant decrease in the variety of housing stock available and thus the overall housing affordability for the local community.

With the development potential of lands in the area significantly limited when compared to that of the lands under the existing planning controls (with only a minimum residential density control), developers (including our client) who have paid premium prices for acquisition of those lands believing in the development potential of the lands under the existing development controls may be forced to have to increase the housing prices to recover their loss or to bridge any gaps in their budget planning.

b. Inconsistency with current design standards

In addition, the introduction of the maximum residential density control will also produce an undesirable impact on the design of the development, having regards to the existing controls such as floor space ratio and building height.

For instance, on that part of the land zoned R4, our client proposes to build 325 apartment units with the average area of an apartment unit being 100 square metres (in light of the floor space ratio being 2:1). Our client anticipates that if their development proposal could proceed under the existing development controls, the average price of the majority of the apartments could meet the current pricing criteria of first home owner duty benefits.

However, if the maximum residential density control were imposed on the R4 land, our client could only build 167 dwellings (or apartment units), which is about half of the number of apartment units proposed to be built by our client. Applying the same floor space ratio, the average area for an apartment unit would be increased to 200 square metres. It would be very difficult to imagine a one-bedroom or even a two-bedroom apartment occupying an area of 200 square metres. We therefore respectfully submit that the proposed maximum residential density control is at odds with the existing development controls which already serve to control the scale of the development and again, serve to reduce overall affordability.

c. Difficulty to obtain finance

Furthermore, our client also anticipates difficulty in procuring construction finance or loans to support the development in that there might not be sufficient presales or interest in the development due to the increased price and the limited choices of houses and apartments available for Sydneysiders. Our client is severely concerned that their development of the land would be stalled due to the failure to obtain construction finance.

Our client is of the view that the proposed residential density cap does not provide sufficient incentive to encourage development of the lands released (and rezoned) in the area, which is counter to the objectives of the SEPP.

In light of the above, we submit that the proposed imposition of maximum residential density control is inconsistent with the objectives of the SEPP.

2. Insufficiency of Infrastructure

It was noted in the Explanation of Intended Effect issued by the Department that the infrastructure that was planned when the minimum residential density control was established will not be sufficient to support the increased population.

However, the Department has not given any further details on how the infrastructure planned will not be sufficient to support the increased population. Our client would appreciate if the Department could provide more information as they consider that applying a maximum residential density control retrospectively across the whole of the North West Growth Centre is not the only solution. There may be other opportunities to presumably augment or provide new infrastructure, which may not only be conducive to long term growth of the area but also consistent with the objectives of the SEPP.

Our client considers it crucial that the Department release such information as relevant to its decision to impose a residential density cap so the public would be better informed of the factors illuminating its decision. It may also allow the public the opportunities to provide more constructive and informed feedbacks to the Department. Our client welcomes the opportunity to discuss with the local council and/or the Department in this respect.

3. Conclusion

In summary, our client objects to the proposed imposition of the residential density cap for the following reasons:

1. It is inconsistent with the objectives of the SEPP in that:
 - a. it severely limits the development potential of the lands in the Box Hill area;
 - b. it significantly reduces the housing affordability in the area;
 - c. it is at odds with the existing development controls such as floor space ratio and building height controls which already control the scale of the development;
 - d. it could cause difficulty for the developers to procure construction finance or loan due to insufficient presales or lack of interest in the development due to the increased price and the limited choices of housing stock available;
 - e. it does not provide sufficient incentive to encourage development of the lands; and
 - f. the local community will experience a loss in housing choice in the area.
2. It is not the only solution to the issue of insufficient infrastructure. There may be other opportunities presumably to augment or provide new infrastructure. The Department should release more relevant information so the public could be better informed of its decision and be allowed the opportunities to make recommendations and provide constructive and informed feedback.

Yours faithfully
Apex Lawyers Pty Ltd