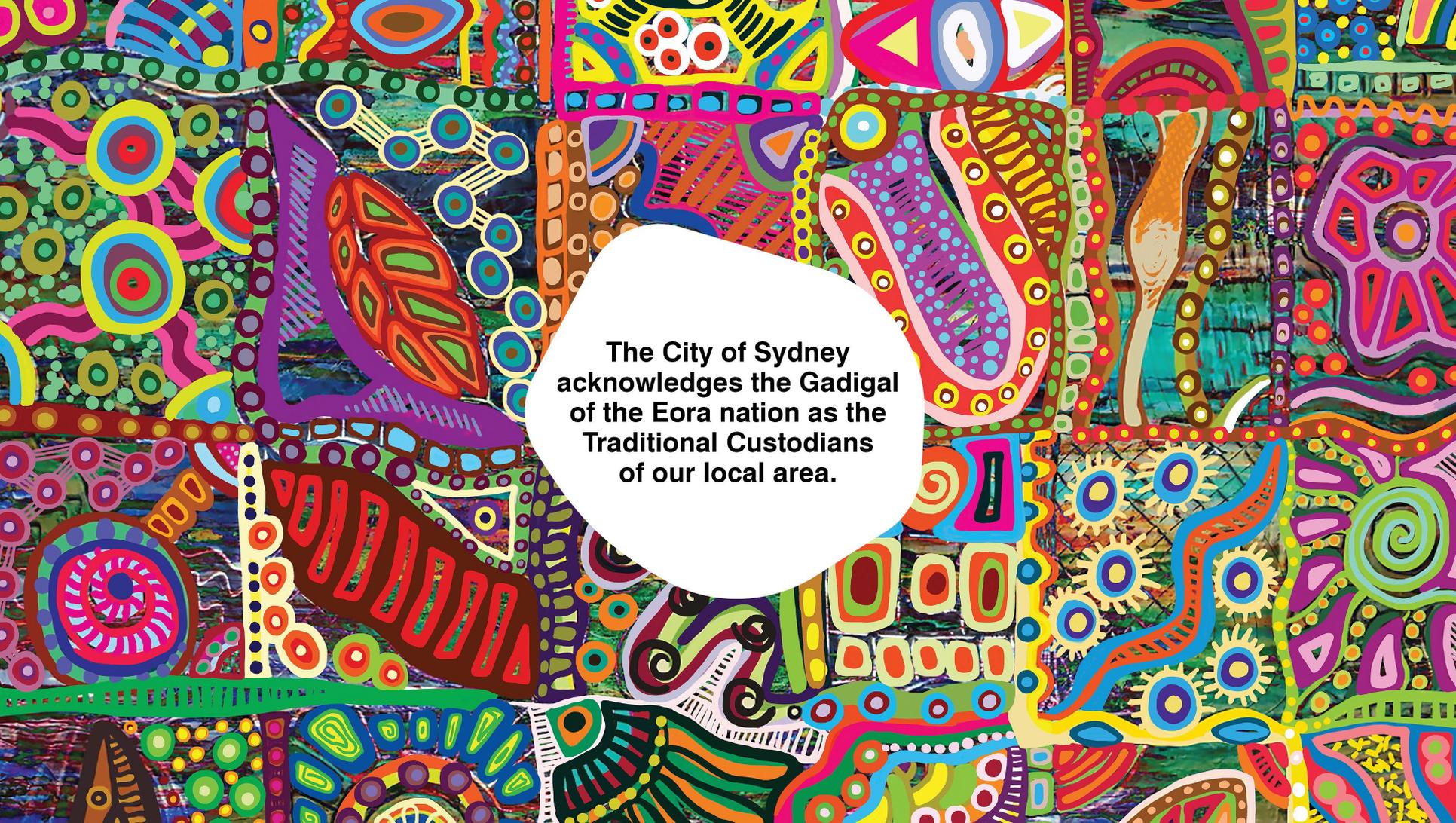


# low and mid-rise housing proposed changes

NSW Government's Explanation of Intended Effects (EIE):  
changes to create more low and mid-rise housing wherever permissible

April 2024



**The City of Sydney  
acknowledges the Gadigal  
of the Eora nation as the  
Traditional Custodians  
of our local area.**

# context: housing lodgements and completions have declined from 2016 high

- oversupply, overheated market in 2016-18 saw foreign multi-unit residential investors withdraw and not return in numbers

Historic housing construction approvals and completions in NSW



Source: Australian Bureau of Statistics 2022, Department of Planning and Environment analysis

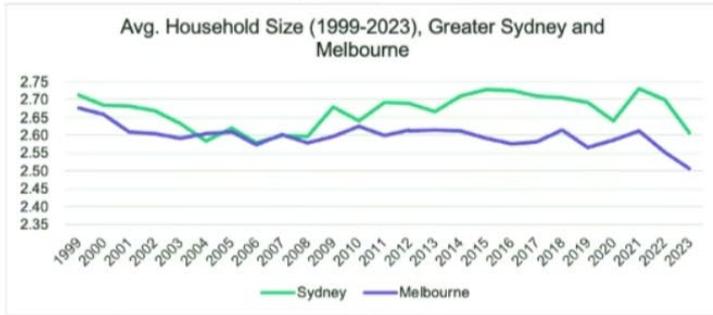
# context: housing lodgements and completions affected by shocks

- 2020-22 Covid 19 pandemic
  - disrupted supply chains
  - 30-35% rise in global construction costs in 2 years
  - skilled labour shortages
  - hard to get development finance
- 2022 - extensive natural disasters: rain, flood and storm costs, diverting resources
- 2023 - rapid rise in interest rates – increasing project costs and reduced purchasing power
- competition from peak spending on infrastructure

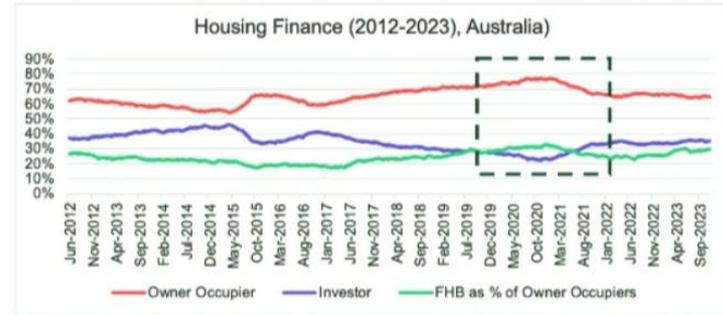
# changes to the housing market

more people renting and fewer rentals

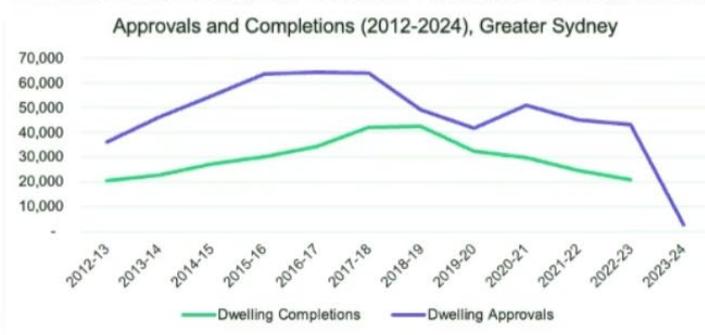
## Household sizes shrank during COVID...



