Monday, 16 November 2020

George Dedes
The General Manager
City of Ryde Council
Locked Bag 2069
North Ryde NSW 1670

via email cityofryde@ryde.nsw.gov.au

UDIA NSW Submission on the City of Ryde Draft Local Housing Strategy

Dear Mr Dedes,

The Urban Development Institute of Australia (UDIA) NSW is the leading industry body representing the interests of the urban development sector and has over 500 member companies in NSW. UDIA NSW advocates for the creation of liveable, affordable and connected smart cities.

Urban Development Institute of Australia is pleased for the opportunity to make a submission to the Draft Ryde Housing Strategy (the Strategy).

UDIA NSW is a strong advocate of the missing middle and housing diversity initiatives that allow industry to respond to changing demand, and as such it is highly supportive of any new initiatives to streamline the delivery of housing to achieve local housing targets.

We commend the City of Ryde Council's vision to support positive population growth over the next 15 years and industry welcomes the opportunity to invest in an area which has good transport connectivity, quality open space and major commercial and employment centres.

The proposed Strategy contains many good initiatives, however UDIA contends that there are further considerations for generating housing supply which need to be addressed. We have raised several areas of concern on this and subsequent pages:

1. **Exemption from the Codes SEPP – Removal of Multi Unit Housing (Manor Houses and Terraces) from the R2 Residential Zone and Changes to provisions applying to dual occupancy development**

UDIA NSW understands that Council is proposing to amend the City of Ryde Local Environmental Plan 2014 to prevent multi-unit housing (manor houses and terraces) being developed in the R2 Residential zone. Council is also seeking to tighten the provisions for dual occupancy development.

UDIA NSW is concerned that the removal of manor house and terraces as a multi-unit housing option from the R2 zone will prevent an opportunity for maximum housing diversity in over 50% of land in the LGA. The justification by Council that up to 13,875 additional dwellings could be provided in the LGA with this option, is extremely unlikely to occur within the life of the Housing Strategy. Evidence suggests that this housing type has a slow take-up rate and only occurs in a few targeted areas.

Whilst there is community concern regarding broadscale redevelopment of the R2 zone, a "blanket ban" of this housing type does not respond to demographic change, nor does it satisfy a demand for an affordable and diverse housing option.

This point was supported in the Ryde Local Planning Study 2010:

> *Small dwellings, such as villas and duplex buildings, provide an alternate dwelling form suitable for a range of household types which are more affordable than a free-standing house.*

This is particularly relevant to the Ryde area as units have an average price ($700,000) and is substantially cheaper than the average house price in Ryde, which is close to $1.5 million (Source: Property Value by Core Logic, November 2020).

Designed correctly, multi-unit housing can provide greater housing diversity for an ageing population including "pre retirees" and "empty nesters" who increased in numbers from 2011-2016, but also as a housing option for the "younger workforce" cohort (Refer to Figure 16 from the Draft LHS , below).

