



# **Ryde Draft LSPS**

**UDIA Response**

**August 2019**

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## ABOUT THE UDIA

Established in 1963, the Urban Development Institute of Australia (UDIA) is the leading industry group representing the property development sector. Our 550 member companies include developers, engineers, consultants, local government, and utilities. Our advocacy is focussed on developing liveable, connected, and affordable cities.

## INTRODUCTION

The Urban Development Institute of Australia – NSW Division (UDIA) welcomes the opportunity to provide a submission into the exhibition of the Draft Ryde Local Strategic Planning Statement (DLSPS). Our members have been involved in all major urban renewal projects for the past fifteen years in Sydney, including in the Ryde LGA.

We recognise that the LSPS will provide a welcome high-level vision for Ryde,

*A liveable, prosperous and connected city, that provides for our future needs while protecting nature and our history. A city with diverse and vibrant centres, our neighbourhoods reflect and service our residents and businesses. Our well-planned places enhance the health, wellbeing and resilience of our future community. They also foster innovation, equity, inclusion and resilience.*

While, this is an admirable objective, we are concerned the provisions in the DLSPS and its ongoing implementation through substantial LEP updates next year will not be achieved. UDIA congratulates Council on producing a draft LSPS, however, we believe there needs to be more work to ensure an appropriate vision for Ryde over the next 20 years. Consequently, we make the following recommendations:

- 1. The draft LSPS is regularly reviewed to ensure it remains appropriate for Ryde.**
- 2. Council review Housing Targets following the finalisation of the other LSPS's within the district**
- 3. UDIA recommends Council sets out an approach for new sites to be included based on strategic merit.**
- 4. Implement an Urban Development Program to deliver and monitoring growth, with clear accountabilities and in partnership with industry.**
- 5. Council enable density and amenity, particular along with strong public places**
- 6. UDIA recommends the Council adopts an incentive-based approach for Affordable Housing in collaboration with industry.**
- 7. UDIA recommends council collaborates closely with industry to create controls that enable vibrant mixed-use precincts that reflect future opportunities and the local flavour.**

## DELIVERING THE LSPS

UDIA seeks a greater understanding of the implementation path for the LSPS in the Ryde LGA. We recognise the intent is for the LSPS is to give effect to the regional and district plans in the LGA by guiding updated strategic planning documentation for an updated LEP including meeting any dwelling and jobs targets.

We seek to work collaboratively with Council and Greater Sydney Commission to ensure that there are adequate jobs targets for the entire district, and this is apportioned across local government areas. UDIA is concerned that the strategic collaboration between communities has been missing in the development of the strategies. Thereby, potentially not leading to adequate rezoning and supply of housing and employment lands in the LEP review.

### **Housing Targets**

UDIA is disappointed that Ryde Council is not proposing to increase overall housing in the LGA, we believe this will provide insufficient dwelling supply across Sydney over the next twenty years.

The DLSPS provides capacity for a total of 23,618 between 2021 and 2036. UDIA will reserve judgement on the housing targets until we have been able to fully review Sydney's housing supply. UDIA seeks greater understanding, not just for Ryde, but across Sydney and we are looking for State Government direction.

**Recommendation 2:** Council review Housing Targets following the finalisation of the other LSPS's within the district

Ryde Council expects 12,786 dwellings to be completed from 2016 to 2021, which exceeds the minimum benchmark of 7,600. The Greater Sydney Region Plan, A Metropolis of Three Cities states:

*The 0–5 year housing supply targets are a minimum and councils will need to find additional opportunities to exceed their target to address demand. (GSC, p62)*

With that in mind, we congratulate the Council for following the GSC plan to improve dwelling supply and address demand in Sydney. However, we believe that limiting capacity will only serve to deteriorate affordability in Ryde, and lead to worse unplanned outcomes.

UDIA will discuss below how an Urban Development Program for growth and infrastructure in Ryde will help achieve high quality urban outcomes, that also achieve the community's aspiration for liveability.

