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Urban Development Institute of Australia New South Wales



24 June 2022

Jeremy Bath Chief Executive Officer City of Newcastle Attention: Samantha Cross PO Box 489 NEWCASTLE NSW 2300

By email: mail@ncc.nsw.gov.au

Dear Jeremy,

# **RE: Draft Amendments to Development Control Plan**

The Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development in NSW. Our more than 450 member companies span all facets of the industry from developers, consultants, local government, and state agencies. UDIA advocates for the creation of Liveable, Affordable and Connected Smart Cities.

UDIA welcomes this opportunity to comment on the draft Stage 1 update of the City of Newcastle's (CN) Development Control Plan (draft DCP). We appreciate the planning staff for taking the time on two recent occasions to discuss what is proposed with members of the UDIA Hunter Committee. We provided initial feedback in our email dated 14<sup>th</sup> March 2022, focused primarily on the change to maximum car parking rates.

UDIA supports sustainable urban development, and we are eager to work with CN on initiatives to protect our environment, including by reducing dependence on petrol cars. Importantly, we believe the benefits of any such initiatives must take into careful consideration their impacts on housing supply.

The draft DCP proposes new maximum car parking rates in an effort to reduce the number of cars in the city, and proposes new requirements to install infrastructure so that 100% of car spaces in new residential development can accommodate electric vehicle (EV) charging points, in addition to requirements to supply the charging points themselves.

UDIA has concerns with the car parking rate for 2-bedroom apartments as well as the EV charging requirements. We would like to work with CN on the following recommendations.

### **Recommendations:**

- 1. Set the maximum average parking rate for a Medium / 2-bedroom apartment at 1.4 spaces instead of 1 to provider greater flexibility to meet known market demand.
- 2. Work with UDIA and electrical engineer firms to design an alternative approach to the EV charging circuitry requirements which focuses on a demand-based system, to avoid unnecessary additional substations.
- **3.** Work with UDIA and electrical engineer firms to consider a lower rate of provision for EV charging points where installation costs would reduce development feasibility.

# Recommendations Explained:

### Maximum Car Parking Rates

It is noted that *minimum* car parking rates for medium and high density residential accommodation types within Newcastle City Centre, Renewal Corridors, The Junction and Hamilton Local Centres and Darby Street Mixed Use zone are to be replaced with *maximum* average rates.

The proposed "unbundling" approach is supported overall to provide flexibility to meet market demand for car spaces.

The exhibited maximum rates for Small (1-bedroom) apartments and Large (3-bedroom) apartments are logical and reasonable compared to the current minimum rates. However, UDIA believes the exhibited maximum rate for Medium (2-bedroom) apartments of 1 car space will not satisfy market preferences for this product. We consider the rate for Medium (2-bedroom) apartments to be overly restrictive and not sufficiently differentiated from the current minimum rate, as highlighted in the table below:

Apartment size	Current Minimum parking rate	Exhibited Maximum parking rate
		(average)
Small / 1 - bedroom	0.6 spaces	1 space
Medium / 2 - bedroom	0.9 spaces	1 space
Large / 3 - bedroom	1.4 spaces	2 spaces

In order to provide greater flexibility, as well as being consistent with the increase in rates applied to 1- and 3-bedroom apartments, it is suggested that the maximum average parking rate for a 2-bedroom apartment be set at <u>1.4 spaces</u>.

Being a maximum rate, this change would not compel developers to provide any more parking than considered appropriate for the market, but would still achieve Council's objective of preventing an oversupply of car parking within inner urban locations.

# Recommendation 1 – Set the maximum average parking rate for a Medium / 2-bedroom apartment at 1.4 spaces instead of 1 to provider greater flexibility to meet known market demand.

### Pre-Wiring for Electric Vehicle Charging

UDIA has strong concerns with the proposed requirements for electric vehicle (EV) infrastructure and charging stations in new development.

