

7 July 2017

Mr Bruce Colman  
Director, Land Release  
NSW Department of Planning and Environment  
PO Box 39  
Sydney NSW 2001

**Subject: Submission to the Department of Planning and Environment on the North West Priority Growth Area Land Use and Infrastructure Implementation Plan and associated SEPP amendments**

Dear Bruce,

Thank you for the opportunity to provide this submission to the North West Priority Growth Area (NWPGA) Land Use and Infrastructure Implementation Plan and associated SEPP amendments. Stockland has over \$6 billion invested across NSW, with much of our investment in western Sydney where we are creating sustainable, inclusive places that meet the needs of growing communities.

We have a proud history of partnering with government over more than 60 years to create affordable homes, quality retirement living communities, vibrant shopping centres and commercial properties.

Stockland's largest investment in the State is in the Blacktown Local Government Area, and we therefore welcome the Department's focus on enabling infrastructure to unlock housing supply in the North West.

We have made some detailed comments in our submission. As active members of the Urban Development Institute and Property Council of Australia, we also support and have provided input to submissions by our industry groups. We would like to highlight the following key points:

- **Infrastructure coordination** – Stockland supports the efforts to better coordinate the delivery of enabling infrastructure to respond to where development is occurring within the NWPGA.
- **Schofields Priority Precinct** – We are a major land owner in the Schofields Priority Precinct and support the nomination of Schofields Town Centre as a Priority Precinct, and look forward to working with the Department to understand the new process and to progress planning outcomes for this area.
- **Affordable housing** – Stockland supports the provision of affordable housing in the NWPGA, however, we note the NSW Government's broader policy position on affordable rental housing is yet to be determined. We therefore suggest the 5%-10% requirement should not be applied until a decision on this matter is reached, with due regard to feasibility and recently announced significant changes to developer contributions.
- **Maximum density caps** – We have concerns that the caps on maximum density will likely have significant impacts on housing supply and affordability, and will also reduce the diversity of housing that can be delivered in low density areas that is currently permitted.
- **Minimum lot sizes** – We believe amendments to the Growth Centres SEPP for the changes to the minimum lot size for subdivision and density caps should not be finalised until specific legal drafting is available for review. In this regard, the Department should consult in further detail with a focus group of industry representatives to avoid unintended consequences for housing diversity.
- **PMF** – The adoption of the Probable Maximum Flood as a constraint on density is considered premature until INSW completes the Hawkesbury Nepean Flood Management Review Stage 2 report and the Department completes its Flood Evacuation Study.
- **Relationship to other planning processes** – Given the number of strategic planning processes underway across different levels of government in the North West Growth Centre, it is important that this is a dynamic document that can be updated to direct infrastructure investment to where growth is occurring.

- **Green Grid** – Stockland strongly supports the delivery of an integrated Green Grid, however Council’s inconsistent approach has the potential to hinder the delivery of the Green Grid. The Department should ensure that a suitable mechanism is in place to regulate the delivery of this land.

We would be very happy to meet with you to discuss our submission at a suitable time, and to provide further practical insights in relation to our experiences delivering communities in the North West Growth Centre.

Yours sincerely,



Richard Rhydderch  
General Manager, NSW Residential  
Stockland



Gavin Tonnet  
National Manager, Apartments & Mixed Use  
Stockland

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# **Part 1: Submission on the North West Priority Growth Area Land Use and Infrastructure Implementation Plan**

## 1.0 Introduction

We commend the Department of Planning and Environment on the release of the North West Priority Growth Area Structure Plan. This document provides greater detail and certainty about the direction and timing for both the planning and delivery of new development and infrastructure for this key priority area.

Stockland has two major land holdings in the NWPGA and has delivered more than 1,500 dwellings to the market in this area over the past three years, including Elara in Marsden Park and Altrove in Schofields. Both are currently being progressed and on completion are expected to deliver approximately some 5,500 homes as well as proposed commercial development to support and help realise the vision for the NWPGA. This will account for around 6% of the total number of approximate 90,000 dwellings forecast to be delivered in the NWPGA once fully developed. We note also our Planning Proposal for rezoning of part of our Altrove site, relating to the western portion of the Schofields Town Centre, which we are currently discussing with Council.

Our submission makes recommendations that seek to improve the plan, resolve inconsistencies in the document and clarify some aspects to ensure the intentions of the plan are clear.

Importantly, as the major landowner in the Schofields Priority Precinct (PP), we seek clarification from the Department on how the recent announcement of this as a PP relates to the LUIP and Stockland's current Planning Proposal for Schofields Town Centre.

The following provides more detail on these key points, and our recommendations for improvements to the NWPGA LUIP.

### 1.1 Transport Infrastructure Delivery

#### 1.1.1 Schofields Road Transport Corridor

One of the key actions under the LUIP is to 'Protect and plan for a major transport corridors'. This action identifies that the Department will undertake a strategic land use review of the future public transport corridor between Rouse Hill and Marsden Park along Schofields Road. While this initiative is welcomed, the mention of what type of transport (rail or bus) will be provided in this corridor is unclear.

We appreciate the Western Sydney Rail Needs Study is still being completed, and recommend the LUIP is updated to reflect the outcome of this once determined by Commonwealth and State Governments.

The document includes inconsistent references on what is proposed in this corridor, that will require clarification before the strategy is finalised:

- In the 'Regional Rail Connections' figure (Figure 16) it is identified that there will be a potential Sydney Metro Northwest Extension to Schofields and Marsden Park from Cudgegong Station.
- In the 'Existing and Proposed Public Transport' figure (Figure 17) both a proposed regional bus network connection is shown along Schofields Road, but not any details of the potential extension of the SMN to Schofields and Marsden Park or reference to the SMN as is currently being constructed.
- An opportunity for a transport interchange is mentioned as being suitable for the Schofields Town Centre, but there is lack of clarity as to whether this should be a bus and rail or rail and metro interchange.
- In Table 7 item C2 states that "*Construction of the Sydney Metro Northwest will be complete to Cudgegong Road Station by 2019 and a corridor for future public transport to Marsden Park has been earmarked for projection in rezoned precincts. Future planning will confirm the details of this corridor*".

- In the 'North West Priority Growth Area Land Use Plan' at Figure 14, the planning for the 'Future Transport Corridor' is underway. Although other references would suggest that this is still yet to occur.

We are generally supportive of the inclusion of the Schofields Road transport corridor in the LUIP. As put forward in our submission to the Western Sydney Rail Needs Study, we strongly support a North-South Link, including this corridor being used for the extension of the North West Metro. This outcome would be preferred to provide a highly functional rail interchange for not only Schofields but also the broader NWPGA. Current services from Schofields Station enable access to Blacktown in 10 minutes and Parramatta in 30 minutes. Current and future connections from Marsden Park and Rouse Hill to Parramatta, as the nearest key Metropolitan city for this region as identified by the District Planning by the Greater Sydney Commission, makes travel distances to these centres of significantly more than 30 minutes away by what is and will continue to be bus transport.

An extension of the SMN to Schofields and Marsden Park would make possible reduced travel times to Blacktown, Norwest and Parramatta. The prospect of bus transport along this corridor and the transfer of metro to bus to rail at Schofields would be inefficient and would not encourage use of public transport to and from these key centres as is desired by both *A Plan for Growing Sydney* and the Draft District Plan. The use of bus transport along Schofields Road in the interim is encouraged, until such time the metro line is extended.

