



# **St Leonards Crows Nest draft Land Use Plan**

**UDIA NSW Submission**

**February 2019**

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## ABOUT THE UDIA

Established in 1963, the Urban Development Institute of Australia (UDIA NSW) is the oldest industry group representing the property development sector. Our 550 members include developers, engineers, consultants, local government, and utilities. Our advocacy is focussed on developing liveable, connected, and affordable cities.

## INTRODUCTION

The Urban Development Institute of Australia – NSW Division (UDIA) welcomes the opportunity to provide a submission into the exhibition of the St Leonards and Crows Nest Precinct Planning documents. UDIA NSW has 550 members from across the development industry including developers, planners, legal professionals, architects, utilities and local government. Our members have been involved in all major urban renewal projects for the past fifteen years in Sydney, as such we are well-placed to make recommendations on transit oriented design at St Leonards and Crows Nest.

The UDIA host over 30 technical and informative events across NSW each year. These events attract prominent members across industries both nationally and internationally. In addition, we produce a quarterly magazine and a fortnightly update on industry news, progress on legislative and regulation changes. Our Research Department works with leading organisations and members to produce National publications that investigates and reports on the development market.

UDIA NSW welcomes the opportunity to provide a submission into the St Leonards and Crows Nest Planning Exhibition documents. Our submission addresses:

1. The Local Character Statement
2. Draft Precinct Plan
3. Draft SIC

The St Leonards-Crows Nest precinct already exists as a significant site for health and education in Sydney's global economic corridor. The expansion of the Metro to Crows Nest and increased connectivity on the T1 line underscore the importance for a clear plan and bold vision for St Leonards and Crows Nest.

Industry is disappointed with the planning process; the draft precinct plan takes us back to the vision that existed prior to the Urban Activation Precinct and Planned Precinct process. Given the investment in transport infrastructure across the precinct the industry expected a bold transit-oriented design vision which can catalyse St Leonards and Crows Nest as a key mixed-use precinct fundamental to the future '30-minute city'.

The decisions made in the Precinct Plan could leave St Leonards and Crows Nest as predominately commuter suburbs to Macquarie Park, North Sydney, and the Sydney's Central Business District. There are currently several key destinations in St Leonards including the university and Royal North Shore hospital, however, employment generators will make this a vibrant precinct. Industry requires clarity as to the role St Leonards and Crows Nest will play within the broader vision of Sydney.

There are important decisions to be made about the status of St Leonards and Crows Nest, will these areas be destinations, or will they be by origins, or will they be a vibrant combination of both.

The Region needs to leverage the significant investment in Metro to become a jobs centre with adequate residential to support a 24/7 economy. This will require the sensible establishment of a range of uses including mixed-use, residential, commercial, and retail that will enable St Leonards to reach its future potential. Without adequate jobs density, the St Leonards Crows Nest area will become a residential dormitory, with some activation around Royal North Shore Hospital.

UDIA makes the following recommendations:

#### Local Character Statement

1. The final Local Character Statement has a greater consideration of the trade-offs for different outcomes.

#### Draft Precinct Plan

2. The plan maximises the advantage of the transit-oriented design opportunities in St Leonards and Crows Nest.
3. The plan is re-exhibited following the election and a collaborative process with government, council, industry and community.
4. The Plan provides details as to the investigation process for Affordable Housing.
5. Affordable Housing contributions expectations are flagged early and there is a sensible transition.
6. There is a review into the planning for open space in St Leonards and Crows Nest with a focus on land use efficiency, cost, and community outcomes.
7. The provision of greater floorspace for employment uses, without reducing floorspace for critical residential uses.
8. DPE and Schools Infrastructure works with landowners to identify locations for the school site.

#### SIC

9. The SIC is reviewed for the localness of infrastructure, noting local infrastructure is best placed in a Section 7.11 plan.
10. The open space strategy is reviewed as per recommendation 7.

UDIA considers it of utmost importance that the plan enables a future for St Leonards and Crows Nest that connects both centres to each other, but also takes advantage of the substantial infrastructure investment and the role this region can have in the 30 minute city vision for Sydney as a globally competitive city.

## LOCAL CHARACTER STATEMENT

The Local Character Statement adds value to underscore the community views. It highlights the tangible and intangible elements of people and place that the community wishes to preserve and also the future aspirations of the community.

The Local Character Statement highlights a 'sense of community' as a vital element. UDIA considers that the underlying drivers of a 'sense of community' are established and discussed more thoroughly in the community, as these phrases can be vague and mean different things to different stakeholder groups.