## Owner occupiers entered in droves and investors cashed out



## At same time, dwelling approvals and completions collapsed...



## Resulting in skyrocketing prices and fewer rental properties



# context: planning has a role to play enables but does not drive housing production

- the City maintains housing capacity through good management
- Green Square has many years of zoned land available and can accelerate if the housing market improves
- recent planning proposals e.g., Ultimo-Pyrmont, Botany Road, Waterloo, Central Sydney BTR etc, continues to increase the amount of zoned land and capacity
- when new housing targets are released by the Government [now one year late] the City will respond with further upzoning

# National Housing Accord 2022

## National Housing Accord 2022

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the State agreed:

- **75,000 homes per year** for next 5 years (377,000 over 2024-29)
- in the last census period [2016-21] the City added over 14,000 dwellings or 6% of the total for greater Sydney
- proportionally this would be 6% of 75K = 4,500/year
- **3,100 affordable homes**

implementation schedule

- planning reforms to be developed with local government
- councils not involved prior to exhibitions



# National Housing Accord

## City of Sydney actions

National Housing Accord 2022

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- we have programs that support Affordable Housing Providers
- we have zoned land for housing and have rezoned more land
- the City of Sydney is denser than any other local Government area and continues to grow
- our density is built on mid-rise housing - the City contains more than 1,500 buildings of more than 6 stories



# low and mid-rise housing

## explanation of intended effect (EIE)

### December 2023

#### **Non-refusal standards**

- 21m <400m and 16m high <800m
- 3:1 <400m and 2:1 <800m floor space

#### **Unchanged, and without exemptions, the effect:**

- less amenity (building separation, solar access)
- less area for trees
- less deep soil
- more car parking – uses minimums
- less certainty – non refusal standards

## Explanation of Intended Effect: Changes to create low-and mid-rise housing



# low-rise housing



# mid-rise housing

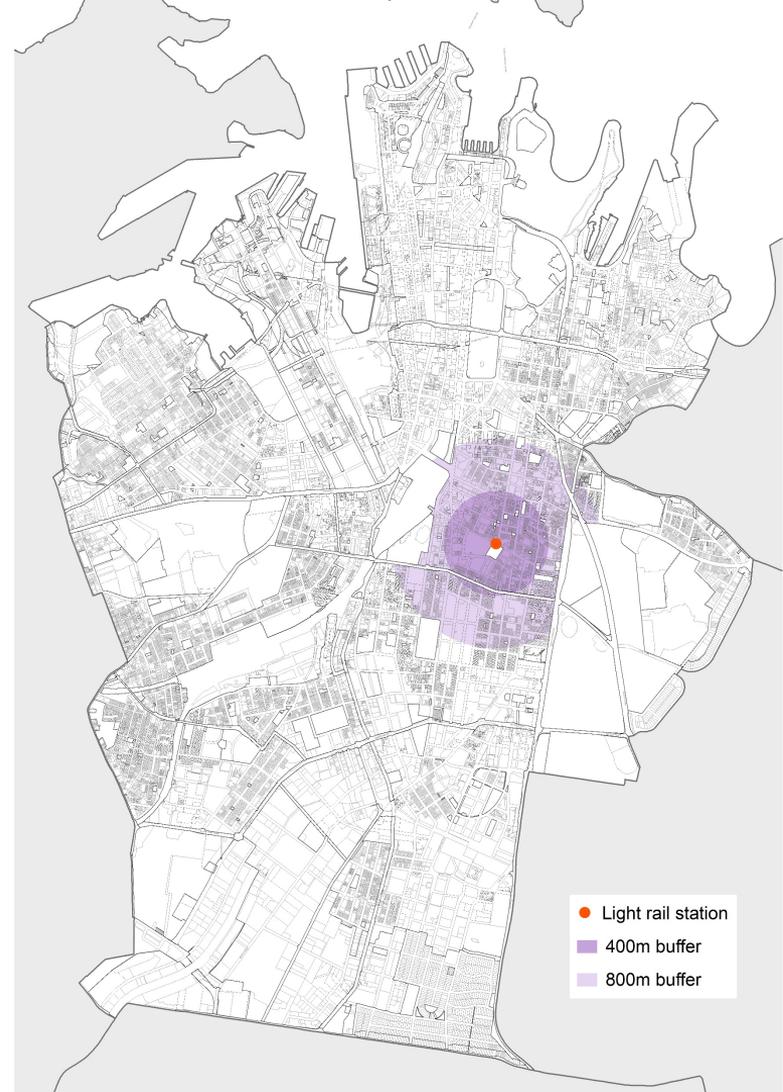


# mid-rise changes

## 800m radius around rail stations/stops

### non-refusal standards:

- **Purple** 0 - 400 metres
  - 6 storeys - 21m
  - 3:1 floor space ratio
- **Mauve** 400 - 800 metres
  - 4 storeys - 16m
  - 2:1 floor space ratio
- **measured from rail and light rail stations, Central Sydney boundary and commercial centres**
- **non-applicable land excluded**