Our planning proposal for the Schofields Town Centre has accommodated a potential metro line and a station, and has sought to provide an urban design framework providing for the direct interchange for customers through the Schofields Town Centre street and public domain network. Additionally, the proposal has sought to include a bus interchange for local and regional services to then also access current rail and future potential metro rail services. This outcome has the potential for a proper and integrated transport interchange.

Associated with this, it would be great to get further clarity on the width and location of the growth corridor on the plans, to reduce uncertainty for development on land within and adjoining this corridor, especially if the timeframe for the strategic land review for the corridor has not been established. A decision about the final location of both the transport corridor and the land use planning for the growth corridor should be based on maximising customer access and ease of journey, especially connections with the existing Schofields Station and maximising the high frequency and reduced travel time that metro services are expected to offer.

### **Recommendation**

We suggest that the LUIP be amended to:

- Identify that this is a clear preference for the delivery of the extension of the SMN to both Schofields and Marsden Park for the Future Public Transport Corridor, given the significant benefits of accessibility that the metro would bring for this priority growth area;
- Include a future Public Transport Station to be nominated at Schofields in the same way as has been nominated for Marsden Park in the North West Priority Growth Area Land Use Plan at Figure 14, to illustrate the potential for a new metro rail station at this location, additional to the current rail station; and
- Clarify that the planning for both the transport corridor and growth corridor are to be carried out in the short term, and to be done in an integrated manner. This is to ensure that there is clarification of expectations for these outcomes in this part of the NWPGA and that the opportunity for accommodating development growth and the transport corridor is not compromised by development capabilities currently afforded by the Growth Centres SEPP.

### 1.1.2 Delivery of Shanes Park Road

The major road infrastructure identified in Figure 20 and Table 8 of the NWPGA Implementation Plan includes the delivery of Shanes Park Road (Item R19) as an item that will be delivered under the Special Infrastructure Contribution or by satisfactory arrangements (presumably as part of a VPA with credits against the SIC). Clarification is sought from the Department to confirm whether this road is still a SIC road or any amendments that have (or will be made) to the SIC items so that developers in the Marsden Park Precinct are able to understand the Department's delivery approach for the regional road network and any opportunity to deliver this road as a Works In Kind.

#### **Recommendation**

We suggest that the Department aligns infrastructure delivery closely with the SIC and informs developers as to any changes to the SIC that may change infrastructure delivery agreements in the NWPGA.

## 1.2 Green Grid

We strongly support the delivery of the Green Grid, which will make a positive contribution to the environment, not only for the NWPGA but also in relation to the extension and connection with the Western Sydney Parklands.

The delivery of these corridors has the benefits of providing opportunities for ecological corridors to be preserved and enhanced and to provide extended open spaces that provide active and passive recreational opportunities. These benefits are recognised in Section 6.5 of the LUIP.

We also support the delivery of an integrated green grid corridor through the NWPGA, and we note that, provision of this space should be treated as part of the Special Infrastructure Contributions (SIC) scheme. We note the importance of land that contributes to the green grid being classed as contributing to broader regional open space for the new and incoming communities in this area. We consider this is a critical matter as currently there is no consistency in approach by Council to this land type, for example, along the Eastern Creek corridor, and caution that the Green Grid will not be delivered as desired if there is no mechanism in place to regulate its delivery.

#### **Recommendation**

We suggest that the LUIP and the forthcoming revised SIC identify the green grid land as contributing to both active and passive open space requirements on a regional basis, to serve future residents in the NWPGA. Department should provide Councils with clear direction in this regard and ensure that there is a suitable mechanism in place to deliver the Green Grid.

## 1.3 Schofields Town Centre – Priority Precinct

We support the Government's announcement on 1 June 2017 of the Schofields Precinct as a Priority Precinct.

The LUIP does not reference the inclusion of the Schofields Precinct as a Priority Precinct. In addition to the identification of the Growth Corridor (which includes parts of the Schofields precinct) and Stockland's Planning Proposal for Schofields Town Centre, there is a potential issue for overlap in this part of the NWPGA and further delays the delivery of development.

Consequently, while the principle of reviewing and potentially rezoning parts of the Schofields Precinct is supported, we seek clarity on the planning process given the multitude of strategic planning studies, as this may delay development in the area.

### ***Recommendation***

We suggest that the LUIP should be updated to reflect the Priority Precinct announcement, identify the extent land to which this priority precinct relates and the detail on the process for the Department of Planning & Environment in leading planning for Schofields

Our Town Centre planning proposal already aligns with the key actions and intentions outlined in the LUIP in that it:

- affords the potential for a future transport corridor;
- would facilitate additional development growth as would be expected to be achieved by the Growth Corridor initiative;
- provides the opportunity to dedicate a sizable portion of the green grid along the Eastern Creek riparian corridor; and
- offers the opportunity for both rail and bus transport interchange within the Schofields Town Centre.

## **1.4 Town Centre Hierarchy**

Throughout the LUIP there are several references to the hierarchy of key centres in the NWPGA. However, these appear in some cases to be inconsistent, while others contradictory. In some of the plans Major Centre is used, and in others District Centre is used. Other centres already planned are identified as 'Urban Centres', but it is unclear where these sit within the centres hierarchy for the NWPGA if at all. Additionally the LUIP does not make reference to what functions or key characteristics each centre type is expected to do to support the growth of the broader NWPGA.

The Schofields Town Centre, for example, is only identified as an Urban Centre. However, it is located at the convergence of two major transport connections, being Schofields Road and the Main West Rail line and station, and with the potential to accommodate both a bus and rail interchange with a future metro rail station. For these reasons and that this centre is only 10 minutes and 30 minutes travel distance to Blacktown and Parramatta by existing rail services, we believe this centre should be considered a higher order centre serving the NWPGA.

### ***Recommendation***

We suggest that the LUIP be amended to:

- Ensure that all centres in each of the precincts are characterised in terms of the intended hierarchy, whether these be planned or currently zoned;
- That consistent terminology be used for these centres throughout the LUIP;
- That Schofields Town Centre be identified as District Centre to reflect its current and potential to act a major interchange of public transport services for not only this precinct but for the broader NWPGA.

## **1.5 Flood Evacuation**

The LUIP notes that both Infrastructure NSW and the Department are conducting Flood Evacuation Studies relating to this region of Sydney. The next stage of Infrastructure NSW's study has been pending for some time and the Department's own study has only recently commenced.

It is important that the LUIP and the draft SEPP incorporate the outcomes of these studies, including proposed reduced dwelling density caps in land identified in PMF affected land.



## 1.6 Affordable housing

The LUIIP refers to the Draft District Plan's target of 5% to 10% of floor space for affordable rental housing in all new developments.

We support the provision of housing that is affordable in the NWPGA, and more broadly the concept of Affordable Rental Housing targets as an approach to addressing the gap in housing provision for those on low and very low incomes.

However as the NSW Government's broader policy position on affordable rental housing is yet to be determined through finalisation of the District Plans, we suggest the NWPGA 5%-10% requirement should not be applied until a decision on this matter is reached.

A transparent, consistent and holistic approach to affordable housing levies, integrated with the broader infrastructure funding framework, is fundamental to the formulation of this policy. This is particularly important in light of the removal of developer contribution caps via the Local Infrastructure Growth Scheme (LIGS) recently announced by government.