As Local Character Statements are embedded into the planning system, we believe more can be done to look at the underlying ideas and values that are driving the community's sentiment. We believe by looking deeper at the community's aspirations a more holistic picture will emerge. Currently, the statement seems to desire increased amenity, without additional density, there needs to be a conversation about how density and amenity are linked and how density can bring about additional amenity.

UDIA NSW research with the community over several years highlights the community supports growth alongside infrastructure, this message has been reiterated in the draft St Leonards and Crows Nest Local Character Statement.

Going forward, the Statements must also look at trade-offs and what things the community is willing to sacrifice, what they will pay more for, what they will forgo, and what are the non-negotiables, balanced by what the investment in transport infrastructure warrants. We strongly believe the community supports density along with appropriate amenity and sound urban outcomes. This discussion of trade-offs could be enhanced through the UDIA's Urban Pinboard. The Urban Pinboard is a web-based app featuring a multi-layered 3D digital mapping interface designed for the development sector to display development concepts while facilitating broad-based, transparent, low-barrier to entry, community and stakeholder engagement.

The Urban Pinboard enables the community to see the benefits and costs of different development types, a high density and high amenity option, and lower levels of density which have commensurate lower levels of amenity. 3D modelling of the impacts, including shadowing enables the community to get a much more holistic feel of how the character shifts and the potential for the future city in this region.

### **UDIA NSW Recommends:**

1. The final Local Character Statement has a greater consideration of the trade-offs for different outcomes.

## DRAFT PRECINCT PLAN

The draft Precinct Plan provides the vision for the future development of St Leonards and Crows Nest. Unfortunately, UDIA notices there seems to be an unwarranted political overlay in the plan, which is problematic and may result in the community's needs not being met. UDIA considers there should be greater consideration of density in the plan. The proposed density does not seem to be viable over the long-term. The density does not reflect a long-term 30-year vision of St Leonards and Crows Nest, consistent with the Greater Sydney Commission Region Plan, community and industry expectations.

While only about 500 additional dwellings are required to achieve the five-year dwelling targets, this relates to about 1 building each year for the next three years, in addition, many of the remaining sites are already zoned, and this plan just confirms that zoning. Therefore, what is needed is a bold vision for the next stage of development in the St Leonards and Crows Nest area, which would involve much more vision for the future city.

## LONG TERM VISION

The future of St Leonards and Crows Nest needs a bold vision. St Leonards and Crows Nest has significant existing infrastructure with the Royal North Shore Hospital, University, and train station, it will be further enhanced with the opening of the Metro at Crow Nest. The precinct has the potential to become a world-leading transit-oriented design (TOD) development, with two major transit nodes connected by a vibrant urban domain, highlighting employment, leisure, retail, and residential uses through a 24/7 economy.

Currently, it appears there is not a plan to take advantage of the infrastructure opportunities. Our global study tours looking at TOD across Asia and in London show the incredible potential that St Leonards and Crows Nest have to become a key jobs centre with residential. This mixed-use potential enables the development of a '30-minute city' with St Leonards as an alternative employment hub with significant numbers of jobs, with the employment density this encourages the development of the café culture and small bars which create a 'day and night' economy that the local community desires. Our lessons learned brochure from the 2018 study tour to the UK and Hong Kong is attached.

To fulfil this vision requires appropriate density to achieve the level of amenity that the community desires, we recommend there is a further conversation about the long-term vision. This must include the re-exhibition of the plan highlighting the future of the St-Leonards and Crows Nest precinct. This will ensure that the transport investment enables the development of jobs and homes, that makes St Leonards a 24/7 community, instead of a predominately residential centre. In reviewing at the political overlay, many of the new infrastructure initiatives and additional density applies to North Sydney Council jurisdiction, North Sydney is a politically fractious jurisdiction and will likely be challenged financially to implement the plan in a timely manner. The Lane Cove rezoning is subject to independent review; this places at risk a significant portion of new dwellings proposed for the precinct and the North District. Willoughby Council is largely free of infrastructure implementation; however, as there is significant emphasis placed on the Artarmon precinct to provide the most jobs with the

clustered knowledge and health sector industries it is likely additional infrastructure and employment density is required, we consider this is counterproductive to achieving a bold vision.