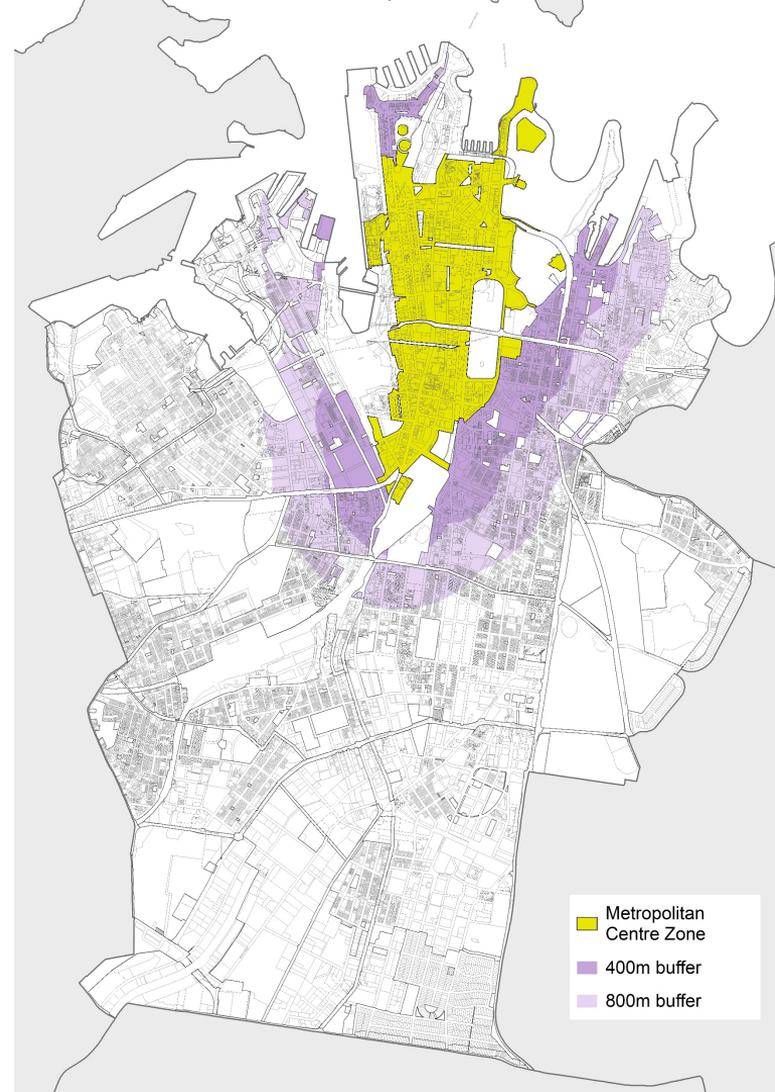


# mid-rise changes

applies to Central Sydney + 800m from its edge

non-refusal standards:

- **Purple** 0 - 400 metres
  - 6 storeys - 21m
  - 3:1 floor space ratio
- **Mauve** 400 - 800 metres
  - 4 storeys - 16m
  - 2:1 floor space ratio
- measured from rail and light rail stations, **Central Sydney boundary** and commercial centres
- non-applicable land excluded

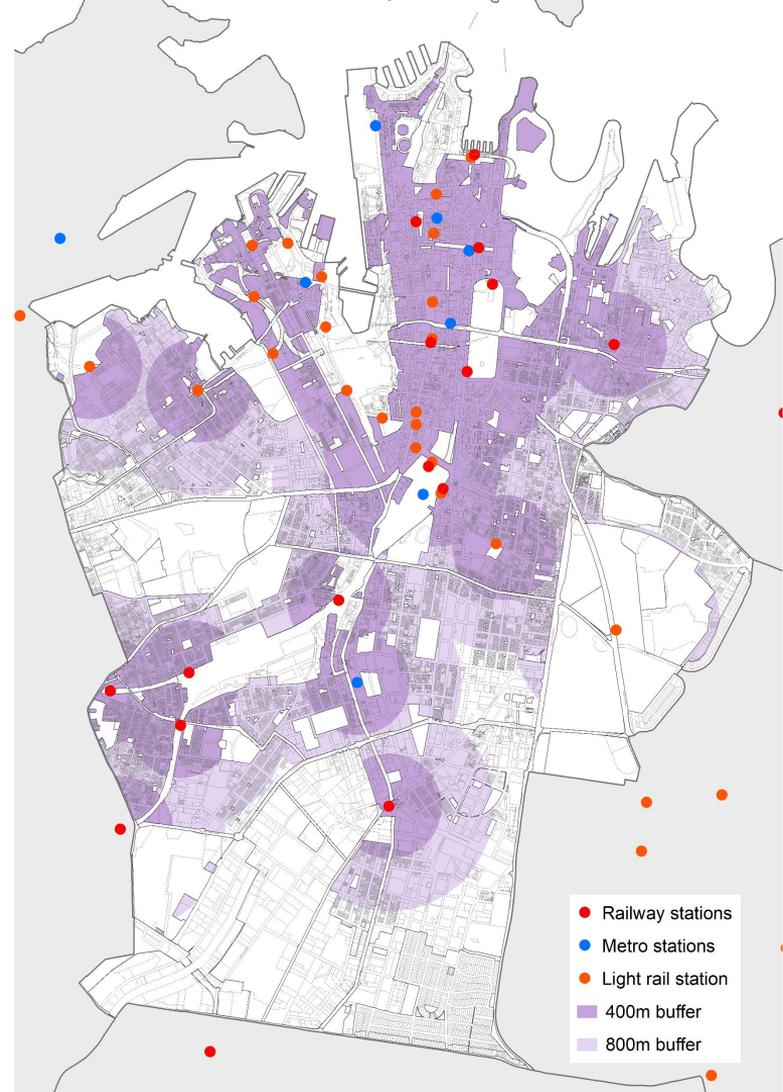


# mid-rise changes

applies to all rail and light rail stops

## non-refusal standards:

- **Purple** 0 - 400 metres
  - 6 storeys - 21m
  - 3:1 floor space ratio
- **Mauve** 400 - 800 metres
  - 4 storeys - 16m
  - 2:1 floor space ratio
- measured from **rail and light rail stations, Central Sydney boundary** and commercial centres
- non-applicable land excluded

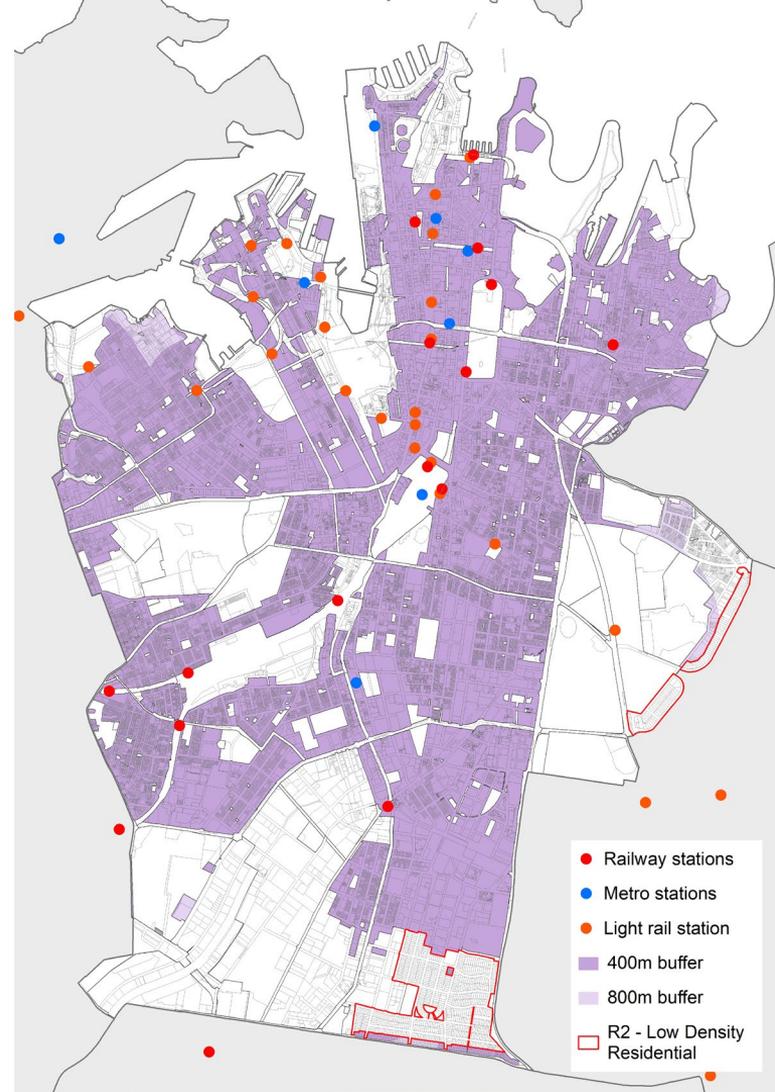


# mid-rise changes

applies to all commercial centre zones  
and all rail and light rail stops

## non-refusal standards:

- **Purple** 0 - 400 metres
  - 6 storeys - 21m
  - 3:1 floor space ratio
- **Mauve** 400 - 800 metres
  - 4 storeys - 16m
  - 2:1 floor space ratio
- measured from rail and light rail stations, Central Sydney boundary and **commercial centres**
- non-applicable land excluded