As set out in our District Plan submission on this matter, we note:

- Any targets should apply only to future projects and should not apply retrospectively;
- There is a need for an independent, transparent viability test. This viability test should be calculated up-front and in accordance with an agreed strategic needs assessment for affordable rental housing;
- We support consideration of an incentive or bonus scheme, so that additional height and floor space may be applied for schemes achieving the targets. This bonus/incentive scheme would need to be applied consistently, with corresponding allowances provided to other controls to enable it to be realised;
- An affordable rental housing scheme needs to take consideration of other infrastructure contributions and the impact of multiple value capture mechanisms.

In addition, specifically in regard to the NWPGA, we note:

- Greenfields area such as the NWPGA already deliver diversity in housing products that are more affordable for both owner occupier and rental purposes than many other parts of the Sydney metropolitan area;
- The provision of this type of housing may add costs to other types of housing in the area and impact housing affordability more broadly;
- With the expectation that the Section 94 caps will be removed, the requirement to provide affordable housing products could have a more pronounced impact on development feasibility, and negatively impact housing supply; and
- The uncertainty surrounding the future requirements of an affordable housing levy will jeopardise current investment decisions and therefore inhibit supply of affordable residential land.

### ***Recommendation***

Until such time as the department makes appropriate information available regarding how affordable housing will be delivered in greenfield areas and how the viability modelling criteria will be established, it should not be mandated within the NWPGA. Stockland, as having a land concern in the NWPGA, is more than happy to be a part of an industry reference group and meet with the Department on this topic.

## 1.7 Social Infrastructure Schedule

We support the announcement of a new school in Marsden Park (in the Elara site), which was announced as part of the 2017 NSW State budget.

### ***Recommendation***

We request that the social infrastructure schedule in Table 8 of the LUIP be updated to reflect the government commitment to this new school. If changes are made to the proposed controls in the draft SEPP, the LUIP should be amended accordingly to prevent inconsistencies between the two documents.

## **Part 2 – Submission on the Explanation of Intended Effect: Amendments to State Environmental Planning Policy (Sydney Regional Growth Centres) 2006 – For North West Priority Growth Area**

## 2.0 Amendment to Planning Controls

To enact various actions in the North West Priority Growth Area Implementation Plan (the **Plan**), the Department has placed an Explanation of Intended Effect (**EIE**) on public exhibition to outline proposed amendments to State Environmental Planning Policy (Sydney Region Growth Centres) 2006 (**Growth Centres SEPP**).

This amendment to the Growth Centres SEPP is also complemented by amendments to the Housing Diversity Development Control Plan (**DCP**). Whilst supportive of a number of changes in the Growth Centres SEPP and DCP, Stockland has a number of concerns with components of the Plan that have the potential to significantly impact on the delivery of affordable and diverse housing in the North West Priority Growth Area (**NWPGA**). This section of the submission documents key issues with the Plan and proposed amendments to the Growth Centre SEPP and DCP.

### 2.1 Consideration of the Plan

It is understood that the Plan will replace the North West Growth Centre Structure Plan. This amendment is supported on the basis that the Plan is intended to be a dynamic document that can be updated to direct infrastructure investment to where growth is occurring. As the land release program is nearing completion in the North West, we believe that the regular reviews of the Plan could also be used to identify, and give status to, future land releases in the NWPGA.

### 2.2 Requirements for the rezoning of land

The rezoning of Precincts, preparation of Indicative Layout Plans and Development Control Plans has typically been led by the Department in conjunction with local councils, and in some instances, developers. It is assumed that the amendment to include specific provisions relating to requirements for masterplans, indicative layout plans and infrastructure delivery are proposed to empower local councils to process rezonings instead of the Department. The transfer of power to local councils to assess the rezoning of land should not result in more onerous obligations or delays, and a consistent framework should be established so that the development process is not hindered.

#### **Recommendation**

*Prior to adoption, it is suggested that the Department consults with a focus group of industry representatives, to test the provisions to ensure they are not overly onerous and/or add additional delays to the pursuit of rezonings in line with the NWPGA Implementation Plan. There are already significant delays in even minor planning proposals to correct administrative errors to zoning boundaries – delays which in some cases have taken in excess of two years. Any new provisions should serve to streamline the rezoning and land release process to reduce the lead time taken to bring new land and housing supply to market.*

*The Department considers opportunities to provide additional resources to NWPGA Councils to assist in expediting the determination of planning proposals and DAs.*

## 2.3 Consolidation of controls for Blacktown Precincts

Having two active estates in the NWPGA, Stockland welcomes the consolidation of all Precincts within the Blacktown Local Government Area into a single Precinct Plan in the Growth Centres SEPP. This will serve to reduce the volume and repetition of controls within the Growth Centres SEPP.

From the EIE, it is understood that various local provisions in the Schofields Precinct Plan that enabled multi-dwelling housing (clause 2.5 of Appendix 7) will be transitioned to the Blacktown Precinct Plan. This additional use was required to enable the minimum densities to be delivered on R2 zoned land. Whilst the proposed spot rezonings (discussed later) will resolve this issue on parts of our landholding, this clause should still be maintained over the same extent of R2 zoned land to preserve our existing development rights.

Clause 6.10 of Appendix 7 of the Growth Centres SEPP identifies a Transport Investigation Corridor within the Schofields Precinct. This clause requires the preparation of a site-specific Development Control Plan in consultation with Transport for NSW prior to development being able to be approved. The EIE intends to maintain the same area of land for this clause.

Whilst we have prepared a Development Control Plan for this area that is currently being reviewed by Blacktown City Council and Transport for NSW, we anticipate that it will still take a considerable period of time before the Development Control Plan can be adopted to allow development to proceed over this land.

The planning for the transport corridor has significantly progressed from when Schofields was originally rezoned in 2012 and has resulted in a reduction in the width of the overall corridor. This is reflected in the recent rezoning of the Riverstone East Precinct. As Stockland is currently active in the Schofields Precinct, the need for a Development Control Plan over a wider area than the revised corridor is delaying the ability to deliver new dwellings in this area.

### **Recommendation**

*Prior to adoption, the Department of Planning and Environment should confirm that the existing area that benefits from clause 2.5 of Appendix 7 of the Growth Centres SEPP will be maintained.*

*The extent of land identified in clause 6.10 of the Growth Centres SEPP should be refined to reflect the revised transport corridor to enable the more timely development of land.*

## 2.4 Transfer of controls to Local Environmental Plans

The EIE notes that the Department intends to transfer planning controls for the NWPGA to Local Environmental Plans. In principle, no objection is raised to this proposal as Stockland continues to work cooperatively with Blacktown City Council regardless of the control regime.

However, given the more complex nature and nuances of the Growth Centres SEPP, Stockland, and developers in general, should be given the opportunity to review and comment on any draft instrument that is proposed to amend Blacktown Local Environmental Plan 2015 (LEP). Any amendment to LEP would need to preserve the same development entitlements and approval pathways that are currently provided within the Growth Centres SEPP.

Once the controls are transferred to Council's Local Environmental Plans, it is also suggested that the Department maintains a review and approval role of any planning proposals to amend controls within the NWPGA.

### **Recommendation**

*The Department should consult in further detail for any specific proposals to amend Local Environmental Plans to transition controls out of the Growth Centres SEPP.*

*The Department should maintain a concurrence role in any future Council led planning proposals seeking to rezone land in the NWPGA.*

## **2.5 Minimum Lot Size for subdivision**

To simplify controls and allow the transition of controls from the Growth Centres SEPP to the LEP, it is intended to use clause 4.1 of the Blacktown Precinct Plan, and associated map, to set a minimum lot size for subdivision of 300m<sup>2</sup> for all residential zoned land in the NWPGA. This step is not considered necessary as clause 4.1AB of the Blacktown Precinct Plan provides far greater flexibility in managing minimum lot sizes for development.