### **Flexibility in the Planning System**

The planning priorities outlined in the Statement will inform Councils' review of their LEPs and development control plans; planning proposals must indicate whether the proposed LEP will give effect to the Statement. Whether a planning proposal respects the Statement will become a relevant consideration for the Minister in determining if a planning proposal has the strategic merit to proceed past the gateway process. While the Statement does not contain detailed and technical planning controls it will clarify the future character of an area and with it, compatible and incompatible uses.

We recognise that the Department of Planning increased the Strategic Merit Test requiring proposals to be consistent with the regional plans, and any endorsed local strategy.

The DLSPS requires a series of strategies and studies to be completed prior to rezoning sites, UDIA is concerned that this will not result in the timely completion of a rezoning. The DLSPS should include clear timelines for the completion of studies and the rezoning of the site. Otherwise, we believe the

DLSPS will act as a constraint of sensible growth and fail to give effect to the District Plan, and Sydney's overarching dwelling supply baseline of 36,250 dwellings per annum.

Of particular concern is the lack of studies may make it impossible to undertake otherwise meritorious planning proposals that are intended to facilitate outcomes that are consistent with the end result envisioned in the LSPS.

**Recommendation 3:** UDIA recommends Council sets out an approach for new sites to be included based on strategic merit.

## INFRASTRUCTURE AND COLLABORATION

The Draft LSPS sets a strict limit on housing growth due to the previously broken nexus between growth and infrastructure.

UDIA supports the clear nexus between growth and infrastructure. We recognise that infrastructure requires coordination between local government, state government, and other infrastructure providers.

### Housing Growth and Infrastructure

The UDIA has long advocated for an urban development program across Sydney. The establishment of an Urban Development Program (UDP) was a key recommendation of UDIA's *Making Housing More Affordable* report. The re-establishment of a UDP is urgently required for metropolitan Sydney and would:

- Coordinate and monitor housing supply and targets in urban renewal areas, infill and new communities in land release areas;
- Coordinate and prioritise the delivery of the necessary supporting infrastructure;
- Signal early identification of blockages;
- Integrate social and affordable housing targets and ensure their programming; and
- Involve a transparent annual program enabling monitoring and input back into policy development and housing supply programs.

Since the Department of Planning ceased the Metropolitan Development Program in 2011/12 a void in strategic planning has emerged which has impacted most demonstrably on infrastructure servicing agencies. In the absence of 'one source of truth' various growth forecasts and servicing strategies are being produced with differing base data, different assumptions, differing language and differing time horizons.

UDIA has convened a UDP Taskforce comprised of 20 senior industry and infrastructure agency representatives to help prosecute the case for the return of a UDP. We strongly believe that a robust UDP requires close development sector liaison in order to validate and update annual housing supply timings and yields and accordingly there is a clear facilitation role which UDIA can perform to assist this process.

To help chart the way forward, a UDP Pilot was completed in conjunction with Blacktown Council with Research Partners Urbis and Mott MacDonald in 2018.

The UDP has an important role to play in the prioritisation and coordination of infrastructure funding and delivery. It will identify infrastructure requirements and ensure it is funded. It can also troubleshoot infrastructure bottlenecks, which would support the orderly delivery of housing supply.

**Recommendation 4:** Ryde advocate for an urban development program as an action in the LSPS.

## LIVEABILITY

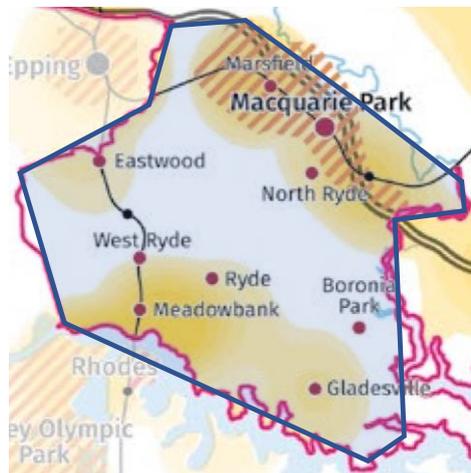
The Draft LSPS sets a strict limit on growth, but also seeks vibrancy as a key objective for the area.

UDIA believes that these are in conflict as growth provides an important pathway to vibrancy as long as it is planned through an urban development program.

