

10 July 2020

Ms Sally Peters  
Manager Central Sydney Planning  
City of Sydney

via online upload

Dear Ms Peters,

**Reference S064204.024 – Central Sydney Planning**

The Urban Development Institute of Australia (UDIA) NSW is the peak body representing the interests of the urban development industry in New South Wales. We represent over 500 member companies that are directly involved in the industry including developers, strata and community managers, planners and lawyers.

UDIA NSW makes this submission into the Draft Central Sydney Planning Strategy. Many of our members have made direct submissions in relation to the strategy, and this submission aims to synthesise the key issues within the Central Sydney Planning Strategy and highlight the broad concerns that our members have with the Strategy.

The Strategy has been developed over a number of years and contains a lot of detail, which has been consulted on previously. In this submission we focus on the key areas of impact:

1. Removal of existing residential accommodation floor space bonus
2. Tower cluster areas to achieve 50% floor space bonus and additional height
3. New development contributions plan
4. Omission of saving provisions
5. Additional procedural requirements related to Heritage items
6. Reduced height to street frontage and increased setbacks

The strategy is focused on the capability of the large foreign and institutional investors / developers who are capable of consolidating lots and building large commercial towers. There is a risk that the proposed changes could create a monoculture and that other opportunities in areas not directly targeted by the changes will be lost.

There will be a small number of winners and potentially large number of losers, namely the smaller investors and landowners.

The broad strategic intent is to preserve the City of Sydney as the core jobs and economic hub for the State. While the intent of the strategy may be commendable, we are concerned that the impact on the potential of existing properties and existing investment proposals is substantial.

## **1. Removal of existing residential accommodation floor space bonus**

The Strategy removes the existing residential accommodation floor space bonus from the LEP. This means that a residential component becomes significantly less attractive and feasible in the CBD. While, we understand that there is a desire to preserve CBD space for office accommodation, we believe that this compromises the feasibility at several sites where investment decisions were made at the higher FSR of the 2012 LEP. The current controls allow up to 15.4:1 FSR for Residential Controls, the amendments allowed a mix enabling 7.7:1 of Residential, and 7.7:1 of other uses, now Residential sites are limited to 8:1 and 8.8:1 including a design excellence bonus of 10% . We consider there should be consideration on how to manage sites that were already acquired for residential development under the existing controls, as it is unlikely the lost value could be recouped.

## **2. Tower Cluster Areas**

We support the concept of the Cluster Areas which includes an alternate planning approval pathway which is more efficient than the Planning Proposal pathway. We note, the proposed planning pathway via Cluster Areas remains subject to the design excellence process and compliance with heritage, solar access, and the Sydney Airport height restrictions.

Additionally, the minimum site area of 2,000sqm should be amended to equal the current requirement of 1,800sqm as the City's desired strategic outcomes can be achieved on lots of 1,800 sqm.

Consideration should be given to suspending private covenants that restrict height as they will potentially frustrate the outcomes identified in the plan.

## **3. New Development Contributions Plan**

The Development Contributions in the City of Sydney will increase from 1% to 3% CIV for projects over \$1 million, plus 1% for Public Art and 1% to 3% Affordable Housing. Many sites were acquired with the existing charging regime in mind and higher floor space achievable. We recommend that there is a transition for existing development sites and a sliding scale especially for large projects (i.e lower percentage for large projects, with a base 1% for smaller projects).

## **4. Omission of saving provisions**

The draft CSPA does not include any transitional or savings provisions for Stage 1 Concept DA's lodged or approved prior to the CSPA being gazetted. The CSPA should be included to provide applicants with certainty in relation to use, GFA, and development contributions.

## **5. Additional procedural requirements related to Heritage items**

The CSPA proposes additional heritage controls and procedures which add additional complexity, time and uncertainty to an existing framework which is strong and robust. We

recommend that the proposed additional provisions be amended to more merit-based provisions to provide certainty and flexibility for high quality, adaptive reuse outcomes.

In instances where only the façade is heritage listed, a sophisticated design outcome can be achieved that would support the plans outcomes, preserve the heritage fabric and allow heritage items to be included in the tower clusters.

## **6. Reduced height to street frontage and increased setbacks**

The draft CSPA includes a number of amendments that will reduce building envelopes and the GFA capacity of many sites, through the reduction in the heights of building frontages, and increase in rear and side setbacks.

## **Conclusion**

The future of the Sydney CBD is critical to the growth of the Metropolitan Region and State, and we are supportive of measures to improve the CBD. However, any change needs to properly enable the business and investment community to participate in CBD development and respond to priorities. In its current form the Central Sydney Planning Strategy creates rapid changes which disproportionately impacts smaller developers. We are keen to discuss how we can collaborate to enable appropriate development in the City of Sydney. Please contact Sam Stone, Manager, State Policy and Government Relations on 0401 213 899 or [ssone@udiansw.com.au](mailto:ssone@udiansw.com.au) to arrange a meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve Mann', with a stylized, cursive script.

Steve Mann  
**Chief Executive**