Figure 16: Comparison age distribution – Ryde City 2011 and 2016
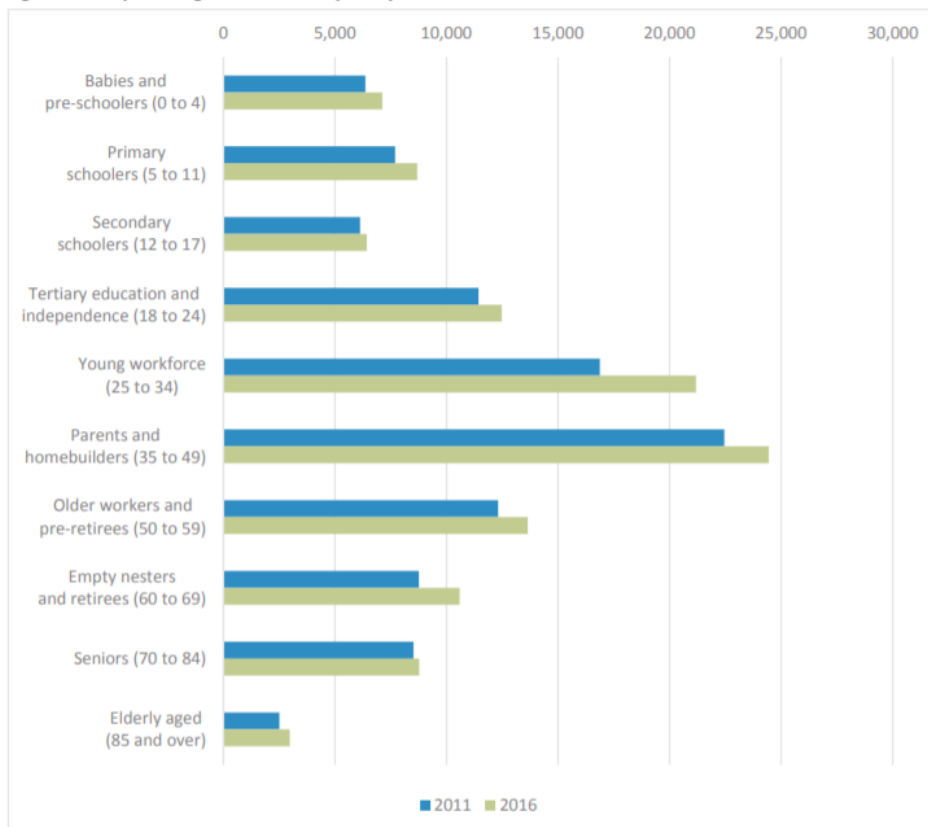
Source: Census 2016

UDIA NSW is also concerned about the increased lot subdivision requirement for new dual occupancies, which is proposed to increase by 30% from 580m^2 to 750m^2. The resulting loss of potential dwellings is significant based on the findings contained in Table 40: *Dual occupancy lot size option analysis (15m frontage*) and *Table 41: Dual occupancy lot size option analysis (12m frontage).*

The Strategy observes that the take-up rate for dual occupancies (20%) is quite low from when urban consolidation planning policies were released over 30 years ago. The Strategy also observes that dual occupancy development has resulted in *"limited densification of low-density areas"* ago (Section 9.8.2 Dual Occupancy), which indicates that this housing type is not concentrated in key areas.

The move by Council to further restrict multi-unit housing and tighten the provisions for dual occupancy development in the R2 zone is short sighted and without a strong planning basis.

UDIA NSW considers that many R2 zoned areas in the LGA are ideally located close to transport nodes, open space, and commercial areas, especially those located on the fringe of town centres. UDIA supports an approach to locate multi-unit housing and dual occupancy development based on the Codes SEPP, in the R2 zoned areas. This is a similar strategy applied by Council for the location of affordable rental housing and will achieve the policy of providing the "right housing in the right location".

Recommendation No.1 – Council to investigate suitable locations in the City of Ryde LGA with a good level of infrastructure provision that could accommodate multi-unit housing and dual occupancy in the R2 Residential Zone.

2. Future housing provision largely focussed on one area

The Housing Strategy has a strong emphasis on the Macquarie University/Herring Road Station and North Ryde Station precincts to provide the bulk of future housing in the Local Government Area (LGA). This includes over 95% of the total 8,900 dwellings in the post 2021 development pipeline.

Whilst it is recognised that these precincts are strategically located, the plan by Council to focus solely on these precincts to achieve housing targets beyond 2021, is a strategy that comes with potential risk. Projects of this scale typically take longer to develop and there has been a recent falloff in demand for apartments and a dwindling pipeline in apartment completions. Evidence also suggests that there is increasing demand for housing with greater internal and external spaces.

UDIA NSW supports a housing strategy that is balanced, has a range of housing options to achieve housing targets and is more resilient to socio-economic changes and market demand. Suggested options include:

- Greater housing mix at strategic locations in the R2 Zone areas
- Mixed use developments and new apartment buildings at key town centres
- Greater opportunities for small lot housing

Recommendation No.2 – Council to apply a range of housing strategy options that is more balanced to achieve housing targets.

3. Existing and future infrastructure to service future housing

UDIA is concerned about the Council position in the Draft Strategy in relation infrastructure servicing and future housing provision.