### 1. Ryde is a suitable location for growth

UDIA strongly believes the Ryde LGA is a suitable location for growth and development. The North District Plan (extract below) highlights significant growth along the foreshore centred on Meadowbank and the Urban Renewal Area at Macquarie Park and Ryde. With these areas being close to the rail stations we believe there are still transit-oriented development (TOD) opportunities to be unlocked in Ryde. TOD development is a key opportunity to provide affordable living solutions and a vibrant community feel.

#### Extract of Ryde from North District Future Housing Supply



Source: GSC 2018, North District Plan

The GSC's North District Plan states

*Where there is significant investment in mass transit corridors, both existing and proposed, urban renewal may be best investigated in key nodes along the corridor. (North District Plan p. 40)*

The North District Plan lists locational criteria for urban renewal investigation, including:

- *Alignment with investment in regional and district infrastructure which acknowledges the catalytic impacts of infrastructure as Sydney Metro Northwest...*
- *Accessibility to jobs, noting that over half of Greater Sydney's jobs are generated in metropolitan and strategic centres.*
- *Accessibility to regional transport, noting that over half of Greater Sydney's jobs are generated in metropolitan and strategic centres.*
- *Catchment areas within walking distance (up to 10 minutes) of centres with rail, light rail or regional bus transport.*
- *Areas of high social housing concentration where there is good access to services, transport and jobs.*

The Ryde LGA meets the criteria listed above, with a key jobs centre at Macquarie Park, the largest non-CBD jobs generator in the country, and connectivity throughout the LGA it makes sense to have maximised urban renewal opportunities.

However, we agree that the growth must be aligned with the appropriate and timely delivery of infrastructure, a responsibility of both state and local governments. UDIA understands that the compact between industry, government, and community is created through the promise of the alignment of growth with infrastructure.

In Ryde, some residents feel that the compact has been broken. UDIA sees the inherent value of urban renewal in the Ryde LGA, as articulated in the District Plan. From UDIA international investigations, we consider Ryde has all the elements and the potential to be a world leading transformative TOD and is one of the first centres to benefit from the new Sydney Metro.

This development needs to occur at enough density with the appropriate urban form and public places to deliver the requisite growth in the LGA. We encourage the LGA to look at examples such as Wentworth Point and Discovery Point as dense liveable precincts done well as a model for the Ryde LGA.

**Recommendation 5:** Council enable density and amenity, particularly as TOD communities, along with strong public places

## 2. Use an incentive-based approach to deliver affordable housing

The DSLPS looks at SEPP70 mechanisms to deliver affordable housing. UDIA recommends that any affordable housing contribution is provided as an incentive not a penalty, so as not to negatively impact the viability of the development in the area. An affordable housing policy, which makes housing affordability harder to obtain is an irony which must be avoided if we are to provide housing for the Next Generation.

UDIA established in 2018 a taskforce of 20 industry leaders to investigate social and affordable housing including developers, CHPs, legal, and planning experts.

UDIA understands SEPP70 has been seen as the mechanism to implement affordable housing targets; however, the penalty imposed by inclusionary zoning has been empirically shown to increase house prices:

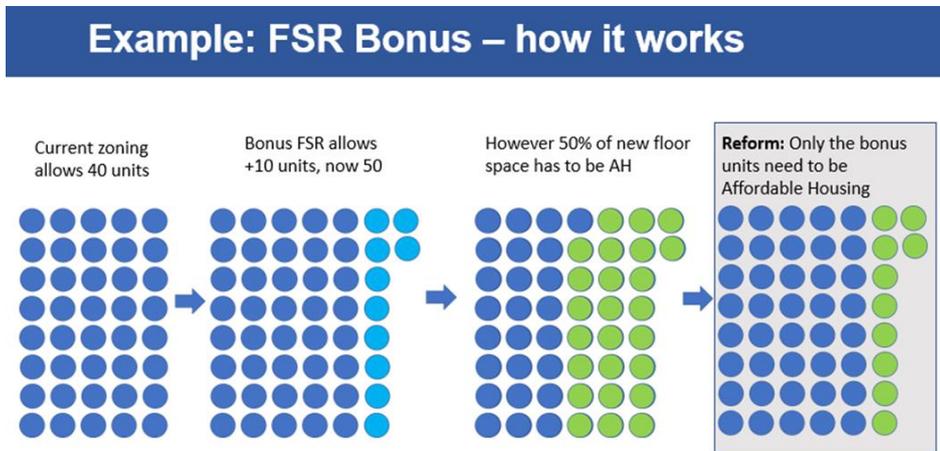
*The analysis found that inclusionary zoning policies had measurable effects on housing markets in jurisdictions that adopt them; specifically, the price of single-family houses increase and the size of single-family houses decrease.*