Nonetheless, it is then intended that the existing clauses in the Blacktown Precinct Plan (4.1AD, 4.1AE, 4.1AF) that provide for the approval pathways to vary the minimum lot size for dwellings houses will be maintained and transitioned to the LEP. It should be noted that at present, these approval pathway clauses do not mandate minimum lot sizes for subdivision, but rather, the minimum lot size required for detached dwelling houses and different types of housing developments. As proposed in the EIE, the introduction of a minimum lot size for subdivision map, it will likely be necessary to also:

- amend the approval pathway clauses (4.1AD, 4.1AE and 4.1AF) to also allow the minimum lot size for subdivision to be varied; or
- amend clause 4.1AA to reflect the ability to reduce the minimum subdivision lot size for dwelling houses to be varied for 'Integrated Housing' developments (i.e. B1 and B2 approval pathways in the DCP). Otherwise the approval pathway clauses will not empower the ability to override the 300m<sup>2</sup> minimum lot size that is proposed in clause 4.1.

If these changes are not made, whilst the approval pathways would be maintained in clauses 4.1AD, 4.1AE and 4.1AF, it is unclear as to whether Council's will be able to approve the subdivision of lots smaller than 300m<sup>2</sup> due to application of the clause 4.1.

With regard to other housing types, the EIE anticipates the above issue for semi-detached dwellings and confirms that a new clause will be included to facilitate the subdivision of semi-detached dwellings to be either 200m<sup>2</sup> on R2 zoned land and 125m<sup>2</sup> on R3 zoned land. However, this also needs to be specified for attached dwellings otherwise, clause 4.1 would require subdivision of attached dwellings to achieve a minimum lot size of 300m<sup>2</sup> for each dwelling.

It is likely that both of these impacts are unintended and are the consequence of limited detail that is available in EIE versus draft legal instruments. However, given the:

- limited detail on exact provisions available at this time,
- nuances and complexity of the Growth Centres SEPP, and
- the time it takes to amend the Growth Centres SEPP<sup>1</sup>

It is suggested that Stockland, and developers in general, should be given the opportunity to review and comment on any draft instrument prior to adoption to ensure that it does not compromise the ability to deliver housing diversity and innovation currently provided for within the Growth Centres SEPP.

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• <sup>1</sup> (i.e. the initial Housing Diversity amendment took approximately 2 years, the minor amendment to correct semi-detached dwellings too approximately 1.5 years)

### **Recommendation**

*A clause needs to be inserted into the Growth Centres SEPP to also allow the minimum lot size for subdivision of attached dwellings to be varied to 125m<sup>2</sup>, similar to that proposed for semi-detached dwellings.*

*Prior to adoption, it is suggested that the Department consults with a focus group of industry representatives to ensure that the revised controls for the approval pathways and ability to vary the subdivide lots in line with the minimum lot sizes for different housing types are preserved.*

## **2.6 Minimum lot sizes for dual occupancies**

The EIE nominates an increase in the minimum lot size for dual occupancies from 500m<sup>2</sup> to 600m<sup>2</sup> in the Blacktown Precinct Plan. This is not being consistently applied to the Box Hill, North Kellyville or Vineyard Precincts in different Local Government Areas. The reason for this change is not provided and also contradicts the best practice controls developed by the Department for dual occupancies within the 'Missing Middle' package. If adopted, dual occupancy development could be carried out on lots down to 400m<sup>2</sup> under the 'Missing Middle' package

This proposed amendment is of concern as it may have the consequence of limiting the viability and pursuit of this dwelling type by developers and/or mum and dad developers that have purchased land given the ability to deliver a near identical outcome via semi-detached dwellings (i.e. a pair of front loaded semi-detached dwellings could be delivered on an 18m wide by 25m deep block at 450m<sup>2</sup>). Whilst the goal of encouraging more affordable homes available to be purchased by new home buyers is supported, the Department would be removing the ability to provide alternative rental accommodation or opportunities for family/intergenerational housing within the NWPGA. As such, this change is not supported.

### **Recommendation**

*Prior to adoption, it is suggested that the Department consults with a focus group of industry representatives to ensure that the revised controls for the approval pathways and ability to vary the subdivide lots in line with the minimum lot sizes for different housing types are preserved.*

*If reduced lot sizes for dual occupancies are adopted, a savings and transitional arrangement should be applied to allow all lots approved before the adoption of the new control to be able to be assessed under the existing provisions.*

*The minimum lot size for dual occupancies in the Blacktown Precinct Plan should be maintained at 500m<sup>2</sup>.*

## **2.7 Maximum residential densities**

The intent of the Department previous Housing Diversity package was to allow for:

- the more efficient development of land to improve the Growth Centres contribution to housing supply, and
- greater diversity of lot sizes and housing types that could be delivered in the Growth Centres to provide for a greater spectrum of market entry points for new home buyers and improve housing affordability.

Since adoption, the development industry has responded favourably to these controls. This has allowed for greater product innovation and industry has been able to respond to market demand for different housing types at a range of different prices. This market demand has ultimately been the driver of density outcomes being delivered by developers with typical subdivisions of R2 zoned land delivering densities of between 18 to 23 dwellings per hectare. Typical densities in R3 zoned land ranging from 32 to 40 dwellings per hectare for terrace style developments. The proposed maximum

densities would diminish the original intent of the Housing Diversity package that has previously worked well to for developers to deliver lot sizes and housing product that meets the needs of new home buyers in the NWPGA.

From the Plan, it is understood that the Department is intending to amend the Growth Centres SEPP to introduce a maximum yield on R2 and R3 zoned land. The primary purpose of the cap being to ensure adequate provision is made for services and social infrastructure to meet the needs of the future community. Specifically, the proposed amendments to the Growth Centres SEPP would place a density range of 15 to 25 dwellings per hectare on R2 zoned land and 25 to 35 dwellings per hectare for R3 zoned land and between 55 to 100 dwellings per hectare for R3 zoned land in close proximity to transport nodes.

Whilst not specifically mentioned in either the Plan or EIE, it also appears that the Department intends to further constrain development within zoned and developing land that have since been identified as being affected by the Probable Maximum Flood (**PMF**). Specifically, the proposed amendment would place a density range of 15 to 20 dwellings per hectare on R2 zoned land affected by the PMF and 15 to 25 dwellings per hectare for R3 zoned land affected by the PMF.

These amendments, as proposed will have a significant impact on active development projects as well as the feasibility of more diverse housing types in the R2 and R3 zones. They will also remove incentives for developers to deliver housing product outside of traditional land and housing packages and also impact on the affordability and housing price points developers can offer to home buyers.

There are also fundamental issues with the mechanics of how the maximum density provisions are proposed to work if the current approach to the calculation of densities in the Growth Centres is maintained. Due to limited detail offered in the EIE as to how the maximum density controls will operate, further consultation is required with industry prior to adopting any of these amendments.

For these reasons, the imposition of a maximum density is not supported until further detail regarding the mechanics how the maximum density provisions will operate and further explanation as to how maximum densities have been established for zoned land affected by the PMF. Further detail on these issues is provided below.