UDIA has also received reports that the consultation between the Department and Local Council has been poor throughout the process. We recommend a collaborative approach is taken throughout a rezoning process, collaboration between Government, Council, Industry and the community usually results in the best possible outcome. This collaborative approach should arrive at a much bolder outcome that has been proposed in the draft Plan, as it will have a proper consideration of the trade-offs and potential for the precinct. If we seek to follow the current limited vision, we will have abandoned a strong cities agenda that seeks liveability, connectivity, and affordability for an approach that will not provide the commercial, employment, and residential floorspace to fulfil the communities stated vision in the local character statement. Nor will it support the need to deliver 725,000 new dwellings needed in Sydney by 2036.

**UDIA NSW Recommends:**

2. The plan maximises the advantage of the transit-oriented design opportunities in St Leonards and Crows Nest.
3. The plan is re-exhibited following the election and a collaborative process with government, council, industry and community.

## AFFORDABLE HOUSING

There is currently not a plan for the robust delivery of affordable housing for the St Leonards and Crows Nest precinct. The draft plan has an objective to ‘undertake investigation of affordable housing targets for the area’, with an action to undertake further investigation to identify an appropriate target for affordable housing in the area.

We note the SGS Economics and Planning, *St Leonards and Crows Nest Economic Feasibility Review*, 2018 (SGS 2018) used a 10% affordable housing component. They found that there could be planning intervention to introduce an affordable housing levy. UDIA NSW analysis has shown that where sites have already had uplift, such as in St Leonards and Crows Nest, where there has been a long-term expectation for development, there must be incentives to support the development of affordable housing. As a starting point for dedication a 4:1 ratio is required to be neutral on a project, that is four market dwellings are required for each affordable dwelling. Lower ratios would be required if the developer is able to retain ownership of the affordable dwelling.

While, UDIA does not oppose affordable housing, it is critical that this is flagged early and transparently in the planning process. It is disappointing the plan does include more details about how the investigation would be progressed. Clarity as to whether it will be a GSC, State Government, or Council led investigation is of utmost importance, and the mechanism for the contribution.

UDIA’s Social and Affordable Housing Taskforce brought together twenty senior industry leaders to look at potential models for the delivery of Affordable Housing to investigate potential approaches to



deliver Affordable Housing, they recommended a whole of system approach that would utilise government land and incentives, an overview of the approach is attached.

**UDIA NSW Recommends:**

4. The Plan provides details as to the investigation process for Affordable Housing.
5. Affordable Housing contributions expectations are flagged early and there is a sensible transition.

## OPEN SPACE

UDIA understands the importance of open space in developing growing communities. The local character statement highlights that communities desire enough high-quality open space to support within the area.

UDIA questions whether the plan derives an efficient and logical solution for open space in the St Leonards and Crows Nest community. The strategy relies on raising \$25 million in levies to fund open space land acquisitions, which adds significant costs.

An alternative would be for North Sydney Council to work with landowners to deliver a community spine linking Alban Street to the Holterman Street Carpark, south to the community centre and connecting to the Metro. This collaborative approach would also help create a dual purpose of open space and connectivity, further enhancing the amenity in the precinct.

UDIA NSW is a leader in developing collaborative solutions for community consultation. Our Urban Pinboard provides a platform for community consultation. This is complemented with our new City Life Labs initiative targeted at developing open space, arkicity. Arkicity will provide a digital space where citizens share local knowledge and ideas on how to improve spaces around their city. Differing from traditional community meetings, the application will allow everyone to engage in the transformation of their cities, merging bottom-up and top-down approaches. Arkicity derives originally from another app initiative called CoCityApp, developed by arki\_tools. It incorporates similar core values and innovative approach to citizen involvement in city planning. These tools combined with a consideration of feasibility impacts can create a better community conversation. Attached is an overview of some of our IT initiatives.

**UDIA NSW Recommends:**

6. There is a review into the planning for open space in St Leonards and Crows Nest with a focus on land use efficiency, cost, and community outcomes.



## EMPLOYMENT AND LIVEABILITY

The Employment Nature of the St Leonards and Crows Nest precinct is critical to preserve. The plan proposes an additional 16,500 jobs for the precinct by 2036. However, the FSR for commercial spaces appears to be very low, we doubt the capacity of the additional FSR to provide for jobs that the plan states are required.

The sites along the Pacific Highway should be reviewed, from an urban design perspective UDIA foresees the risk of creating 'urban canyons' with very limited amenity along the Pacific Highway. UDIA recommends that there is greater integration with the Pacific Highway. This should have a mix of uses that take advantage of the road and creates an urban design outcome, which also enables liveability and amenity for the pedestrians; however this requires compromises such as density.