**Bento et al (2009), 'Housing Market Effects of Inclusionary Zoning' Cityscape: A Journal of Policy and Research 11(2), US Department of Housing and Urban Development.**

Bento et al. (2009) found that where inclusionary zoning was adopted, housing prices increased approximately 2 to 3 percent faster than in cities that did not adopt such policies.

The Affordable Rental Housing SEPP attempts to provide affordable housing; however, it does not act as a genuine incentive. The SEPP provides a 0.5 FSR bonus if 50% of dwellings are affordable. The SEPP

provides a carrot and a stick bigger than the carrot, that there is a net reduction of market housing in the site, when utilising the ARHSEPP.



UDIA modelling suggests that the approach results in the internal rate of return is reduced by about 5% through the incentives provided by the SEPP. If only the bonus was affordable housing, then the IRR would be reduced by 1.5%, which would mean projects become unviable. If half the bonus was affordable then the IRR would be equivalent, and the market housing would not subsidise affordable housing. UDIA believes a different approach might need to be applied for housing different to that complemented in the ARHSEPP.

**Recommendation 6:** The Council adopts an incentive-based approach in collaboration with industry.

## PRODUCTIVITY

The Draft LSPS vision for productivity in Ryde is focussed on improving connectivity and bringing jobs to the Ryde LGA, this is centred on the Macquarie Park centre.

Macquarie Park faces challenges with the road network, leading to high levels of congestion during peak periods, however, the station is underutilised ranking 65 out of 178 stations for local trips in NSW and only 15% of the workforce using train to get to Macquarie Park.

The lack of vibrancy and amenity, which could be created through a mixed-use precinct that incorporates residential development could encourage further business investment to Macquarie Park, and create a transit-oriented development for Ryde connected by Metro to the CBD.

The co-location of housing and jobs can promote active transportation in Ryde, as well as attracting large commercial uses in Macquarie Park once more. In the Assurance Review, Bob Meyer, emphasised the lack of pedestrian environment as a core feature lacking in Macquarie Park.

Macquarie Park has one of the lowest job densities in the economic corridor, growing jobs can be limited with a focus on amenity, which includes finer grain urban form, more public open space, and a range of uses including residential.

UDIA believes that sensible mixed-use development that incorporates residential can create a 24/7 precinct in Ryde, which will provide a vibrant place and attract jobs.

**Recommendation 7:** Council collaborates closely with industry to create controls that enable vibrant mixed-use precincts that reflect future opportunities and the local flavour

## SUSTAINABILITY

The DLSPS looks at sustainability through the lenses of

1. Open space and active recreation
2. Environmental outcomes
3. Resilience

UDIA recognises that there are substantial global megatrends impacting upon the ability to deliver sustainable urban environments. Electric Vehicles, big data, and hydrogen will all influence the capacity to respond to climate change.

Council needs to be responsive to best practice and changing technology in this space, and not prefer any specific technology or solution to achieve outcomes.

UDIA supports the improvement of open spaces and we consider open space to be part of the supporting social infrastructure for a development. The comments made in infrastructure and collaboration section apply to sustainability.

## CONCLUSION

UDIA looks forward to working with Ryde Council collaboratively to progress the DSLPS to the next stage and implementing appropriate LEP controls that will achieve the vision outlined in the DLSPS. Please contact Elliott Hale, General Manager, Policy, Media and Government Relations at [ehale@udiansw.com.au](mailto:ehale@udiansw.com.au) or 0478 959 917 to arrange a meeting.

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