### **2.7.1 Calculation of density**

The Growth Centres SEPP currently establishes minimum densities that need to be delivered on residential zoned land. These densities typically require a minimum of 15 dwellings per hectare from R2 zoned land and 25+ dwellings per hectare in R3 zoned land. Density is calculated based on the net developable area (**NDA**) of a site within a specific development application (**DA**), not estate. NDA includes the residential lot area, plus half the width of adjoining roads. Examples of this calculation is applied to conventional lots and the density the deliver is provided below.

#### **450m<sup>2</sup> Lots**

*At the establishment of the Growth Centres, 450m<sup>2</sup> lots were considered to be the standard lot size. Based on a local road width of 16m, a 15m wide, 450m<sup>2</sup> lot, actually has a NDA 570m<sup>2</sup>. If a whole site was developed based on this simple lot metric, it would deliver a density of 17 dwellings per hectare as a conventional subdivision.*



### **300m<sup>2</sup> Lots**

*300m<sup>2</sup> lots are now considered to be the standard lot size. Based on the same road width a 10m wide, 300m<sup>2</sup> lot actually has a NDA of 380m<sup>2</sup> and equates to a density of 26 dwellings per hectare<sup>2</sup>.*

This same approach to the calculation of density applies to both subdivision for conventional lots as well as Integrated Housing for abutting dwellings, attached dwellings, dual occupancies, semi-detached dwellings, studio dwellings, secondary dwellings and manor homes. The need to calculate density, under clause 4.1B of the Blacktown Precinct Plan is not turned off after the initial subdivision.

On face value, the application of a maximum density on R2 zoned land of 25 dwellings per hectare would seem appropriate for conventional subdivision. However, as densities are not based over an entire precinct (this would be complex to administer for Councils) or even estates. This would disincentive developers to deliver a range of different lot sizes<sup>3</sup> and has the following unintended consequences for R2 zoned land:

#### Defeats the intent of Location Criteria

The blanket application of the maximum density yields will also undo the location criteria that the Housing Diversity package established to allow for greater density and diversity of housing for areas of R2 that benefit from greater amenity. In particular, the location criteria encourages medium density housing outcomes by allowing manor homes, attached dwellings and multi-dwelling housing on R2 zoned land that would be otherwise prohibited. These types of developments typically deliver yields of 32 to 40 dwellings per hectare with a mix of terrace homes, studio dwellings and manor homes.

By applying a 25 dwellings per hectare maximum in these areas, it will be more cost efficient for developers to deliver a conventional small lot subdivision with no variety of housing types. As part of the Housing Diversity package, the Department prepared a Dwelling Density Guide that clearly demonstrates that small lot subdivision can easily deliver 25 dwellings per hectare without the need for built form. As such, land that benefits from location criteria should be exempt from the maximum densities.

#### Other housing types exceed maximum densities

Given the controls within the Housing Diversity DCP, in particular minimum lot widths for front loaded housing types, initial subdivisions of land will determine whether there are opportunities for other housing types to be delivered by the purchasers of individual lots. For example, for the majority of R2 zoned land, a dual occupancy or semi-detached dwelling could only be delivered if the individual lot was:

- a corner lot of 500m<sup>2</sup>+, or
- a conventional lot with a minimum width of 18m.

As such, the potential for subsequent density creep is limited after the initial subdivision unless purchasers secure a number lots in a row<sup>4</sup>. The maximum dwelling density in R2 zoned land should only apply to the initial subdivision with subsequent DAs, that would all involve a form of 'Integrated Housing' being exempt from the maximum dwellings.

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<sup>2</sup> It should be noted that the amendment to the Housing Diversity DCP proposed by the Department of Planning and Environment would no longer limit the use of 10m wide lots that could be carried out over an entire subdivision without the need for variation.

<sup>3</sup> Unless dictated by the market.

<sup>4</sup> Unless purchasers secure a number lots in a row.

If an exemption for this development is not applied and the same method of calculating density is utilised, in the majority of circumstances, dual occupancies, semi-detached dwellings, studio dwellings and manor homes as per the minimum lot sizes in clause 4.1AB of the Blacktown Precinct Plan would exceed the maximum density for the R2 zone. The table below provides a summary of the limitations of different housing types for different housing types in the R2.

**Table 1. NDA of different housing types**

Dwelling Type	Minimum Lot Size	Lot Details	Half Width Road Area	Total NDA	Equivalent Density
Attached Dwellings (Front loaded 7 pack)	1,500m <sup>2</sup>	1,505m <sup>2</sup> 60m x 25.5m (5m splay)	913m <sup>2</sup>	2,418m <sup>2</sup>	29.0d/ha
Attached Dwellings (Rear loaded 9 pack)	1,500m <sup>2</sup>	1,725m <sup>2</sup> 60m x 30m (5m splay)	985m <sup>2</sup>	2,710m <sup>2</sup>	33.2d/ha
Dual Occupancy – Corner Lot	500m <sup>2</sup>	501m <sup>2</sup> 16m x 30m (5m splay)	380.5m <sup>2</sup>	881.5m <sup>2</sup>	22.7d/ha
Dual Occupancy	500m <sup>2</sup>	510m <sup>2</sup> 17m x 30m	136m <sup>2</sup>	646m <sup>2</sup>	30.9d/ha
Manor Home – Corner Lot	600m <sup>2</sup>	600m <sup>2</sup> 20.5m x 30m (5m splay)	416.5m <sup>2</sup>	1016.5m <sup>2</sup>	39.4d/ha
Semi-detached Dwelling - Front Loaded	400m <sup>2</sup>	450m <sup>2</sup> 18m x 25m	144m <sup>2</sup>	594m <sup>2</sup>	33.7d/ha
Studio Dwelling and Secondary Dwellings – Corner Lot	450m <sup>2</sup>	453m <sup>2</sup> 15.5m x 30m (5m splay)	376.5m <sup>2</sup>	829.5m <sup>2</sup>	24.2d/ha
Secondary Dwelling	450m <sup>2</sup>	450m <sup>2</sup> 15m x 30m	120m <sup>2</sup>	570m <sup>2</sup>	35.1d/ha

As demonstrated in the table above, if the minimum lot sizes for the different housing types were adhered to, dual occupancies, studio dwellings and secondary dwellings would only be able to be delivered on corner lots. These limitations on each of the housing types would again rule out the incentive for developers to deliver any additional types of housing diversity in the R2 zone beyond conventional lots. This is due to the increased development costs associated with built form and that the minimum lot sizes for other housing types are not able to be realised.

With regard to attached dwellings, there is no typical site or yield for this housing type. The yields in the table above are considered conservative and are more likely to achieve 35+ dwellings per hectare. Attached dwelling and abutting dwelling development of R2 zoned land that meet the location criteria would still exceed the maximum dwelling densities proposed.

Given that terrace style development is capable of delivering 35+ dwellings per hectare in R3 zoned land, this would suggest that maximum density of 35 dwellings per hectare proposed for a significant area of R3 zoned land is not flexible enough to facilitate or encourage terrace style development that is already being delivered in the NWPGA. The proposed maximum densities on R3 zoned land would also preclude the ability to deliver development as per the Missing Middle package for this type of housing product prepared by the Department.

It should be noted that the R3 zone also permits residential flat buildings and multi-dwelling housing that allow for 3 to 6 storey development. The maximum dwelling density of 35 dwellings per hectare would also prevent this form of housing from being able to be delivered in the R3 zone and contribute to the diversity of housing product.

