

23 July 2024

Ms Morven Cameron  
CEO  
Lake Macquarie City Council

By email: [council@lakemac.nsw.gov.au](mailto:council@lakemac.nsw.gov.au)

**RE: UDIA submission to North West Lake Macquarie Catalyst Area draft Place Strategy**

Dear Morven,

The Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development across NSW. UDIA invests in evidence-based research that informs our advocacy to state, federal and local government, so that development policies and critical investment are directed to where they are needed the most. Together with our over 450 member organisations representing developers, consultants, state agencies and local councils including Lake Macquarie City Council, we shape the places and cities where people will live for generations to come.

UDIA appreciates the opportunity to provide feedback on the draft Place Strategy for the North West Lake Macquarie (NWLM) Catalyst Area. As part of a state designated Regionally Significant Growth Area (RSGA), the draft Place Strategy outlines how the NWLM Catalyst Area has the potential to support an additional 5,466 new homes and deliver over 3,000 new jobs with an estimated economic output of over \$6 billion.

UDIA strongly supports the development of place strategies to provide transparent information to both the community and prospective investors about the types of development envisioned for a growing area. Industry welcomes the clarity a place strategy can provide and the potential to expedite planning proposals consistent with the strategy.

Accordingly, UDIA commends Council for its leadership in coordinating with state government and other stakeholders in preparing the draft Place Strategy for this important growth area. Equally, we are grateful for the discussions we have had with Council so far as the vision for the area has been developed.

UDIA is largely supportive of the draft Place Strategy, and we would like to continue to engage with LMCC to promote not only the growth of the NWLM Catalyst Area, but the entirety of the broader North West Lake Macquarie Regionally Significant Growth Area and its surrounds. Our submission offers considerations to enhance the draft Place Strategy and future planning deliberations.

#### **UDIA recommends:**

- 1. Consider higher growth potential and the housing outcomes that would be needed to support even greater population in the area.**
- 2. Reconsider the area scope of the Place Strategy, or at minimum note the potential for significant adjacent new housing and expedite coordinated planning for the broader area.**
- 3. Consider development feasibility and market preferences in planning for areas of higher density.**
- 4. Commit to continued, coordinated infrastructure planning for the full North West Lake Macquarie Regionally Significant Growth Area and its immediate surrounds.**
- 5. Update the Structure Plan map and Strategy to reflect corrections in zoning and development activity where appropriate.**

#### **Assumptions**

UDIA believes the Lake Macquarie local government area (LGA) could be on an even higher growth trajectory than this draft Place Strategy indicates. Given Lake Macquarie has been one of the fastest growing areas in the state in recent years, we recommend the Place Strategy include some sensitivity around the population projections and housing outcomes required, with a stronger consideration of the upside potential.

**Recommendation #1 – Consider higher growth potential and the housing outcomes that would be needed to support even greater population in the area.**

#### **Scope**

While the draft Place Strategy clearly defines the scope of the included areas, and UDIA appreciates that planning for this Catalyst Area has been underway for some time, we nonetheless query why portions of the North West Lake Macquarie Regionally Significant Growth Area, as identified in the *Hunter Regional Plan 2041* (HRP41), are not included. In excluding these areas, UDIA is concerned LMCC misses a key opportunity to inform the community about the overall vision for future growth and to build the case for state and federal infrastructure investment.

It is noted that the draft Place Strategy does not fully encompass the extent of the RGSA in that it currently excludes all or parts of the precincts of Cockle Creek, Cockle Creek West, West Wallsend–Holmesville, Killingworth, Wakefield, Fassifern and Fennell Bay.

We particularly question the exclusion of the Fennell Bay Precinct. Under this draft Strategy, the Teralba Precinct has been redefined to include a small portion of the Fennell Bay precinct (as defined in the HRP41) to encompass the TOD Tier 2 station of Booragul. However, the area of a major planning proposal for 600 homes in Fennell Bay has been excluded.

We also query why a portion of the Boolaroo–Speers Point Precinct defers a parcel of land in the eastern half of this precinct. We note that area is already being developed, with several housing lots already delivered and registered.

