



Macquarie Park Innovation Precinct – Stage 1 Rezoning Proposal Submission

DECEMBER 2023

We are city-shapers.

Urban Development
Institute of Australia
NSW



UDIA NSW

Level 5, 56 Clarence Street
Sydney NSW 2000

PO Box Q402
QVB Post Office NSW 1230

P +61 2 9262 1214
F +61 2 9262 1218
E udia@udiansw.com.au

www.udiansw.com.au

ABN: 43 001 172 363

Table of Contents

Contact	3
About UDIA NSW	4
Executive Summary	4
Supporting good urban design while having regard to development feasibility	5
The Ryde Council Height and FSR Incentive Scheme Should not be further limited	6
Alignment with the announced TOD Program	6
Increased developer contributions	7
Conclusion	8

Contact

For further information about the submission please contact:

Michael Murrell, Director Policy and Research
mmurrell@udiansw.com.au
0413 221 195

About UDIA NSW

Established in 1963, 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 including developers, consultants, local government and state agencies.

We have a strong commitment to good growth in the regions, with active Chapters in the Hunter, Central Coast, and Illawarra Shoalhaven. Our strategy – We are city-shapers focusses our advocacy on working with government to create pathways for liveable, affordable, and connected smart cities.

Executive Summary

UDIA welcomes the opportunity to comment on the Macquarie Park Innovation Precinct – Stage 1 Rezoning Proposal.

UDIA made a submission to the Draft Macquarie Park Place Strategy in 2021 which was supportive of the strategy's aim to transform Macquarie Park into a diverse innovation and collaboration district but raised concern that the Strategy failed to grasp the opportunity that revitalising Macquarie Park presented to the region, Greater Metropolitan Sydney and to the whole state. Macquarie Park is a strategically important centre with growing employment opportunities, a world class University and teaching hospital, a regional shopping centre and is located in close proximity to the Sydney CBD and northern and north-western suburbs through the Northwest Metro. Our central recommendation was for a more ambitious target for mixed-use development, including residential across all neighbourhoods.

UDIA welcomes the Stage 1 Planning Proposal which now seeks to introduce residential housing into the business district, delivering upon UDIA's 2021 recommendation, and seeking to create a vibrant, liveable and economically productive precinct.

NSW remains firmly entrenched in a housing crisis, with development approvals and project commencements for new housing at near record lows, while housing affordability experienced by home purchasers and renters is the worst in our state's history. The NSW Government's bold commitment to tackle the housing crisis and meet NSW's fair share of the National Housing Accord requires 378,000 new dwellings to be built over the Accord period from July 2024 – July 2029. This is more homes than have ever built in NSW over a 5-year period and comes during an increasingly challenging economic environment.

UDIA NSW supports the Stage 1 Rezoning Proposal and makes several recommendations to improve the Macquarie Park Innovation Precinct:

RECOMMENDATION 1 – The exhibited Design Guide is applied as guidance and that consideration is given to development feasibility when meeting its objectives.

RECOMMENDATION 2 – The rezoning proposal should not further limit the Ryde Council Height and FSR Incentive Scheme.

RECOMMENDATION 3 – Urgent guidance is provided clarifying how this rezoning will align with the Government's announced TOD policy which identifies Macquarie Park as a Tier one precinct.

RECOMMENDATION 4 – Developer contributions should not be increased under the rezoning proposal.

Supporting Good Urban Design While Having Regard to Development Feasibility.

UDIA supports the intent to ensure that Macquarie Park benefits from well-planned and considered urban design. Designing for great places is critical to improving our built environment as well as the physical and mental health of those that live, work or visit those places.

However, UDIA have raised concern with how guidance documents are applied in NSW and how once implemented can become pseudo development standards, which add considerable cost to a development without having any regard to development feasibility or practical and pragmatic outcomes. The Apartment Design Guide is treated as strict development standards by many councils in NSW and the Department and Ryde Council must ensure that the application of the Design Guide for Macquarie Park remains guidance and is not applied universally on every site.

While good urban design can bring a multitude of benefits to a place including improved social and economic outcomes, the practical reality is that it brings additional cost to a development. Development feasibility must therefore be a key consideration in applying the principles of the Design Guide. The Department and Ryde Council must take a pragmatic approach and realise that improving the precinct and delivering on the place strategy must be the highest order priority and that regard to development feasibility must be considered when balancing other objectives.

