13 December 2022

North Sydney Council

PO Box 12

NORTH SYDNEY NSW 2059

via email: yoursay@northsydney.nsw.gov.au

Dear North Sydney Council,

**RE: UDIA NSW calls for the deferral of the Draft North Sydney DCP Amendment -**
**Car Parking Rates for new high-density developments in areas with high public transport access**

As the peak industry body representing the leading participants across all facets of urban development in NSW Urban Development Institute of Australia NSW (UDIA) advocates on behalf of our over 450 members for the creation of Liveable, Affordable and Connected Smart Cities.

UDIA is supportive of the intent of the proposed DCP amendment to promote reduced private vehicle usage in highly accessible locations, which have benefited from existing or future investment in transport infrastructure. However, the assumptions that underpin the proposed amendment are outdated and do not reflect contemporary land use planning theory, traffic modelling or private vehicle usage patterns, nor do they reflect an understanding of market demands and development feasibility.

If implemented, the proposed parking rates run the very real risk of stifling development in the identified accessible locations, the exact locations where housing supply should be delivered, and great places promoted. This DCP amendment is also being considered at a time when apartment supply in Sydney has fallen off a cliff, down 68% since the peak in 2018 and commencements are likely to continue to fall given the constraints and headwinds. The UDIA's recent apartments supply pipeline report showed in a survey of developers for a pipeline of 60,000 apartments, planning controls are in the top three constraints impacting supply. <https://udiansw.wpenginepowered.com/wp-content/uploads/UDIA-Apartment-Report-2022-Online-Version.pdf>

Transport for NSW (TfNSW) is currently undertaking a review of its Guide to Traffic Generating Development (the Guide) in acknowledgment that the assumptions that underpin the Guide are outdated and warrant review. The Guide underpins the North Sydney Transport Strategy (2018) and subsequently the proposed DCP amendment. It is therefore inappropriate to proceed with the proposed amendment until such time as the TfNSW review is completed and any future proposed DCP amendments incorporate the updated guidance. More detailed comments follow:

TfNSW Review of the Guide to Traffic Generating Development

Updating the Guide is identified as a priority action in the NSW Future Transport Strategy. Consultation on the revised Guide has now commenced, with TfNSW actively engaging with local government, industry and other state agencies to canvass their views and ideas. The consultation is expected to continue throughout 2023 while the revised Guide is drafted and finalised. Seeking to implement DCP amendments which rely on the current outdated guide will only result in the DCP becoming immediately outdated when the updated Guide is released. Delaying the implementation of the DCP amendment until such time as the revised Guide is finalised and changes can be incorporated into the DCP, will deliver the best land use planning and transport outcomes for North Sydney based on the most contemporary transport policy. It will further ensure certainty that existing development proposals and application underway in identified accessible locations can proceed with certainty while the review is being undertaken. Proposing to implement rushed changes to the DCP is creating investment uncertainty, which will be further exacerbated when the revised Guide is introduced.

**UDIA recommends:**

Deferral of the Draft North Sydney DCP Amendment until such time as the TfNSW review of the Guide to Traffic Generating Development (the Guide) is complete and a revised Guide implemented.

Incorrect and Outdated Modelling Assumptions

UDIA supports the promotion of Transit Orientated Development (TOD) and encourages North Sydney Council to continue to push for TOD outcomes. TOD delivers a wide range of social, economic and environmental benefits including greater access to employment, retail and social services, increased amenity and vibrancy through greater capacity to fund infrastructure and community outcomes, and reduced carbon emissions through economies of scale and technology. To achieve this aspiration, Council and the development industry need to partner, to plan for and deliver the best possible place outcomes. This must however include a more detailed understanding of market forces, home purchaser preferences and development feasibility. While on face value reducing off-street parking rates appears a simple way of ensuring congestion is not exacerbated by additional dwellings, the reality is that the current assumptions that assert a direct correlation between private off-street parking and congestion are outdated.

The North Sydney Parking Study prepared by Kinesis in support of the proposed changes highlights that private vehicle ownership rates are reduced in accessible locations, not as a result of reduced off-street car parking rates, but rather as a direct result of accessibility to employment, retail, and public transportation hubs. This demonstrates that it is the accessible outcome delivered through integrated land use and transport planning which led to reduced private vehicle ownership and usage, and not restrictive development controls.