We understand LMCC has been working with proponents on major new residential proposals adjacent to the current draft Place Strategy boundary, including in the excluded Fennell Bay Precinct, and to the north of the Catalyst Area itself. UDIA requests that the final Place Strategy note the potential for significant numbers of new homes adjacent to the Strategy boundary, and that LMCC continue to undertake coordinated and concurrent planning for infrastructure needed to support the broader growth area. This additional transparency and coordination will assist in providing both better community engagement as well as justification for infrastructure planning.

**Recommendation #2 – Reconsider the area scope of the Place Strategy, or at minimum note the potential for significant adjacent new housing and expedite coordinated planning for the broader area.**

### **Density and Housing Diversity**

We acknowledge that one of the key outcomes that the Strategy seeks to facilitate is an additional 5,000+ dwellings across the study area's seven precincts. The draft Strategy envisages that a proportion of these dwellings will be in the form of mid-rise buildings (shop-top housing and residential flat buildings) of between 4 and 8 storeys.

A recent study commissioned by the UDIA investigated the feasibility of this development type in locations nominated within the NSW Government's Transport-Oriented Development (TOD) program. In relation to the Lake Macquarie Submarket (which included nominated station precincts at Booragul, Morisset, Teralba, Cardiff and Cockle Creek) the study found there was a significant feasibility gap – i.e., the amount the local market is willing to pay for an apartment was substantially less than the cost for a developer to bring the product to market, having regard to the cost of land, approvals, construction and an appropriate margin for risk/profit. The UDIA–Astrolabe TOD feasibility report can be found at this [link](#).

In general terms, the study found that feasibility improved in more “premium” locations, such as those with water views. Consequently, it may be prudent for the strategy to focus on the opportunity for mid-rise development in locations with views of Lake Macquarie such as Speers Point.

Having regard to feasibility and consumer demand, it may be more achievable for affordable infill housing to be delivered in the form of medium-density products such as attached dwellings and multi-dwelling housing. To facilitate more medium-density infill development, consideration should be given to rezoning additional land within the Boolaroo-Speers Point and Glendale-Argenton Precincts from R2 Low Density Residential to R3 Medium Density Residential.

**Recommendation #3 – Consider development feasibility and market preferences in planning for areas of higher density.**

**Infrastructure**

UDIA understands that infrastructure, particularly relating to state roads, remains a constraint to achieving various outcomes sought by the draft Place Strategy. LMCC have done an excellent job in the draft of highlighting the key roads that will be needed. We refer to our first recommendation and emphasise the importance to continue coordinated infrastructure planning for the full North West Lake Macquarie Regionally Significant Growth Area and its immediate surrounds.

In terms of transport choice, a unique longer-term opportunity that could be floated by the plan could be facilitating a local public ferry service that operates from a multi-modal interchange at Cockle Creek Station which connects to existing or upgraded jetties at Speers Point Park, the Museum of Art and Culture at Booragul, and the Warners Bay foreshore.