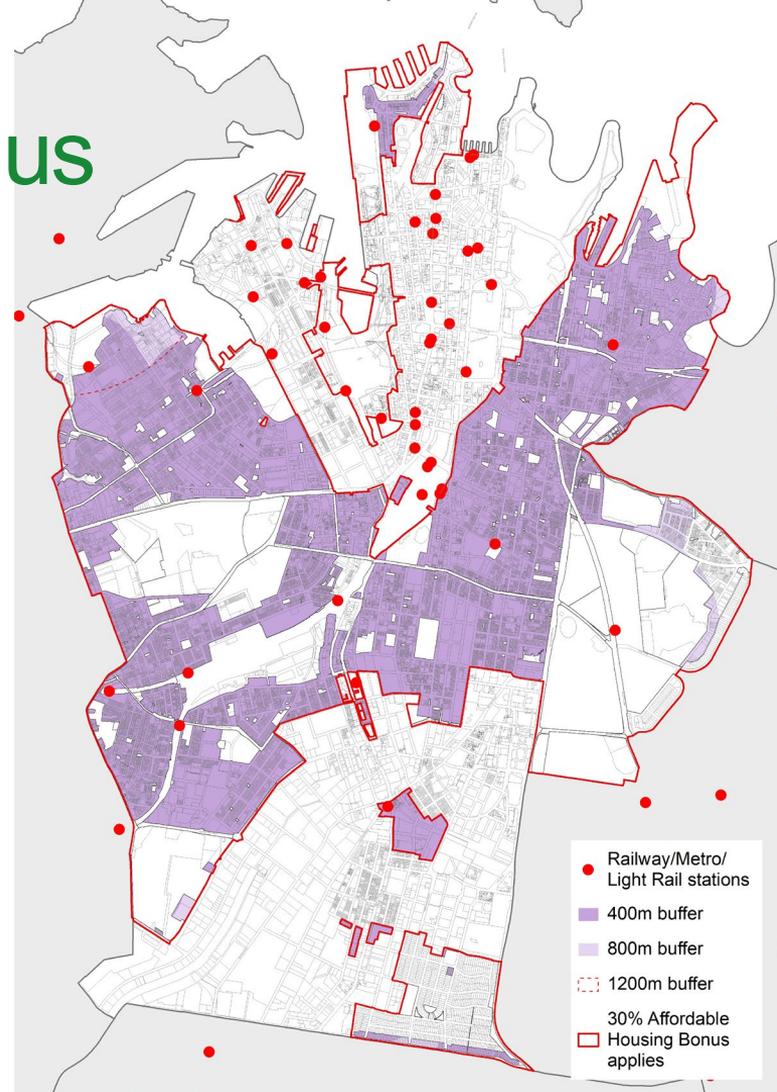
# plus affordable housing bonus

potentially applies on top (HCAs)  
30% more for 15% AH for 15 years

- **Purple** 0 - 400 metres \*
  - 8 storeys; and
  - 3.9:1 floor space ratio
- **Mauve** 400 - 800 metres \*
  - 5 storeys; and
  - 2.6:1 floor space ratio

\* measured from rail and light rail stations,  
local commercial centre zones and Central Sydney

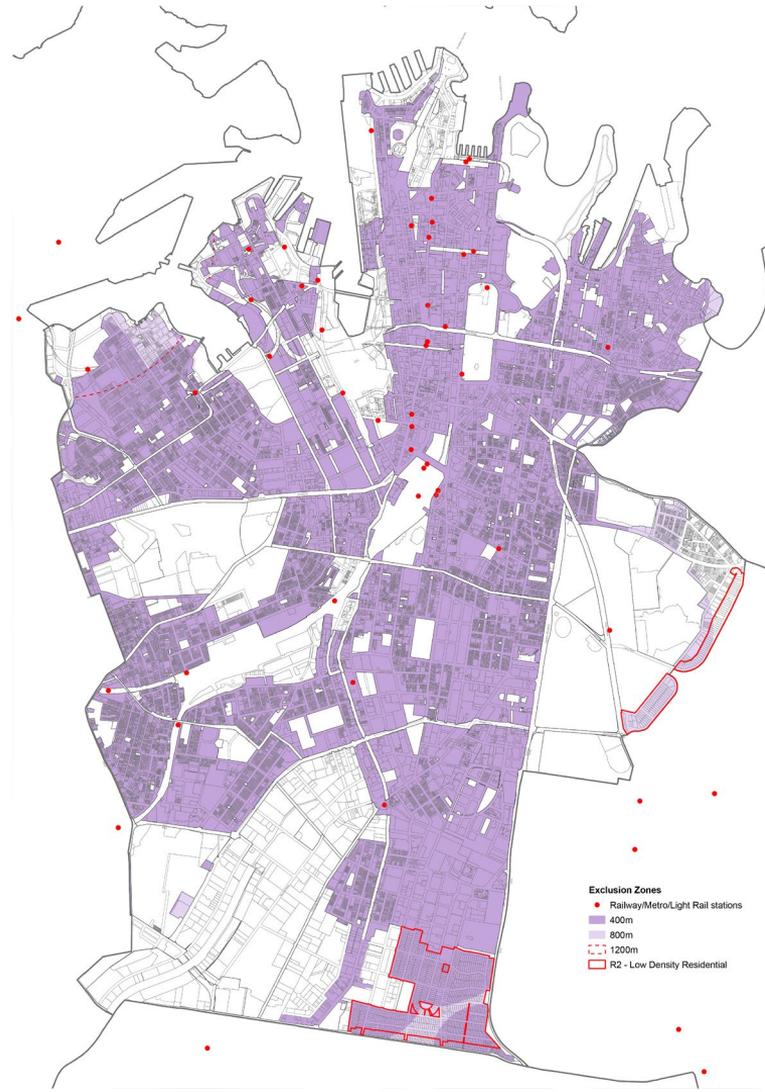
- non-applicable land excluded



# low-rise changes

terraces and manor houses become permissible on low density residential

- permit manor houses (2 storey flats) and terraces within 800m of local centre (Eastlakes) and Moore Park light rail stop
- increase height and density for manor houses, townhouses/terrace and semis (already permitted)
  - Height: 7.5m to 9.5m
  - FSR: 0.6 to 0.65 (semis), 0.7 (terraces) and 0.8 (manor houses)
- loss of trees and more driveways
- covenant – non-planning consideration