This assumption needs to be better reconciled with consumer preference for private off-street parking, especially in larger two, three and four bedroom apartments. Making apartments in accessible locations an equal or preferred choice for consumers needs to be the goal to promote TOD and realise its benefits.

A more contemporary understanding of why purchasers desire private off-street parking while car ownership and usage is declining needs to be understood. This includes historical cultural preferences, the desire to maintain parity with free standing houses and for storage or for visiting family and friends. Restricting the ability of developers to meet consumer preferences runs the risk of alienating purchasers, reducing the ability to sell properties, destroying feasibility, and ultimately failing to deliver any quantum of housing in accessible locations. UDIA welcomes the opportunity to work with North Sydney Council to improve the broader understanding of development feasibility, consumer preference and TOD.

 **UDIA Recommends:**

North Sydney Council and UDIA NSW undertake a series of workshops to strengthen knowledge of development feasibility and market preferences and develop contemporary assumptions to support TOD.

Proposed Car Parking Rates are overly restrictive

The proposed parking rates are extremely restrictive. They represent the extreme bottom end of the range from Kinesis own modelling of car ownership ranges per apartment type (number of bedrooms). There is insufficient justification for why these rates have been selected as opposed to a number at the top end of the Kinesis range or even in the middle. As discussed previously it is accessibility that reduces private vehicle ownership and usage and not the car parking rates.

For 2- and 3-bedroom units the proposed parking rates are more restrictive than even those of the City of Sydney in their most accessible Category A locations as demonstrated in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| Apartment Type | North Sydney Proposed DCP Maximum Car Parking Rates | Average Car Ownership Range Based on Kinesis\* App | Sydney LEP 2012 Maximum Car Parking Rates Resi. Flat Buildings Category A |
| Studio | 0.3 | 0.2-1.0 | 0.1 |
| 1 Bed | 0.4 | 0.3-1.1 | 0.3 |
| 2 Bed | 0.6 | 0.4-1.4 | 0.7 |
| 3 Bed | 0.7 | 0.6-1.7 | 1 |

Category A locations encompass the Central Business District which is arguably the most accessible location in metropolitan Sydney. It benefits from the heavy rail, light rail, bus and ferry networks as well as increasingly strong active transport networks including walking and cycling. North Sydney Council should work with neighbouring councils and industry to ensure future parking rates consider accessibility, development feasibility and development standards and controls in a consistent manner.

**UDIA recommends:**

North Sydney Council engages with neighbouring local governments and TfNSW to ensure a consistent approach to setting car parking rates that are incorporated into an updated of the Guide.

Lack of Meaningful Consultation

The community engagement strategy prepared by North Sydney Council dated September 2022, to support the Draft Amendment has not been effectively implemented, limiting stakeholders’ opportunity to understand the proposed changes and ask questions of Council Staff. While UDIA has been identified as an organisation to engage with, we have had no direct contact from Council staff regarding the proposed changes.

The only planned opportunity to ask questions of Council Staff, being the online forum, has not occurred. This means all information provided has been one way communication from Council. This fails to meet the minimum standard for genuine community consultation. There are serious questions regarding the need for, justification and impacts of the proposed changes which need to be addressed through public consultation. The amendment should not occur until this has happened.

**UDA recommends:**

Deferral of the introduction of the amendments to undertake meaningful community consultation including a public forum the opportunity to ask questions.

Supporting housing supply in accessible locations is critical to delivering great outcomes for Sydney and NSW, ensuring benefits of TOD are realised as well as improving affordability. UDIA remains supportive of the intent to promote reduced private vehicle usage in highly accessible locations which have benefited from existing or future investment in transport infrastructure.

However, we strongly recommend that the amendments be deferred until such time as the review of the Guide is undertaken and the most up-to-date policy incorporated.

Thank you for the opportunity to provide a submission to the public exhibition. Should you have any further questions regarding the recommendations contained within this submission, or to arrange a meeting, please contact Michael Murrell, Planning Policy Manager at mmurrell@udiansw.com.au or 0413 221 195.

Kind Regards,

Steve Mann

**Chief Executive**

**UDIA NSW**