The draft DCP specifies two requirements that would apply to new multi-unit residential development:

- Provisions 1 3: Install pre-wiring 'Level 2' electric circuitry to ensure 100% of off-street car spaces are EV Ready and can install EV charging points in the future.
- Provision 4: Install charging points at a rate of "1 charging point or 5% of spaces, whichever is greater".

While UDIA and our members want to support the uptake of EV, the EV Ready pre-wiring requirements outlined under Provisions 1-3 are unlikely to be workable.

We have consulted with an electrical engineering firm (local UDIA member), who advise that **the new requirements would more than double the electrical demand for proposed developments, and a substation would be needed for developments over 20 units.** See below case study. A substation adds around \$300,000 to development. This additional cost would render many residential projects unviable.

## Table 1: Case Study 30-Unit Development

	Current	Draft DCP
Approximate demand per	~4.5kW	~11.5kW
unit		= ~4.5kW + 7kW for Private Car Charging ("slow")
		*Note: More for publicly accessible car
		spaces, which must provide "fast" charging
Approx total	30 x 4.5kW = 135kW ( <b>188Amps</b> )	30 x (4.5+7) = 345kW ( <b>480Amps</b> )
demand 30		
units		
Substation	No	Yes
required?		
Explanation	Electricity network distributors are rated	An electrical substation for the project
	for maximum of 400Amps which is shared	should be expected for any loading above
	with other users. Typically, this sized	400Amps.
	development could be supplied via the	
	Low Voltage street network. It may	
	require upgrading a nearby substation,	
	however a substation specifically for the	
	development would not be required.	

We are concerned that any benefit in providing the infrastructure to support future charging, as specified in the draft DCP, will be offset by reduced housing supply, given the impact on development feasibility.

We also note that substations detract from the amenity of Newcastle's streetscape. This is an important liveability consideration at this stage of Newcastle's growth and revitalisation.

Our engineers advise that an alternative approach could be considered which focuses on a demand-based system. Under such an arrangement, the development's maximum demand (Amps) could be increased by a suitable percentage to allow for EVs. A separate EV charging distribution board could be installed as part of the building circuitry. This EV board would be demand-managed so that spare capacity of the main supply can be used for charging. When spare capacity drops from the main supply, the EV charging board would wind back so the cars would charge at a slower rate during the maximum demand period. We caution this approach has not yet been fully costed in the short time we had, but it would be expected to significantly reduce the infrastructure cost burden while still allowing an EV future.

UDIA urges Council to pause and meet with us and experienced power industry experts to explore the options and implications for providing EV charging infrastructure in new development. We would be pleased to facilitate a meeting at your earliest convenience.

Recommendation 2 – Work with UDIA and electrical engineer firms to design an alternative approach to the EV charging circuitry requirements which focuses on a demand-based system, to avoid unnecessary additional substations.

# **EV Charging Point Installation**

Provision 4 states:

Development must provide 1 car parking space or 5% of all car parking spaces – whichever is greater – to have a 'Level 2' or higher standard electric vehicle charging point installed.

Taken with Provisions 1-3 above, all car spaces must be EV Ready to accommodate future charging points. We understand Provision 4 to mean that if only one car space is provided, that space must have an EV charging point installed. We seek clarification if this understanding is correct?

Unfortunately, we have been unable to gain advice on costs to install the charging points themselves. We hope to have this evidence to inform our discussion when we meet, per the above request. Based on that advice, it may be necessary to consider some flexibility in the rate of provision to avoid an undue cost burden.

Recommendation 3 – Work with UDIA and electrical engineer firms to consider a lower rate of provision for EV charging points where installation costs would reduce development feasibility.

#### **Conclusion**

Thank you for the opportunity to comment on the draft DCP. UDIA looks forward to meeting at your earliest convenience to discuss an alternative approach to EV infrastructure and car parking rates. Please contact UDIA Regional Manager Elizabeth York at eyork@udiansw.com.au or 0434 914 901 to make arrangements.

Regards,

Steve Mann Chief Executive UDIA NSW