# Surry Hills example 1

corner Devonshire and  
Riley Streets

current

- 2.5:1 base FSR
- used as commercial offices
- currently empty and offered for rent
- adjacent to light rail station
- not heritage listed



# Surry Hills example 1

corner Devonshire and  
Riley Streets

current

- 2.5:1 base FSR

EIE proposal

- 3:1 (+ affordable housing bonus of 0.9)
- 6 or 8 storeys (AH) high (21m-28m)
- little to no overshadowing
- few, if any, private trees possible
- communal open space on roof top

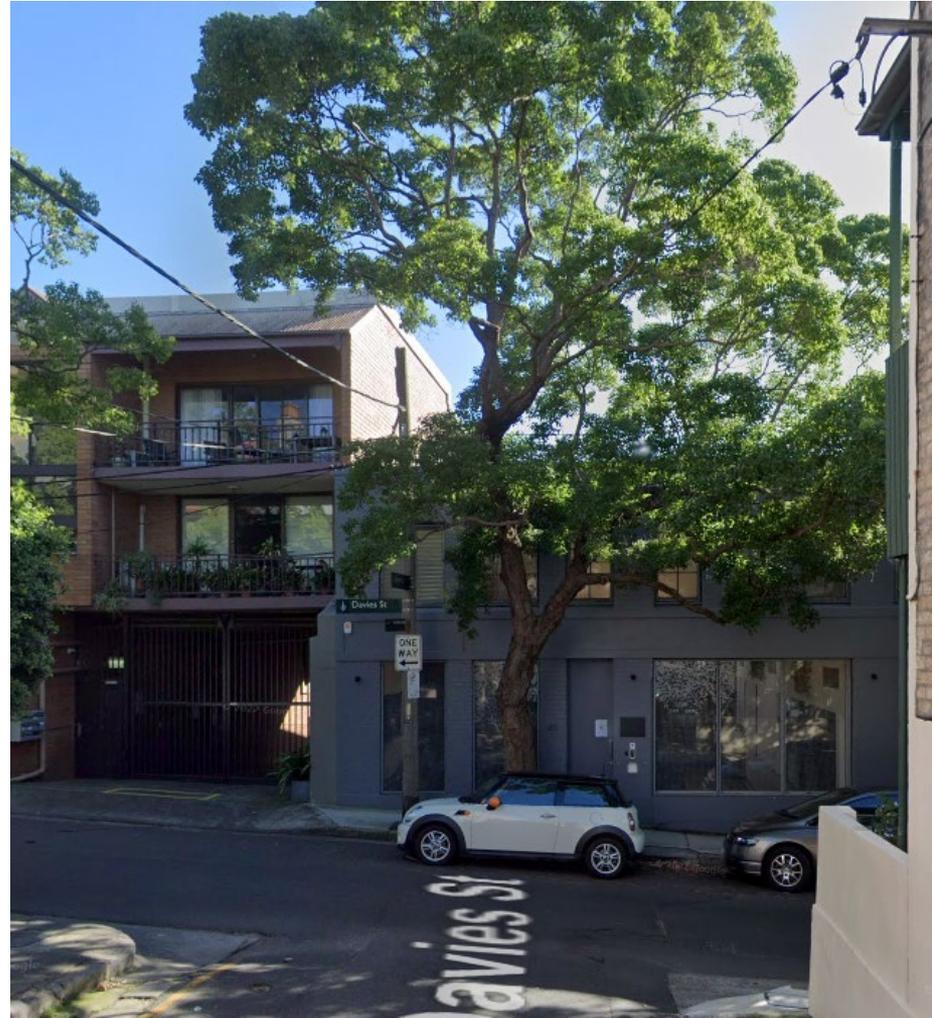


# Surry Hills example 2

## 43 Rainford Street

current

- 2.5:1 base FSR
- used as commercial creative offices
- currently occupied
- not far from light rail station
- not heritage listed
- narrow footpaths



# Surry Hills example 2

## 43 Rainford Street

current

- 2.5:1 base FSR

EIE proposal

- 3:1 + affordable housing bonus + 0.9:1
- 6 or 8-9 storeys (AH) high (21m-34m)
- narrow street and footpaths with street bins (no basement pickup) and additional cars
- loss of solar access to neighbours
- few, if any, private trees



# Green Square URA (unintended consequences)

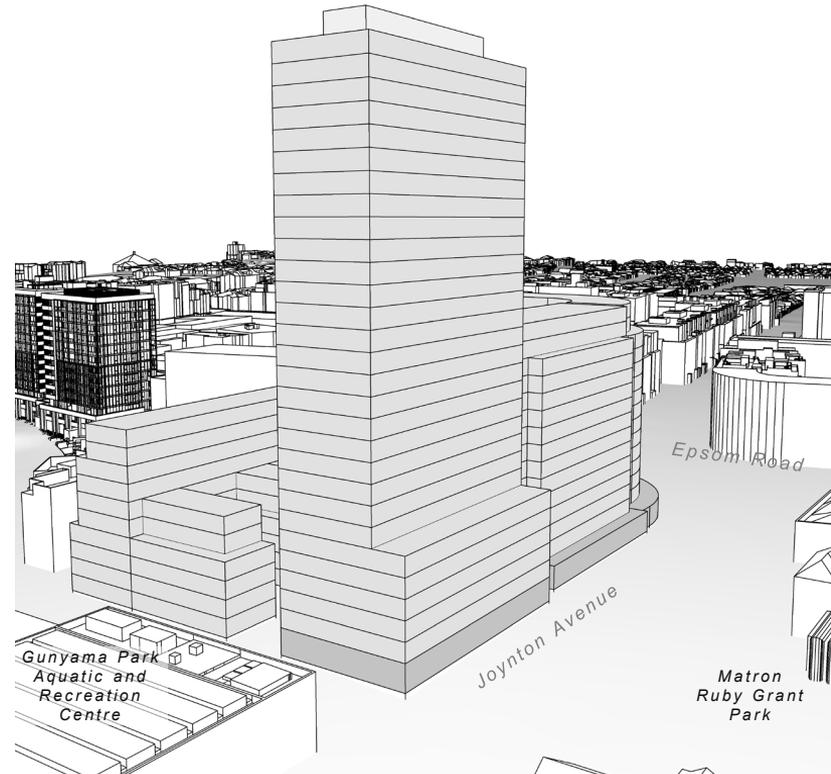
## Larke Hoskins, Rosebery

current (example)

- 1.5:1 (S1) base + community + 10% DEX = 2.2:1
- DCP 4 -15 storeys

EIE proposal (example)