The City of Ryde is well serviced by infrastructure, including with two major rail lines, three ferry stops and up to 15 regional and local bus routes. There is also significant regional and local open space. Collectively these features provide the City of Ryde with high amenity and liveability and good access to other regions of Sydney.

Councils position on infrastructure servicing as it relates to future housing provision is repeatedly stated throughout the Strategy. However, it is unclear whether it is stating that the current level of infrastructure provision directly impacts on amenity or liveability or is rather a perception.

Noting that Council is responsible for the provision of local infrastructure such as community services, waste management, open space and local roads, there are no local infrastructure projects identified in the Strategy that will address community concerns about the level of infrastructure provided.

Whilst there is acknowledgement of the potential for Stage 2 of Parramatta Light Rail and a new stop at Melrose Park to service Meadowbank, the Strategy is silent on key State infrastructure projects that would alter the Council's position.

To allay community perception about the level of development in the Ryde area, the Strategy should contain an integrated infrastructure framework with a list of key State and local projects to support maximum opportunity for housing growth.

UDIA is keen to work with Council to investigate what State based catalytic infrastructure could be provided to support further and more diverse housing growth in the Ryde.

Recommendation No.3 – Council to prepare an integrated infrastructure framework that confirms what State-based and local infrastructure is needed to support long term sustainable growth in the City of Ryde.

4. External Threats

Undoubtedly COVID-19 will impact the way we work and live and how we will interface with the local community and broader Sydney region at least over the medium term. The Strategy fails to recognise the potential impacts of COVID-19 and how it will change housing needs in the City of Ryde. Whilst there is no concrete evidence about how COVID-19 will impact housing type, the ability to work from home will no doubt result in greater home-based work and the need for more internal housing space plus a need for more housing being located near services.

COVID-19 has had a direct impact on international students and their demand for housing, which typically leans towards apartments near educational institutions. This is particularly relevant to Ryde due to the presence of Macquarie University and TAFE.

Whilst it is unclear when international students will return to Australia, at a local level this uncertainty will impact on the demand for housing near Meadowbank TAFE and Macquarie University and housing demand at nearby these growth precincts.

UDIA NSW urges Council to consider likely changes to the City of Ryde housing submarket due to COVID-19 and what measures could be included to respond to these threats/opportunities. Clearly this Recommendation builds on Recommendation No.2 which supports a mix of options to achieve housing targets.

Recommendation 4 – Council to review the Housing Strategy to recognise the impacts of COVID 19 on the housing provision in the Ryde area.

5. Review of development capacity and take-up rates

UDIA recommends that the final Housing Strategy remains a "live document" that allows Council to monitor the provision of housing from the short to the medium term across a range of delivery options. UDIA supports the approach by Council with the following actions:

- Undertake annual review of residential development applications and actual dwelling delivery.
- Undertake annual review of growth in centres to track background growth, lot consolidation and need for masterplanning.
- Review planning controls to identify opportunities to promote planned and staged small lot development outside of major centres.

- Undertake annual review of medium density residential applications and dwelling delivery to track uptake of permissible uses.

These actions confirm that Council intends to keep the Housing Strategy as a living document that contains an integrated infrastructure framework, to maintain its alignment with the LSPS, which UDIA commends.

Recommendation 5 – Undertake a program of constant review of housing trends to support sustained housing growth in the City of Ryde.

Conclusion

UDIA applauds Council on its work to support the draft Housing Strategy and we look forward to working collaboratively with Council to finalise its Housing Strategy and implement appropriate planning provisions governing the enabling of diverse housing choices in the City of Ryde.

UDIA is helping create Liveable, Affordable and Connected Smart Cities in line with the polycentric city model for Greater Sydney. We believe the Central City still has much to contribute to the growth of Sydney, as a globally competitive future city. But for industry to support the future housing supply of our cities effectively and sustainably, we recommend that our concerns are addressed.

Please contact Mr Kit Hale on 02 9262 1214 or khale@udiansw.com.au to arrange a meeting to discuss any further matter related to the City of Ryde Draft Housing Strategy.

Yours sincerely,

Steve Mann
Chief Executive
UDIA NSW