There does not seem to be a plan to deliver a day and night-time economy for both St Leonards and Crows Nest. A night-time economy needs to have a mix of residential, retail, and hospitality uses that support night-time activity. There must be consideration to how noise and other issues will be managed and how this can be integrated into the 'village feel' of the precinct.

### **UDIA NSW Recommends:**

7. The provision of greater floorspace for employment uses, without reducing floorspace for critical residential uses.

## SCHOOL LOCATION

Education is a key priority for the St Leonards and Crows Nest Community. It is critical to more clearly identify possible locations for the future school sites.

The objectives for the school site are to be a walkable distance from the Crows Nest Sydney Metro Station or St Leonards station, accessible from surrounding residential areas by bicycle or walking, co-located with open space, and capable of accommodating community facilities.

There are very limited sites where this would be suitable, we recommend there is discussion with landowners within the inner areas about improved longer-term solutions. Particularly, school sites holding tenure in key locations for the long-term and the likely need for newer models such as vertical schools. This would help ensure longer-term growth would be able to be accommodated within the area, particularly at higher densities, which will be critical.

### **UDIA NSW Recommends:**

8. DPE and Schools Infrastructure works with landowners to identify locations for the school site.

## SIC

The St Leonards and Crows Nest SIC provides \$113.6 million in funding for infrastructure. More than half of the proposed infrastructure is open space infrastructure (\$57.6 million), we believe this reflects the community's desire for open space and the government's attempt to deliver the open space.

The proposed rate is \$15,100 per additional dwelling in the SIC catchment. UDIA considers this rate to be reasonable as a rate; however, we believe much of the proposed works is local in nature and therefore, should not be part of a regional SIC.

UDIA has concerns about the open space strategy, this strategy adds an additional \$25 million in land acquisition costs, which increases the contribute rate significantly. We believe an alternative approach would be to work with the landowners to deliver a community spine which links Albany Street to the Holterman Street Carpark, south to the community centre and looping this to the Metro. We believe this could be a more efficient solution that will support cooperation between industry and the council. There is the possibility of trading floorspace and additional community amenity to create great places.

Some of the infrastructure could be seen to be local in purpose, therefore a Section 7.11 Plan may be a more appropriate instrument, as UDIA considers many of the Open Space, and Pedestrian and Cycle Improvements to be local in nature. UDIA recommends these items are included in a Section 7.11 Plan, particularly if the intent is for councils to deliver these items. This enables a clear line of site for the purpose of both funding mechanisms and will ensure the Section 7.11 Plan goes through the full IPART review process if necessary. The works UDIA NSW considers to be potentially local in nature total approximately \$83.2m, this includes items OS1, OS2, OS3, OS4, P1, P2, P3, P4, P5, P6, P7, P8, P9, and R10. This would result in a SIC contribution of approximately \$4,000 per dwelling.

We note Section 7.11 Plans can exist across LGA boundaries and therefore can apply across the three LGAs in St Leonards and Crows Nest

We acknowledge the willingness enable negotiated VPAs to support development prior to the finalisation of the SIC. The VPA framework provides for the ability of the UDIA to We also welcome the recognition that developers will not be double-charged under the regime with SIC's and VPAs. This is an important step to provide certainty for the future of the St Leonards and Crows Nest precinct.

### **UDIA NSW Recommends:**

9. The SIC is reviewed for the localness of infrastructure, noting local infrastructure is best placed in a Section 7.11 Plan.
10. The open space strategy is reviewed as per recommendation 7.

## CONCLUSION

UDIA supports the responsible development of St Leonards and Crows Nest. These precincts can leverage their transit stations into a high-quality urban environment. Bringing together, industry, community, council, and government together will result in a better urban outcome, we strongly recommend the future planning of St Leonards and Crows Nest supports a vibrant precinct with jobs and residential living. UDIA makes the following recommendations:

### Local Character Statement

1. The final Local Character Statement has a greater consideration of the trade-offs for different outcomes.

### Draft Precinct Plan

2. The plan maximises the advantage of the transit-oriented design opportunities in St Leonards and Crows Nest.
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### SIC

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10. The open space strategy is reviewed as per recommendation 7.

UDIA would be pleased to meet to discuss future opportunities for collaboration in St Leonards and Crows Nest, please contact Mr Elliott Hale, General Manager, Policy, Media and Government Relations on 0478 959 917 or via email, [ehale@udiansw.com.au](mailto:ehale@udiansw.com.au)

### Attachments

1. **Social and Affordable Housing Policy Overview**
2. **City Life Labs initiatives**
3. **Study Tour Lessons Learned**

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