- 3:1 base FSR over whole site + community + 10% DEX = 3.85:1 FSR
- 6 - 30 storeys
- more building footprint, less space for trees
- overshadows buildings to south, wind impacts
- outcome unplanned, may delay delivery of housing



# Erskineville (unintended consequences)

retain front room – build out the back on two adjoining sites

worst case scenario

conservation area small lots

- 3:1 and 6-8 stories
- overshadow neighbours
- separation + privacy
- compromises heritage values
- more cars, more bins, less trees
- chaotic outcome



# EIE proposal key issues

- natural hazards, infrastructure planning, and good design are absent in this proposal
- misalignment between height and floor space – with wildly varying outcomes
- doesn't work as intended in Urban Renewal Area sites that deliver open space and streets; or master planned areas where City and State have backed planning outcomes (Botany Road corridor, Oxford Street – this needs to be acknowledged)
- where affordable housing bonus is on top, development becomes SSD which means our DCPs are switched off (not in areas excluded in our LEP)
- poorly design DAs and tension with existing controls in high density inner city areas will lead to court appeals and delays

# recommendations 1

preferred – work together as agreed in the Housing Accord

the Council agrees:

- consultation to be extended for at least four weeks
- Government undertake meaningful consultation with communities
- Government set stronger affordable housing targets
- in principle to increased residential density around transport hubs
- to engage constructively with the NSW Government on the proposal

# recommendations 2

preferred – work together as agreed in the Housing Accord

the Council agrees:

- clarification of relationship with existing heritage provisions is required
- the changes should not be made ahead of dwelling targets or without proper negotiations between Council and Government
- if the targets are met, heritage protections will be preserved and proposal will apply

# recommendations 3

## alternative – exclude areas where the reforms are unnecessary

- exclude existing high-density areas (zoned R1 and MU1) and work with the City to find opportunities for more housing
- exclude local centres / mixed-use zones without stations and use smaller radii from light rail
- exclude areas planned for new housing and other strategic priorities (Green Square, Ashmore Estate, Ultimo Pyrmont, Waterloo, Botany Road, Oxford Street, others)
- exclude areas where the street reservation is less than 12 metres wide
- implement low-density changes in Rosebery consistent with the covenant

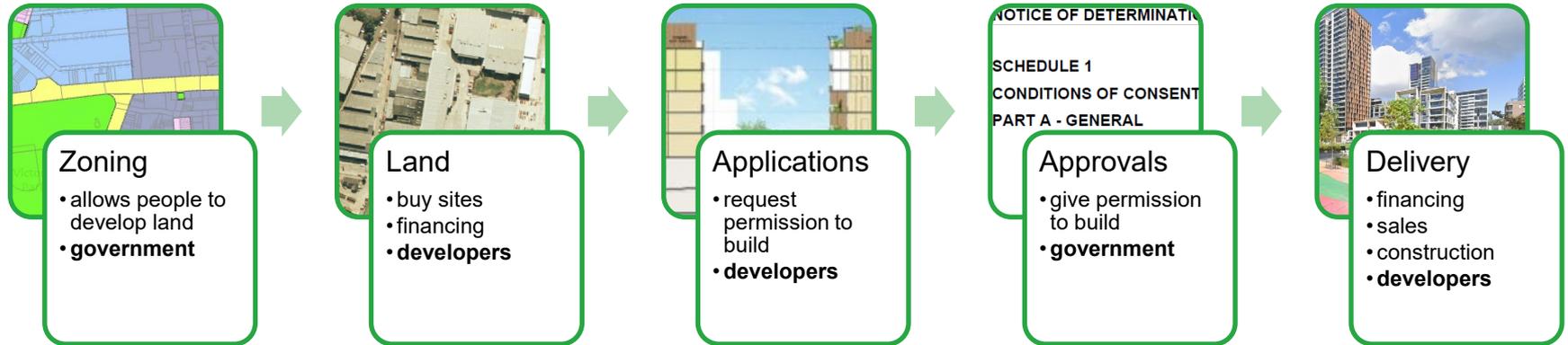
# recommendations 4

## correct technical errors and align with the Housing Accord

- must not be implemented until local infrastructure plans are updated
- remove the FSR standards and focus on implementing the 4-storey and 6-storey height limits and produce new provisions for 4- and 6-storey mid-rise housing
- ensure changes to the Apartment Design Guide will not result in poorer quality apartments and mid-rise neighbourhoods with substantially fewer trees
- work with councils on development standards to ensure certainty, faster approvals and the management of natural hazards and other impacts

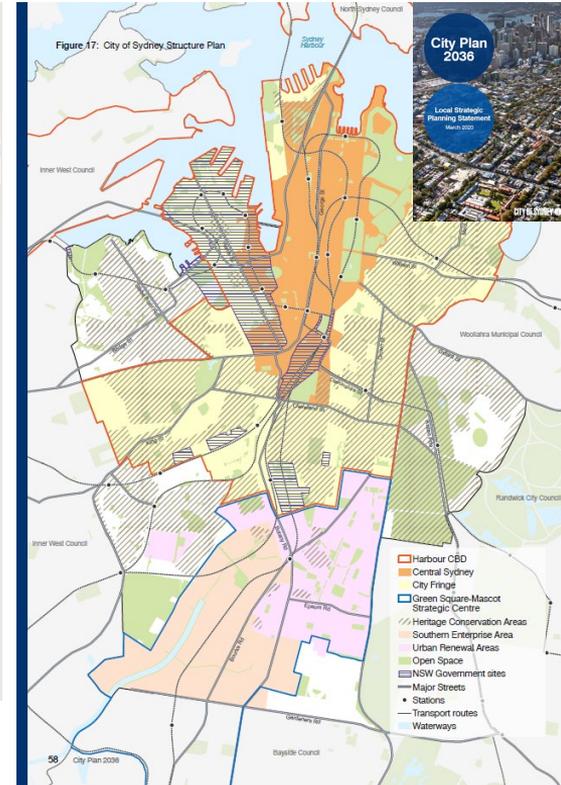
# long term planning for housing

# delivering housing



# planning for housing

## state and local strategic plans



# housing targets

## 5 year

- zoned land
- pipeline
- developer led
- limited strategic planning
- committed infrastructure

## 10 year

- re-zonings and strategic planning
- next 5 year pipeline
- planned infrastructure
- Government enabled