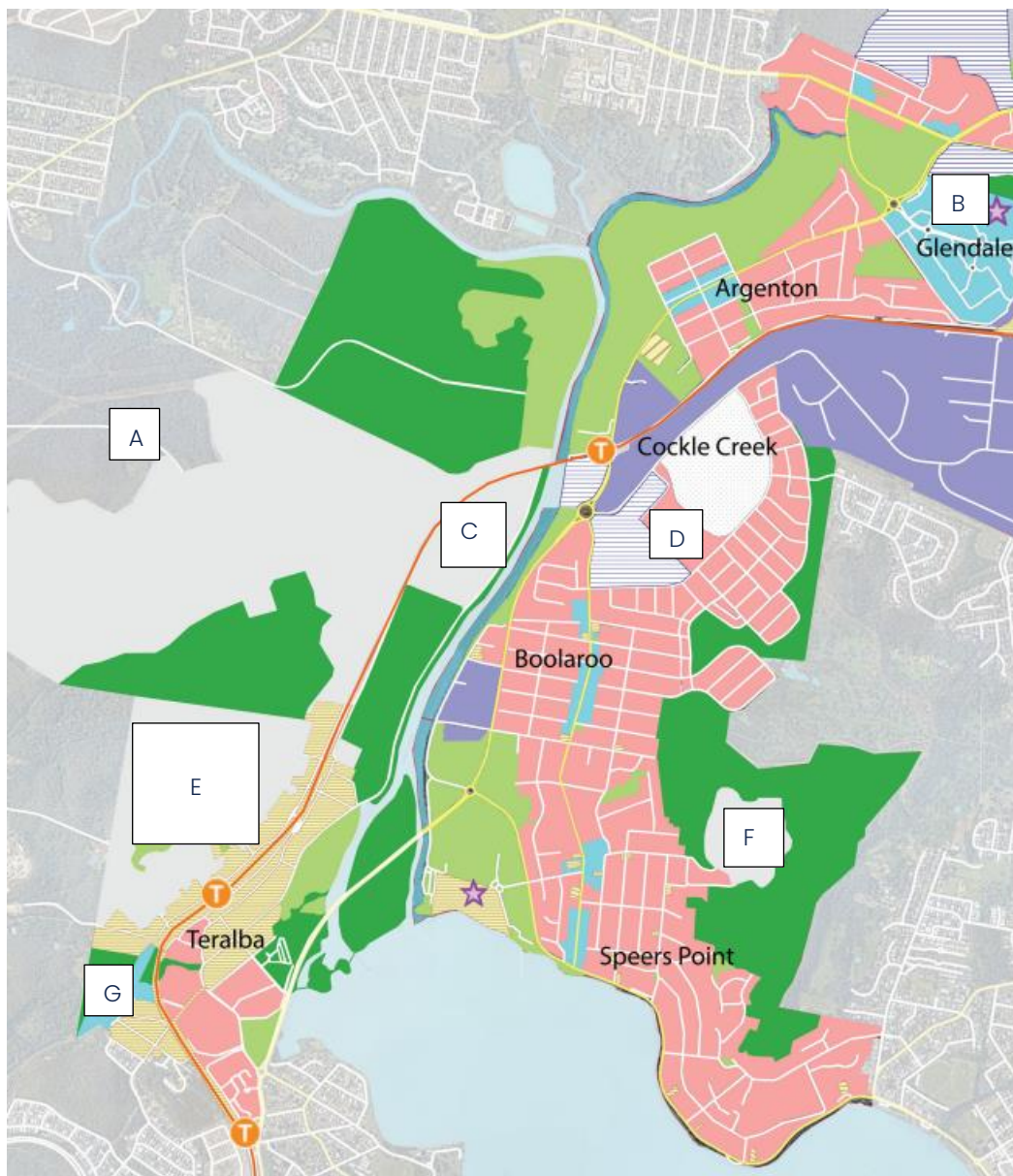
Overall, UDIA will continue to support Council in its advocacy to state and federal government for appropriate infrastructure funding to be allocated, particularly where it will unlock additional housing supply and employment lands.

**Recommendation #4 – Commit to continued, coordinated infrastructure planning for the full North West Lake Macquarie Regionally Significant Growth Area and its immediate surrounds.**

**Queries**

UDIA members have flagged some areas of potential inaccuracies. We request that Council review these and make any appropriate changes in the final Strategy. The notes are in reference to the Structure Plan Map on page 12.

- A To provide additional context for the community, consider adding the location of potential Lower Hunter Freight Corridor, per most recent TfNSW plan.
- B Page 28 of the draft Strategy refers to 207 new dwellings in the Glendale Retail and Sport Precinct. However, Newcastle Herald 5/6/24 noted there are 716 dwellings in Glendale masterplan.
- C Should this be noted as Zone E5?
- D Should this be noted as Zone MUI and E1?
- E This is a different shape to the current zoning boundaries. See also map p30.
- F Why is this area deferred? Currently under construction with some lots registered.
- G Some R2 zone in this area



**Recommendation #5 – Update the Structure Plan map and Strategy to reflect corrections in zoning and development activity where appropriate.**

## **Conclusion**

UDIA appreciates the opportunity to offer our comments on the draft Place Strategy for the North West Lake Macquarie Catalyst Area. We look forward to future opportunities to engage on the delivery of this exciting growth area.

Please contact Elizabeth York, Policy & Regional Manager, Hunter Chapter & Central Coast Chapter at [eyork@udiansw.com.au](mailto:eyork@udiansw.com.au) with any questions or follow up.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Stuart Ayres', with a stylized flourish at the end.

**Stuart Ayres**  
**CEO**