#### Impacts on settlements of approved by unregistered lots

The implementation of these maximum densities, and by virtue constraints on the ability to deliver other housing types in the R2 zone may also have an impact on the settlement of lots that have been approved but yet to be settled.

As the Department would be aware, to keep up with demand for new land and housing and requirements, the industry practice is to exchange on land once approvals for subdivision DA's have been issued rather than at lot registration. However, the completion of subdivision works can take from six months to a year from the original development consent.

There is a pipeline of lots across the NWPGA that are currently under construction that have been sold with the current ability to carry out dual occupancies and other housing types. The savings and transitional arrangements as proposed in the EIE would only exempt DAs lodged before the gazettal of the Growth Centres SEPP amendment from needing to comply with the maximum density provision. As these lots are not registered, purchasers that have exchanged but not settled are unable to lodge DAs to preserve their current development rights under the Growth Centres SEPP. As such, depending on the terms of sales contracts in place, this may give cause for purchasers to not complete settlements on R2 zoned land.

#### **Recommendation**

*The maximum dwelling densities as proposed are not supported as they will limit the ability to deliver diversity of lot sizes and housing products that can be delivered in the NWPGA.*

*Where significant landholdings, say greater than 10ha, are consolidated, the density controls should be amended to allow the minimum and maximum densities to be calculated over the whole site, not individual DAs as is the current practice.*

*In the instance that maximum dwelling densities are pursued by the Department, further consultation is required with the development industry as to the mechanics of the Growth Centre SEPP controls to ensure lot and housing product diversity can be delivered across all residential zones. It will also be necessary to provide a clear explanation as to how density calculations are to be carried out. Until this consultation is undertaken, no maximum density controls should be applied.*

*If maximum dwelling densities are still to be pursued, it is suggested that the following revised maximum density provisions be considered by the Department:*

- The maximum density of 25 dwellings per hectare for conventional subdivision is appropriate but should only apply to initial subdivisions of land. Subsequent DAs for the development of individual lots for dual occupancies, manor homes, secondary dwellings, semi-detached dwellings and manor homes should be exempt from complying with the maximum density to ensure a diverse range of housing can still be delivered in the R2 zone;
- Development of R2 zoned land that meets the location criteria should be exempt from the maximum density provisions to ensure a diverse range of housing product can still be delivered;
- The maximum density of R3 zoned land should be increased from 35 to 45 dwellings per hectare to ensure a diverse range of housing product can still be delivered;

*The savings and transitional arrangements need to be revised to preserve the development rights to deliver alternative housing types for lots that have been approved prior to the adoption of the proposed amendment to the Growth Centres SEPP.*

## 2.7.2 PMF and maximum densities

In preparing the Plan, the Department has carried out further water cycle management and flooding assessments for the NWPGA. This assessment has refined the extents of land affected by the 1 in 100 year average recurrence interval (**ARI**) for the Hawkesbury Nepean catchment. The 1 in 100 year ARI is typically used to inform developable footprints in Precincts. As part of these investigations further analysis of the PMF has been undertaken to inform future Precinct Planning. The Department is also undertaking a Flood Evacuation Study to inform land use planning decision on land that is yet to be zoned. It is also understood that Infrastructure for NSW (**INSW**) has yet to release the Stage 2 of the Hawkesbury Nepean Flood Management Review

Limited information is provided within the Plan and EIE to explain or justify how the densities for zoned land affected by the PMF have been arrived at. A significant extent of land affected by the PMF is already zoned and has already been developed, or is currently being developed, well in excess of the proposed maximum dwellings. It is considered that a blanket approach to the application of maximum dwelling densities based on PMF extents is not appropriate. Rather the context of and character of existing development within the PMF should be considered as well as access and operation of the specific flood evacuation routes that were already identified through the precinct Planning Process for each Precinct that has been rezoned. Finally, consideration should be given to localised evacuation points that residents affected by the PMF can more readily access rather than leaving the wider NWPGA.

Whilst Stockland is supportive of the initiatives to manage risk associated with the development of land within the PMF, until such time as:

- INSW has released Stage 2 of the Hawkesbury Nepean Flood Management Review, and
- the Department has released the Flood Evacuation Study

for public comment, the adoption of density controls to further constrain development of zoned land is considered to be premature.

Given the Plan is intended to be a live document that is updated periodically, it is considered that there are appropriate mechanisms in place to update the NWPGA Implementation Plan following the finalisation of the Hawkesbury Nepean Flood Management Review and Flood Evacuation Study.

### **Recommendation**

*The blanket approach to limiting densities on land affected by the PMF is not supported. A more refined approach that considers the extent of approved and delivered development as well as the flood evacuation routes already established for rezoned Precincts is required.*

*Until such time as INSW consults on and completes the Hawkesbury Nepean Flood Management Review Stage 2 and the Department consults and completes the Flood Evacuation Study, the placement of lower maximum densities on residential zoned land is premature.*

## 2.8 Rezoning of R2 zoned land in Schofields and Elara

The rezoning of the various sites in the Schofields Precinct from R2 to R3 is supported. Given the Housing Diversity package, the R3 zone is considered more appropriate to deliver the minimum dwelling outcomes that were mandated for the site. As discussed earlier, the area affected by clause 6.10 of Schofields Precinct Plan should be minimised to reflect the updated width of the Transport Corridor. This would allow for the more immediate development of R3 zoned land, rather than requiring the preparation of a DCP.

Whilst the Department is considering spot rezonings to simplify the controls that apply to land, there are other opportunities that could readily be pursued by the Department within our Elara community.

A plan illustrating the sites' locations and current planning controls that prevent the orderly delivery of permissible medium densities outcomes is attached to this submission.

Our Precinct 6 site is zoned R2 within the Marsden Park Precinct is zoned R2. Part of the site benefits from location criteria as it is located directly opposite open space land, a local centre and drainage land. It is also located directly opposite R3 zoned land. This permits the use of attached dwellings and a slight reduction in the minimum lot size for dwellings houses down to 225m<sup>2</sup>. However, there are a number of planning anomalies that prevent the use of split land and housing contract delivery of a terrace style development on this site in a logical and orderly manner as outlined below and illustrated in Appendix A:

- There is a missing segment of land directly opposite R3 zoned land that does not benefit from the location criteria. This means that terrace style dwellings either side of this site fronting the same road whilst the missing segment would need to be developed as conventional lots.
- This could potentially be circumvented via the use of clause 5.3 of the Blacktown Precinct Plan to slide the R3 zone boundary at least 50m to the south to allow a consistent development and streetscape along the road. However, Council's past application of clause 5.3 will likely require gazettal of a formal planning proposal to rezone the land R3 before the lots can be created. In addition, the Department's proposed changes to clause 5.3 (see section 1.10 of this submission) to maximum of 30m would preclude the ability to use this provision that was established to rectify these types of zoning anomalies. To date, Council and the Department have taken in excess of 2 years to finalise the gazettal of Planning Proposals proposing minor zone boundary changes.
- The location criteria allows the use of attached dwellings on R2 that can create lots down to 125m<sup>2</sup>. However this requires dwellings to be constructed prior to subdivision occurring. This adds significant cost onto the price of house and land packages to purchases (see Section 1.12.2 of this submission). This is in contrast to the R3 zoned land directly opposite that can use abutting dwelling construction (ie. dwelling houses on lots down to 125m<sup>2</sup>) that are able to be delivered more efficiently and avoids these additional costs being passed on to homebuyers. The same terrace style development shouldn't be more expensive to deliver on R2 zoned land compared to the same product on R3 zoned land.