## 20 year

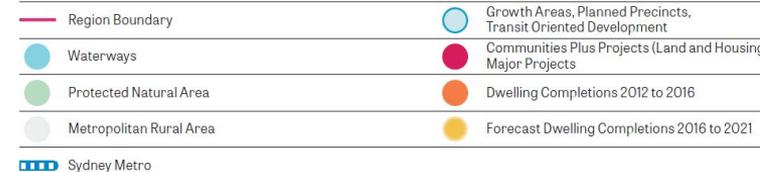
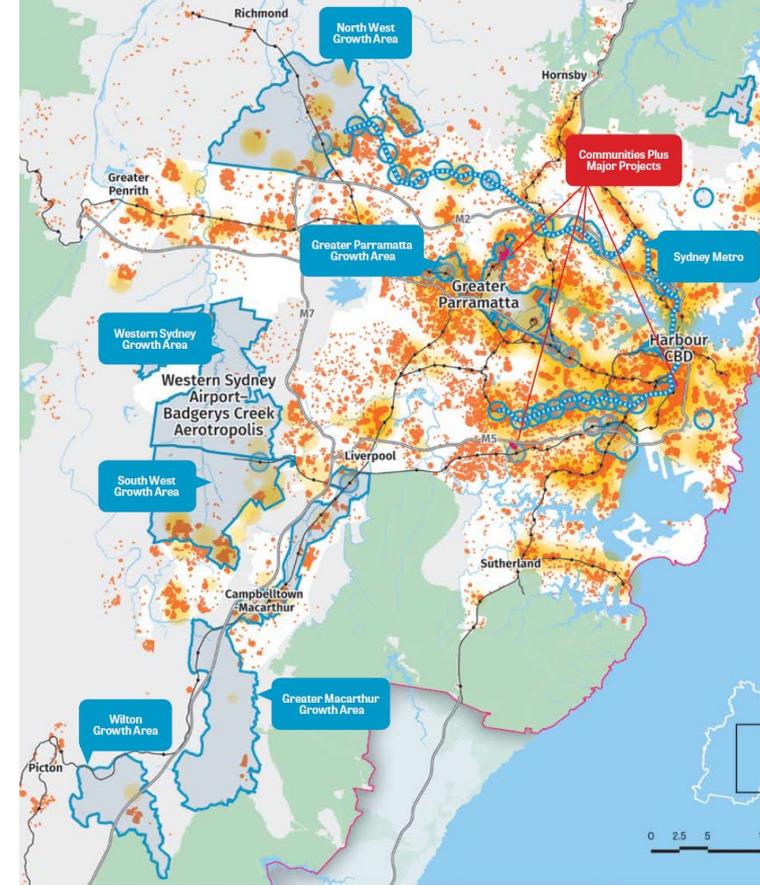
- long term infrastructure and strategic planning

# housing targets

## Sydney region 2016-2036

Table 3: Housing targets 2016–2036

District	0–5 year housing supply target: 2016–2021	20-year strategic housing target: 2016–2036
Central City	53,500	207,500
Eastern City	46,550	157,500
North	25,950	92,000
South	23,250	83,500
Western City	39,850	184,500
Greater Sydney	189,100	725,000



# housing targets

## Eastern District 2016-2036

Table 2: Eastern City District housing targets by local government area

LGA	0-5 year housing supply target: 2016-2021
Bayside	10,150
Burwood	2,600
Canada Bay	2,150
Inner West	5,900
Randwick	2,250
Strathfield	3,650
City of Sydney	18,300
Waverley	1,250
Woollahra	300
<b>Eastern City District Total</b>	<b>46,550</b>



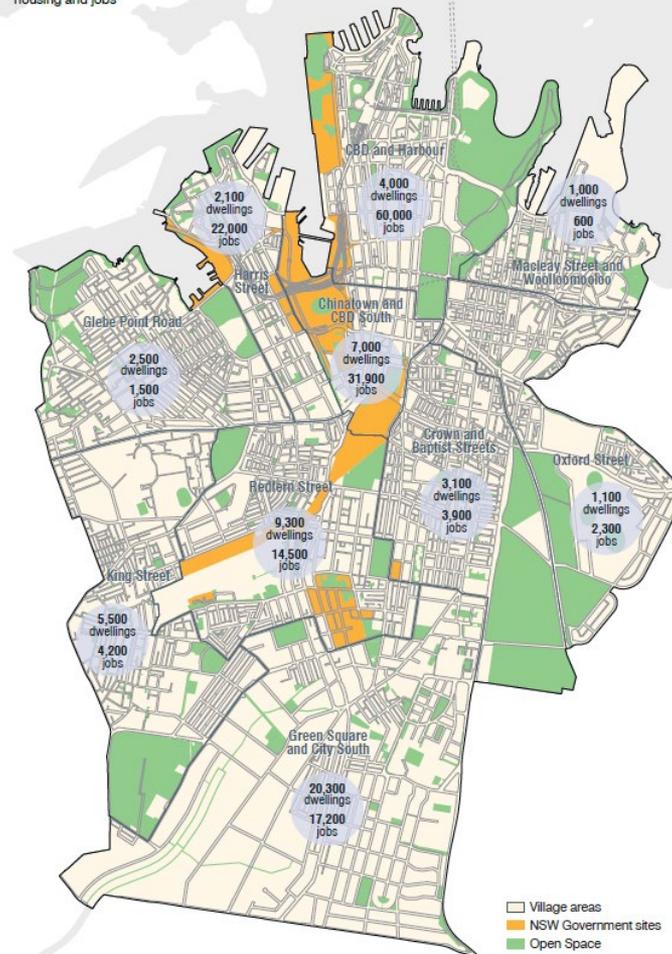
# housing targets

## City of Sydney 2016-2036

Table 4: Housing\* and jobs to 2036 (subject to market fluctuations)

Housing	Total 2016	2016–2021 (0–5 year) target	2022–2026 (6–10 year) target	2027–2036 (11–20 year) contribution	Total 2036
<b>Total private dwellings*</b>	105,860	+18,300	+14,000	+17,700	155,860
<b>private market</b>	95,309	+15,092	+10,792	+11,285	132,480
<b>affordable**</b>	835	+2,714	+2,714	+5,428	11,690
<b>social**</b>	9,716	+494	+494	+987	11,690
<b>Non-private dwellings**</b>	11,569	+2,575	+3,033	+392	17,569
<b>Total dwellings</b>	<b>117,429</b>	<b>+ 20,875</b>	<b>+ 17,033</b>	<b>+ 18,092</b>	<b>173,429</b>