RECOMMENDATION 1 – The exhibited Design Guide is applied as guidance and that consideration is given to development feasibility when meeting its objectives.

The Ryde Council Height and FSR Incentive Scheme should not be further limited.

The Ryde Councils height and FSR incentive scheme (section 6.9(3)(b) Ryde LEP 2014) ensures the configuration and location of recreation areas will be appropriate for the recreational purposes of the precinct. It is explicit in this requirement that open space will be in accordance with the precinct strategy and any associated material including the design guide. In this regard an additional requirement under the incentive scheme is not needed and only seeks to make the LEP more complex and convoluted and the delivery of outcomes in the precinct more difficult.

RECOMMENDATION 2 – The rezoning proposal should not further limit the Ryde Council Height and FSR Incentive Scheme.

Alignment with the announced TOD Program.

The NSW Government has, as of 7 December 2023, announced Macquarie Park as one the Tier One priority precincts under its Transit Oriented Development (TOD) program. This will seek to further increase residential densities within 1,200 meters of the Macquarie Park Metro Station through a master planned process and introduce a new State Significant Development approval (SSD) pathway. This will capture land which is included within the exhibited planning proposal.

It is unclear if this program will now supersede the rezoning proposal currently on public exhibition. The Department of Planning and the Government must urgently provide clarity for landowners, developers and the community as to what the strategic future for Macquarie Park is and which proposal takes precedence.

UDIA is aware of a number of landowners who currently have proposals before council for Build-to-Rent developments which the planning proposal will support, however who may now be captured by the Tier One TOD Precinct program which aims to deliver much higher densities than what is currently permitted and proposed.

RECOMMENDATION 3 – Urgent guidance is provided clarifying how this rezoning will align with the Government's announced TOD policy which identifies Macquarie Park as a Tier one precinct

Increased Developer Contributions

Developer contributions under the Stage 1 – planning proposal will now increase dramatically from what was previously consulted on. This is unacceptable given the current challenging economic environment and will negatively impact already restricted development feasibilities and ultimately put at risk the realisation of the proposed precinct outcomes.

The proposed S7.12 charge of 4% of CIV is more than the City of Sydney's requirements which is 3% of CIV. This is in addition to the significant infrastructure such as new roads, parks and pedestrian links (as shown on the DCP maps) that developers in Macquarie Park are already required to deliver in order to unlock the incentive height / FSR.

A summary of the proposed contribution charges compared to what was previously proposed are outlined below.

S 7.11 / S 7.12	S7.11 – calculated per unit	S7.12 – calculated @ 4% of CIV
Incentive FSR purchase	\$305 per SQM	\$306 per SQM, with intention to increase this further
Affordable Housing	N/A	1% to increase to 3% (July 2027)
Housing and Productivity Levy	N/A	\$10,000 per unit
Public Art	0.1% of CIV	1% of CIV

The changes under the s7.12 contribution represent up to a 40% increase in developer contributions alone. These updated contributions will negatively impact the development feasibility of future projects at a time when construction costs are already prohibitively high. This will in turn jeopardise the delivery of the precinct.

Additional contributions and competition costs will ultimately need to be borne by future tenants via increased rental cost. This is an unsustainable approach and outcome and must be reconsidered.

RECOMMENDATION 4 – developer contributions should not be increased under the rezoning proposal.

Conclusion

The exhibited Stage 1 Planning Proposal for the Macquarie Park Innovation Precinct is a welcome improvement on the 2021 strategy and provides much need certainty for landowners and developers. The proposal also provides clarity for Ryde Council on how to assess build-to-rent applications within the precinct which was causing frustration.

Maximising the opportunity for housing through genuine mixed-use precincts close to transport infrastructure is critical to not only providing housing but creating great places for Sydney.

Macquarie Park represents a generational opportunity to create a fantastic mixed use innovation precinct as evidenced by this plan and Government's announcement of the precinct as a Tier One priority TOD. The Government must now make it clear how these two announcements relate to each other and provide certainty for landowners and developers on how to proceed.

UDIA remain committed to working with all levels of Government to promote the best possible social, economic and environmental outcomes for the precinct.

We are city-shapers.

Urban Development
Institute of Australia
NSW



T (02) 9262 1214 | E udia@udiansw.com.au
Lvl 5/56 Clarence St, Sydney NSW 2000

www.udiansw.com.au