This submission highlights each of these specific issues with Housing Diversity controls that should be resolved across all of the NWPGA. As the Department is already pursuing spot rezonings of land to rectify planning control anomalies in the Schofields Precinct, the most expedient way to resolve this specific issue would be to rezone the R2 zoned land that benefits from the location criteria and zone flexibility provisions to R3 to allow for a more coordinated development outcome along this road and to allow the consistent delivery of more affordable terrace housing product.

### **Recommendation**

*To facilitate the more expedient development of R3 zoned land outside of the updated Transport Corridor, the area of land affected by clause 6.10 of the Schofields Precinct Plan should be refined to match the updated transport corridor.*

*The area of the Marsden Park Precinct identified in the Case Study (Appendix A) should be zoned R3 to allow for a more consistent and affordable terrace housing outcome.*

## **2.9 Manor homes on R2 zoned land**

In principle the introduction of manor homes into R2 zoned land is supported. This would enable greater opportunities to deliver more diverse housing product. However, as discussed early, the introduction of maximum densities of 25 dwellings per hectare will effectively preclude the ability to deliver this housing type in subsequent integrated housing DAs. Prior to adopting a maximum density, the Department needs to consider an appropriate control regime for the calculation of density to allow greater opportunities for the uptake of manor homes in the R2 zone.

### **Recommendation**

*The Department further consults with industry on the way maximum densities will be implemented to ensure manor homes are viable in both the R2 and R3 zones.*

## **2.10 Zone Boundary Flexibility**

Clause 5.3 of each of the Precinct Plans in the Growth Centres SEPP makes provision to amend zone boundaries between different zones through the development assessment without the need for a formal rezoning. The intent being that the zones can be updated as necessary as part of periodic review of the Growth Centres SEPP. This ability should incentivise developers to investigate better outcomes for individual sites than the Department can reasonably consider at the precinct wide level.

In practice, Council seldom accept the use of this clause unless it is between residential zones only unless a DA is accompanied by a planning proposal to rezone the land and often withhold consent, or ability to act on a consent, until the spot rezoning is gazetted. Furthermore, typical fees to lodge minor planning proposals to enact these changes range from \$20,000 to \$60,000.

To date, Stockland has waited over two years for a procedural rezoning to be finalised by Council and the Department. Given the proposed amendments to the Growth Centres SEPP, it is suggested that the Department include further provisions within clause 5.3 to allow these procedural rezonings to be enacted through the yearly review of the Plan that has been proposed.

In addition to the above, proposed amendment to the Growth Centres SEPP seeks to reduce the degree of flexibility already permitted by clause 5.3 of the Blacktown Precinct Plan. In particular, the extent that the boundaries of different residential zones can be shifted has been reduced from 100m to 30m.

Whilst Councils' may consider 100m to be too flexible 30m does not provide enough flexibility. 30m reflects the depth of a conventional lot which on face value would be fine but it fails to consider that roads often separate these zones. Roads range from 16m to 20m and Councils only entertain limited amendments to the road patterns established in Indicative Layout Plans. This issue is highlighted in the case study for Precinct 6 at Elara that is within the Marsden Park Precinct (see Appendix A).

This control change also does not recognise that the zone boundaries do not necessarily align to existing lot boundaries. As such, a minimum boundary variation of 100m is a more reasonable depth to adopt for flexibility in the residential zones.

### **Recommendation**

*The Department includes additional provisions within clause 5.3 to reflect that a rezoning of land is not required to obtain or act on a development consent. The Department should also issue a planning circular to guide Council's on the use of clause 5.3 and ensure that periodic reviews of the NWPGA can be used as the mechanism to gazette these procedural rezonings.*

*The proposed amendment to clause 5.3 of the Blacktown Precinct Plan should increase the depth of the zone boundary flexibility for residential zones from 30m to 100m.*

## **2.11 Temporary Uses of Land**

The standardisation of provisions for temporary uses, in particular sales offices, in Blacktown Precincts is welcomed. However, to reflect typical industry sales and marketing practice. The amendment to Clause 2.8 that allows the use of business premises and dwelling houses as sales offices for more than 52 days a year should also be expanded to include temporary structures.

Given the rate of development in greenfield areas, it is common practice for sales centres to be temporary structures so that they can be relocated every two to five years as development occurs. This minor amendment would make the development assessment process to more readily respond to this practice.

### **Recommendation**

*Clause 5.3(4) and (5) of the Blacktown Precinct Plan be amended to include references to temporary structures.*

## **2.12 Opportunities to improve Growth Centre SEPP controls**

As the Department is proposing amendments to the Growth Centres SEPP, it is considered that there are other opportunities that could be implemented to improve the planning controls and the way development is delivered in the NWPGA. These opportunities are outlined below and Stockland would be happy to meet with the Department to discuss them in more detail.

### **2.12.1 Approval pathways to align with the Greenfield Housing Code**

The Department has also recently placed proposed amendments to State Environmental Planning Policy (Exempt and Complying Codes) 2008 on exhibition. This package is known as the Greenfield Housing Code. The intent of these amendments are to make the use of Complying Development more attractive for greenfield housing and aims to achieve this by aligning the controls more closely with the Housing Diversity DCP and making the controls simpler to interpret.

The Greenfield Housing Code as proposed makes provision to allow complying development on lots down to 200m<sup>2</sup> as follows:

- Front loaded lots between 7m to 10m wide
- Rear loaded lots 6m+ wide

However, the ability to create a lot less than 300m<sup>2</sup> in most greenfield release areas, including the NWPGA, requires either:

- the submission of a Building Envelope Plan with the initial subdivision that creates lots down to 225m<sup>2</sup>, or
- the lodgement of a DA for both subdivision and dwelling construction ('Integrated Housing').

As such, the ability to utilise the Greenfield Housing Code for lots less than 300m<sup>2</sup> will be limited. Under the existing approval pathways, this is seeing DA approval timeframes for subdivisions and Integrated Housing DAs taking an average of 9 months<sup>5</sup> with some taking up to a year. Any opportunity the Greenfield Housing Code can provide to improve these approval times for new dwellings should be maximised.

Given that the Department has now established best practice controls for dwellings on lots down to 200m<sup>2</sup> with widths down to 6m in the Greenfield Housing Code, there is the opportunity to update the approval pathway controls within the Growth Centres SEPP and Housing Diversity DCP to reflect these controls. Ideally, these amendments would allow the subdivision of land to occur down to 200m<sup>2</sup> without the need for either a Building Envelope Plan or Integrated Housing DA. This would improve approval timeframes for the subdivision of smaller lots in the NWPGA as well as increase the utilisation of the Greenfield Housing Code.

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<sup>5</sup> Based on approval timeframes for all Stockland Integrated Housing DAs in Altrove and Elara estates.