Figure 16: Distribution of capacity for housing and jobs

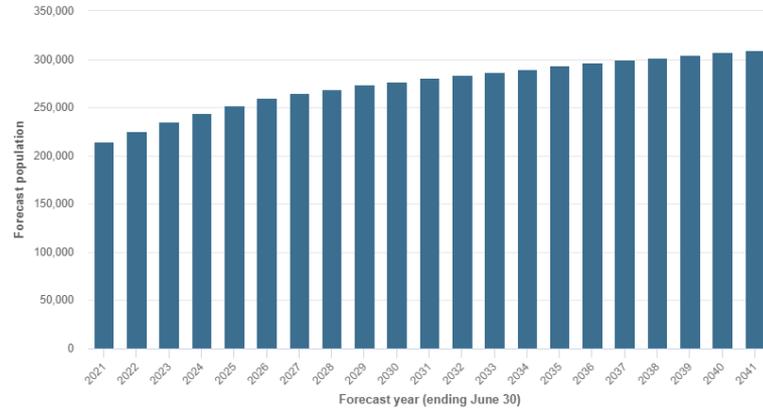


# setting targets

## forecasts and capacity

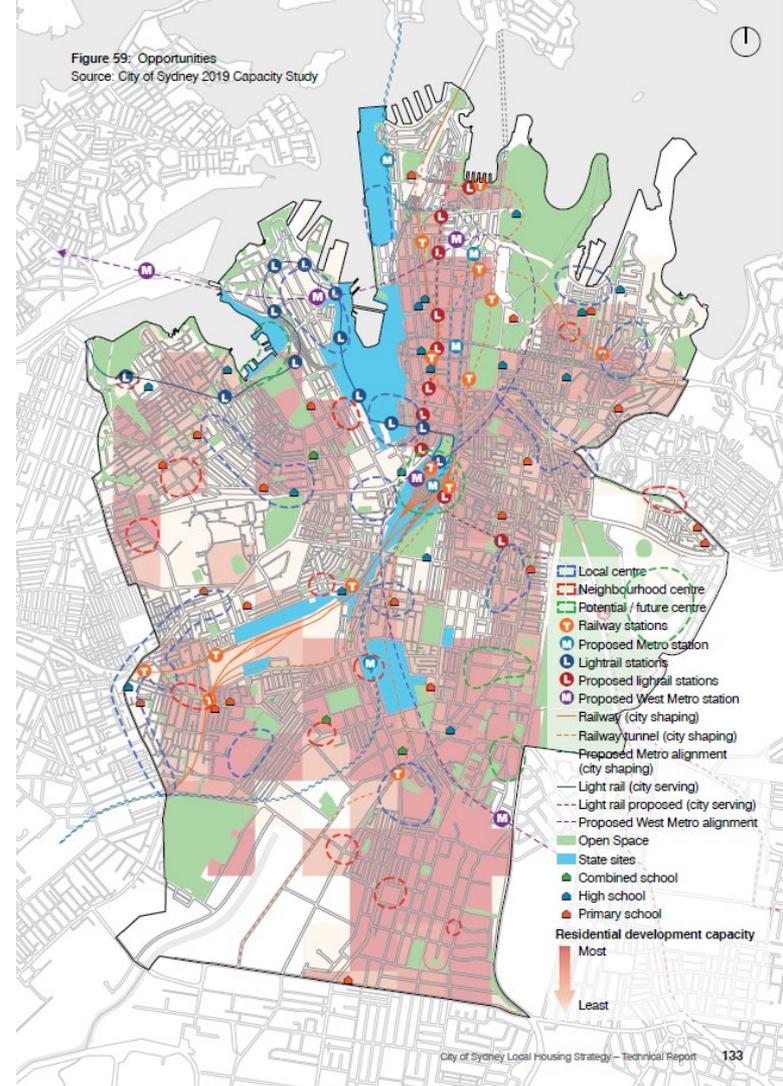
### Forecast population

City of Sydney



Source: Population and household forecasts, 2021 to 2041, prepared by id (informed decisions), November 2022.

Figure 59: Opportunities  
Source: City of Sydney 2019 Capacity Study



# City progress on targets

## Target

- 56,000 dwellings from 2016 to 2036 (50,000 private / 6,000 non-private)

## Delivered 2016 to 2023

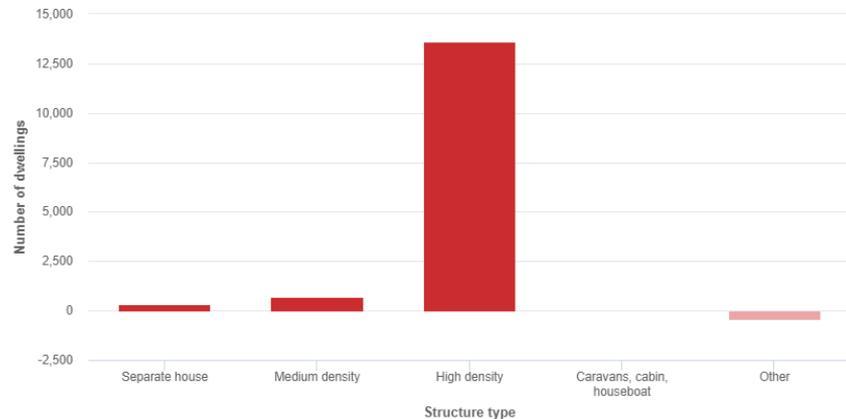
- 21,150 built
- 18,550 in pipeline (lodged, approved or under construction)
- 39,700 built and in pipeline

## After 7 years (of 20 year target)

- 38% of target built
- 71% of target built and pipeline

## Change in dwelling structure, 2016 to 2021

City of Sydney



Source: Australian Bureau of Statistics, [Census of Population and Housing, 2016 and 2021](#) (Enumerated data). Compiled and presented in profile.id by [id](#) (informed decisions).

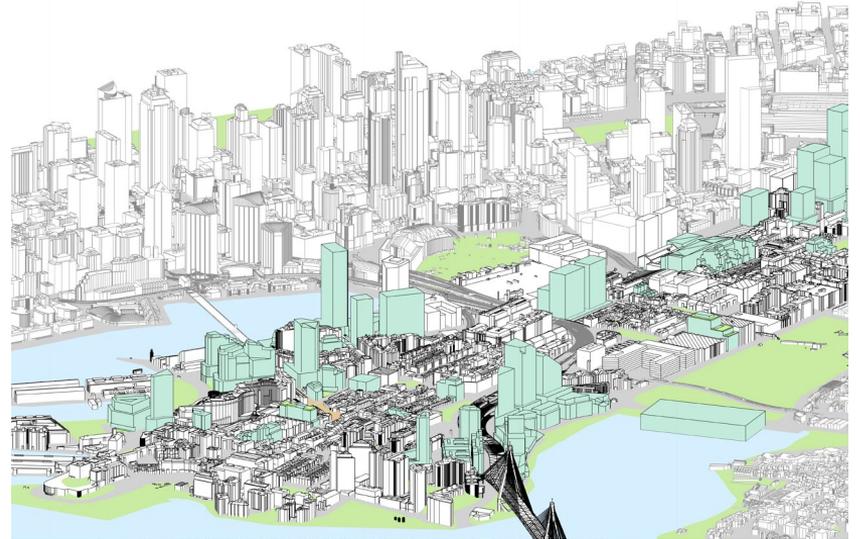
# additional zonings

## City of Sydney

- Pyrmont Ultimo
- Build to rent in Central Sydney
- Botany Road affordable housing

## NSW Government

- Blackwattle Bay
- Redfern North Eveleigh
- Homes NSW sites



# next steps

- Release of housing targets and Region Plan by NSW Government
- City review of local strategic planning statement (NSW Government approval)
  - capacity
  - housing
  - productivity
  - infrastructure
  - consultation
- Master planning, rezonings and infrastructure plans