

# Urban<sup>NSW</sup> Taskforce

23<sup>rd</sup> August 2007

The Hon. Frank Sartor, MP  
Minister of Planning, Minister for Redfern Waterloo  
Minister for the Arts  
Level 34 Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

Dear Minister

The NSW Urban Taskforce is concerned that young families looking for a larger apartment are being squeezed out of Sydney's inner suburbs by provisions of local council development control plans. These rules are preventing developers from building larger units with extra bedrooms to accommodate children.

Several inner Sydney councils have implemented controls limiting the number of three bedroom apartments that can be built. A schedule of some of these requirements is attached to this letter.

These councils appear to be 'protecting' their residents from living near families. Why should a local council be responding to residents who don't like hearing kids play?"

The City of Sydney restricts three or four bedroom apartments to eight per cent of new unit developments in Potts Point, Elizabeth Bay and Rushcutters Bay. In Camperdown they can only be 15 per cent of new developments. The City of Sydney's rules affect 24 suburbs and the central business district.

The shortage of three and four bedroom homes in these areas has started to squeeze renters, with local rents skyrocketing. For example, in the past year, rents for three bedroom homes across the Sydney metropolitan area increased by seven per cent, but in the City of Sydney rents shot up by 14 per cent (August 2007 NSW Department of Housing *Rent and Sales Report*).

While rental increases across the board are occurring for all dwelling types, the disproportionate rental increases for larger homes are indicative of the more than significant gap between demand and supply. The market is prevented from adjusting to address this shortfall by development control plans that say it is okay to build one or two bedroom apartments, but not three or four apartments. Inner Sydney should not be declared 'off limits' to families looking for larger sized homes. Homebuyers should have the right to choose the kind of home they want.

No rational justification exists for the continuation of such rules. For example, the rules applying to former South Sydney local government area explicitly state that the purpose of the rules are to preserve a social mix that existed in 1991. It may well be the case that a South Sydney apartment was not a popular choice for families sixteen years ago, but society (and the property market) have changed a lot in this time.

Many new families in the inner city cannot afford a detached house in the inner suburbs and, if they want stay in the area, must live in two bedroom apartments. Why should the social mix of 1991 be superimposed, by law, on a large part of the City of Sydney in 2007?

If a unit development, within a particular envelope, would be approved for a particular site, the council should not be in a position to dictate how many apartments are one, two, three or four bedrooms. Ultimately the developer has a better idea of what homebuyers are demanding than the council – local communities should be free to evolve based on the choices of homebuyers, rather than bureaucratic rules imposed by councils.

We're asking the State Government to intervene and remove these ridiculous restrictions as a matter of priority.

Yours sincerely  
**NSW Urban Taskforce**

Aaron Gadiel  
Chief Executive Officer

**Attachment:**

**Planning Controls mandating dwelling unit mix in residential buildings**

Council	Source Document	Planning Control Summary
<p><b>City of Sydney</b> (a) Sydney CBD</p>	<p>Central Sydney DCP 1996 – Section 6</p>	<p>The DCP requires that all residential development (excluding Serviced Apartment buildings) with more than 20 dwellings shall provide the following mix of units must have:</p> <p>Studio apartments Maximum of 15% 1 bed apartments Maximum of 30% 2 bed apartments Minimum of 40% 3+ bed apartments Minimum of 15%</p> <p>The mix of units can be varied at the discretion of the Council if an applicant can demonstrate to the Council's satisfaction that the mix of units is inappropriate for that development.</p> <p>Some flexibility in the unit mix is provided by the DCP by allowing the maximum percentage of 1 bedroom units to be increased above 30%, but only if the numbers of studio apartments and 1 bedroom units combined does not exceed 45% of the total units proposed.</p>
<p>(b) Former South Sydney LGA</p>	<p>The South Sydney Plan – Section D Social Planning Criteria</p>	<p>An objectives of the Plan in terms of Social and Housing Mix is:</p> <ul style="list-style-type: none"> <li>To ensure that a range of housing options is available in terms of building and dwelling type, affordability, and to maximise housing choice and maintain the cultural and socio-economic diversity.</li> </ul> <p>The performance criteria that this objective is measured against requires:</p> <ul style="list-style-type: none"> <li>Residential development to incorporate a mix in the type and configuration of dwellings and buildings.</li> </ul> <p>Specifically the Plan requires residential development to incorporate a mix of dwelling types that reflect ABS Census data. (See attached extract)</p>

Council	Source Document	Planning Control Summary
(c) Ultimo-Pyrmont	Ultimo-Pyrmont Precinct Urban Development Plan	<p>The Development Plan considers that a diverse range of housing types will result in diversity in the resident population, and enable people of different social and economic backgrounds to live in the Ultimo-Pyrmont area.</p> <p>To achieve this diversity all new residential development containing more than 20 dwellings must include the following unit mix ratio:</p> <ul style="list-style-type: none"> <li>• no less than 15% of new dwellings should be 3+ bedrooms,</li> <li>• a minimum of 15% one to be provided, and</li> <li>• a minimum of 15 % two bedroom apartments are to be provided.</li> </ul>
<b>Leichhardt Council</b>	Leichhardt Local Environmental Plan 2000	<p>Clause 19(6) of the LEP requires that consent must not be granted for a residential development for 4 or more dwellings, unless the development provides a mix of dwelling types as follows:</p> <ul style="list-style-type: none"> <li>• Minimum 25% bedsitter or one bedroom dwelling</li> <li>• Maximum 30% three or more bedroom dwelling</li> </ul>
<b>Lane Cove Council</b>	Residential Zones Development Control Plan	<p>The DCP applies to residential development in all residential zones within the Lane Cove local government area.</p> <p>In relation to Villa developments the DCP states:  <i>Council will only give development consent to applications in which a minimum of two-thirds of individual villa homes contain two bedrooms or less.... No villa home capable of containing more than three bedrooms is permissible.</i></p>
<b>North Sydney Council</b>	North Sydney Development Control Plan 2002	<p>The DCPR mandates a fixed dwelling yield calculated by reference to the gross site area. The Yield formula creates a bias towards smaller sized apartments.</p> <p>The also DCP advises that the Council considers that a range of residential accommodation, is needed to house a diverse population in North Sydney.</p>

Council	Source Document	Planning Control Summary
		<p>To achieve this the DCP requires new multi-unit developments to provide a mix of dwelling sizes. The DCP requires, where possible, at least two of the following dwelling types–</p> <ul style="list-style-type: none"> <li>• studio;</li> <li>• one bedroom;</li> <li>• two bedroom; and</li> <li>• three bedroom</li> </ul> <p>to be provided in all multi unit development.</p>
<b>City of Ryde</b>	Ryde Development Control Plan 2006	<p>Section 3.4 of the DCP sets the controls for the development of residential flat buildings. The DCP requires that the number of small dwellings in a residential development on an allotment of land must not be more than 50% of the total dwellings on that land.</p> <p>A small dwelling would generally be considered to be a one-bedroom unit.</p>
<b>Mosman Council</b>	Residential Development Control Plan	<p>An objective of the DCP in relation to multiple dwelling development is to have a diversity of household dwelling types.</p> <p>The planning guidelines in the DCP to achieve this aim require that multiple dwelling developments should provide for a variety of dwelling types being one, two, and three bedroom apartments.</p>