### 2.12.2 Location criteria for abutting dwellings

The Growth Centres SEPP currently allows attached dwellings to be delivered on R2 zoned land that benefits from increased amenity such as proximity to parks, retail centres, schools and public transport nodes. The use of attached dwellings allows terrace style developments to create lots from to 125m<sup>2</sup> to 200m<sup>2</sup> and this housing type contributes to the overall diversity of the R2 zone. However, due to the approval pathway and reliance on common wall construction, all dwellings must be constructed prior to the creation of individual lots. This adds approximately \$60,000 to the cost of terrace dwellings due to:

- increased Stamp Duty that is paid on both land and house value
- increased holding costs incurred by developers that are factored into the sale price
- increased interest repayments for purchasers

In trying to make terrace style housing more efficient and replicate the process project home builders use for conventional house and land packages. The Housing Diversity DCP makes provision for abutting dwellings (detached dwellings built to the same boundary) to be used to deliver the same terrace style of housing. As there are no common walls, the land is able to be settled prior to construction of the dwellings and provides the ability to offer these types of dwellings at lower prices to home buyers.

Currently, the use of abutting dwellings in the R2 zone is limited to 225m<sup>2</sup> where sites benefit from location criteria even though attached dwellings could be created down to 125m<sup>2</sup> on the same land. We believe there is the opportunity to amend the approval pathways within the Growth Centres SEPP and Housing Diversity DCP to allow smaller lot sizes for abutting dwellings to deliver better priced terrace housing product in areas that benefit from greater amenity.

### 2.12.3 Location criteria for E2 zoned land

The location criteria established in the Growth Centres SEPP (clause 4.1AD and 6.11 of the Blacktown Precinct Plan) recognises that increased amenity is provided to dwellings in proximity to open space and drainage reserves that are often open and landscaped to a high standard. There are a number of areas within the NWPGA rezoned precincts that are zoned E2 Environmental Conservation. These areas are designated to preserve existing vegetation and often require further rehabilitation by developers. It is considered that these areas also provided increased levels of amenity to residents that would live in close proximity and as such suggest the location criteria should also be amended to apply to E2 zoned land, similar to drainage land, to create opportunities for more diverse housing.

## 2.13 Housing Diversity DCP amendments

It is understood that as part of the Plan package, the Department is re-exhibiting proposed changes to the Housing Diversity DCP. In particular these changes relate to the lot mix criteria that were originally exhibited in November 2015. The intent of these changes was to simplify the lot mix controls. From our experience, following initial issues, Councils have been able to consistently adopt the previous lot mix criteria. Whilst Stockland already ensures our communities deliver a range of different land and housing products, we also supported the concept of requiring all subdivisions to deliver a range of different lot sizes as this ensured a variety of market price points were provided in each subdivision for all developers.

The proposed changes will remove the need for developers to deliver diversity of lot sizes as it now only limits the use of lots less than 10m wide to 40% of a street block. This essentially leaves it to the market and developers to determine the product to deliver and could result in whole subdivisions being delivered as 10m wide lots. Despite this change, Stockland will continue to deliver a range of



different lot sizes in our communities to ensure more affordable and variety of product is able to be offered to new home buyers at different price points.

In simplifying this control, the Department has removed the exemption that applied to 'Integrated Housing' development. The deletion of this control is not supported as it undermines the viability of delivering diverse housing product on R2 zoned land that benefits from greater amenity as identified by the location criteria controls.

The original lot mix control was based on industry and Council best practice as it was considered that this is an appropriate mechanism to ensure good streetscape outcomes are delivered where narrower lots are used and lodged as part of 'Integrated Housing' DAs. The provision of dwelling designs with the subdivision layout more easily allows the use of laneways or where front loaded product is utilised, provides Council with a better understanding of the streetscape outcome. This, for example allows a development specific assessment of the overall garage dominance of a proposal where small lots are concentrated in one area.

Furthermore, the Integrated Housing approach has been adopted by Councils in release areas in Blacktown, the Hills Shire and Penrith Local Government Areas. Each of these release areas have been master-planned in a similar fashion to the Priority Growth Area Precincts on the basis of delivering a minimum dwelling density of 15 dwellings per hectare.

By deleting the exemption for Integrated Housing from needing to comply with the lot mix controls, it is considered that the amendment to the Housing Diversity DCP is taking a step backwards and placing development in the NWPGA at a disadvantage to other nearby release areas rezoned by Councils. This amendment will also remove the incentive and ability to deliver increased density in places that have a higher level of amenity that the Department was previously trying to encourage in the Housing Diversity package through the establish of the location criteria controls for R2 zoned land.

### **Recommendation**

*The proposed amendment to the lot mix control in the Housing Diversity DCP is amended to exclude its application to Integrated Housing DAs on R2 zoned land that benefits from the location criteria.*

## **2.14 Opportunities to improve the Housing Diversity DCP**

There are other opportunities to unlock supply, that if incorporated would improve the planning controls in the Housing Diversity DCP and the way development is delivered in the NWPGA, as outlined below.

### **2.14.1 Approval pathways to align with the Greenfield Housing Code**

As discussed earlier in suggested amendments to the Growth Centres SEPP, the approval pathways in the Housing Diversity DCP should be revised to allow the creation of lots down to 200m<sup>2</sup> without the need for a Building Envelope Plan or Integrated Housing DA. This will encourage the greater use of the Greenfield Housing Code for the majority of dwellings. It will then also give the Housing Diversity DCP the role of controlling more niche and denser forms of development within the NWPGA. This will assist Council by reducing the volume of conventional DAs so that they can concentrate on more complex and contentious DAs.

### **2.14.2 Location criteria for abutting dwellings**

Discussed earlier in suggested amendments to the Growth Centres SEPP.

### **2.14.3 Location criteria for E2 zoned land**

Discussed earlier in suggested amendments to the Growth Centres SEPP.

#### 2.14.4 Double garages on 10m wide lots

At present the Housing Diversity DCP limits the use of double garages for lots 12.5m+ wide. Despite this control, over half of the Priority Growth Area Councils with rezoned precincts have adopted internal policy positions to allow the use of double garages on lots down to 10m wide where two storey dwellings are proposed. These Councils have adopted this position in recognition of trends in car ownership and reliance in Western Sydney. It also helps to create greater opportunities for on street car parking than otherwise delivered with narrower single garage product.

In order to manage potential garage dominance in streetscapes, these Councils generally only permit double garages on narrower lots where the dwellings are 2 storeys. This is also reflected in the Greenfield Housing Code proposed by the Department. Councils then require the dwellings to incorporate some of the following features to ensure the garage is a recessive element in the streetscape:

- (a) *Upper floor or roof element is projected forward of the garage for at least 1m,*
- (b) *Colour and texture of the garage door is recessive to the materials used for the dwelling,*
- (c) *Verandah or pergola is provided along the length of the garage door opening,*
- (d) *Vertical elements, such as posts or fin walls are incorporated into the design,*
- (e) *Main façade projects 1m beyond the garage building line.*

#### **Recommendation**

*The Department amends the Housing Diversity DCP to reflect Blacktown, The Hills and Campbelltown Council's best practice to enable double garages on lots down to 10m in width where two storey dwellings are proposed.*

#### 2.14.5 Laneways

Stockland, the UDIA and a number of developers have raised with the Department issues within key Priority Growth Area Councils to the use of public laneways that are permitted by the Housing Diversity DCP. The issue arises over terminology that some Councils interpret to require concurrence from Roads and Maritime Services to designate all laneways as 'Shared Zones'. This issue still remains unresolved and could be corrected by updating the terminology used within the Housing Diversity DCP to make it explicit a 'Shared Zone' designation is not required.

#### **Recommendation**

*The Department of Planning and Environment amends the Housing Diversity DCP to remove references to laneways needing to be treated as formal 'Shared Zones'.*

## Appendix A – Marsden Park Rezoning Case Study

### Stockland – Elara Precinct 6 (Marsden Park)

