

19 August 2013

Ms Lara Kirchner
The General Manager
Botany Bay City Council
PO Box 331
Mascot NSW 1460

Email: council@botanybay.nsw.gov.au

Dear Ms Kirchner,

Draft Botany Bay Development Control Plan 2013

The Urban Taskforce understands that the draft Botany Bay Development Control Plan 2013 ("the draft plan") is a comprehensive development control plan that has been drafted to consolidate and replace all the existing plans and policies that apply to the majority land within the City of Botany Bay. We generally support efforts made by councils to consolidate plans, thereby removing some of the complexity from the planning process. We also see great value in this process as it often results in a review and refinement of development controls. However, upon review of your draft plan, a number of proposed controls raise serious concerns. In particular we do not support:

- minimum residential apartment sizes, particularly the suggestion that they should exceed the rules of thumb contained in the Residential Flat Design Code;
- the prescription of apartment mix as this will limit the developers ability to respond to market demand; and,
- the proposed car parking rates as they are considered to be excessive and exceed Roads and Maritime guidelines;

If the Botany Bay Development Control Plan was to maintain such development controls, the Council would be promoting the increase in housing cost and ensuring a reduction in housing supply. Our concerns with the draft plan are detailed further below.

1. Botany is facing a rental affordability crisis

Escalating housing costs are impacting on those who wish to purchase and also those who wish to rent homes. Rental costs are growing at an alarming rate in the inner and middle ring suburbs of Sydney, but most significantly in the Botany Local Government Area. With an annual increase in medium rental cost for two bedrooms apartments of 34.9 per cent, Housing New South Wales' most recent Rent and Sales report indicates that Botany has experienced the most dramatic increase in rental costs. This is significantly higher than any other local government area in the Sydney Metropolitan Region and is significantly higher than the state average of 3.8 per cent increase in rental costs.¹

This clearly indicates a shortage in rental accommodation to meet demand in Botany. In this environment the Council should be encouraging the supply of affordable housing, not

¹ Housing NSW - Rent and Sales Report Issue 104 - Rent tables June Quarter, 2013.
http://www.housing.nsw.gov.au/NR/rdonlyres/4E7C6350-8268-417A-85E6-7AD806497477/0/Rent_Report104_13q2.xls.

introducing development controls that will restrict supply and/or make the production of new housing more costly.

2. Local development controls must not be more onerous than State Government Policy

The draft plan states that multi dwelling and residential flat dwelling developments are to have the following minimum internal areas:

Studio:	60m ²
1 bedroom:	75m ²
2 bedrooms:	100m ²
3 bedrooms:	130m ²
4 bedrooms:	160m ²

The justification provided by Council is that larger apartments equate to better amenity. However, this does not account for design and locational advantages. Amenity is not simply a function of apartment size, it is dependent of the design, orientation, and location of the apartment development. There are many examples of apartment developments in accessible locations that are much sought after with apartment sizes significantly less than those required by Council. In fact, insisting on overly generous apartment sizes will potentially force the developer to cut costs in other areas in the interest of providing a product that can be afforded by the local market. If the developer is unable to find savings, then the development proposal becomes unfeasible and simply does not occur. This means no new housing and no urban renewal in the city of Botany Bay.

As Council would be well aware, the Residential Flat Design Code "suggests" apartment sizes. While we are of the view that there should be no need for government to regulate such matters, the apartment sizes in the Code are in some respects more reasonable than those stated in the draft plan. For instance the rule of thumb in the Code for a:

- one bedroom apartment is 50sqm while the draft DCP calls for a 50 per cent increase to 75sqm;
- two bedroom apartment is 70sqm while the draft DCP calls for a 43 per cent increase to 100sqm; and,
- three bedroom apartment is 95m² while the draft DCP calls for a 37 per cent increase to 130sqm.

These increased minimum apartment sizes if accepted by the development industry will certainly guarantee that future housing development in the City of Botany Bay becomes unaffordable to the vast majority of the existing community. Adopting apartment sizes such as these represents a concerted effort on the part of the Council to push the existing local community out of the area or stifle development altogether.

Notwithstanding any of the above, State Environmental Planning Policy No 65—Design Quality of Residential Flat Development clearly states that:

30A Standards that cannot be used as grounds to refuse development consent for residential flat buildings

(1) A consent authority must not refuse consent to a development application for the carrying out of residential flat development on any of the following grounds:

- (b) apartment area: if the proposed area for each apartment is equal to, or greater than, the recommended internal area and external area for the relevant apartment type set out in Part 3 of the Residential Flat Design Code.

Therefore, Councils controls in relation to minimum apartment size are unenforceable and should be abandoned.

3. **Flexibility in apartment mix is essential**

If Council wants to frustrate development and further reduce dwelling numbers, it will continue with the implementation of controls that regulate apartment mix within residential apartment development. The proportion of dwellings with 1, 2 and 3 bedrooms within a development must be determined by the market, not Council regulation that demonstrates little or no understanding of market forces. This approach does not recognise that if there is a genuine demand for a particular size of dwelling, then the development community will deliver the product.

Even the SEPP 65 Residential Flat Design Code acknowledges that there is a need to consider the fact that dwelling variety may not always be possible and that apartment mix must be refined by considering population trends in the future as well as present market demands.²

Council must cease unsophisticated attempts to influence the market but rather focus on ways that it may increase supply of dwellings. All types of dwellings, from the single room studio, to one, two and three bedroom dwellings need to be considered as a means of improving housing supply and the developer must be able to provide the appropriate product at a time and location where there is demand.

We live in a market driven economy and unless there is a genuine demand for a product it will not be produced. The development industry is no different.

The Botany Bay DCP should not seek to regulate apartment mix.

4. **Flexibility in parking provision is essential**

Setting appropriate minimum car parking rates requires careful consideration. As we move to more urban living the reliance on blanket car parking rates becomes increasingly irrelevant. Blanket car parking rates do not effectively consider proximity to other transport options or housing affordability. That is, consumers may well accept an apartment well serviced by public transport, within easy walking distance to shops without an allocated car parking space in return for a cost saving. Some who decide on a two or three bedroom apartment may not need two car parking spaces and would also appreciate a cost reduction in return for a reduction in car parking.

We understand that Council's proposed minimum parking rates for multi unit dwellings and residential flat buildings are:

- 1 space / studio or one (1) bedroom dwelling;
- 2 spaces / two (2) or more bedrooms dwellings; and
- 1 designated visitor space / 5 dwellings.

We argue that these rates are excessive, particularly when compared to the Roads and Maritime Guidelines which recommend a minimum number of off street resident parking spaces for high density residential flat buildings (having 20 or more dwellings) is as

- 0.6 spaces / 1 bedroom unit
- 0.9 spaces / 2 bedroom unit
- 1.4 spaces / 3 bedroom unit
- 1 space per 5 units (visitor parking)

² NSW Department of Planning, 2002. *Residential Flat Design Code*. p. 70.

The draft plan car parking rates are considered to be excessive and will add further to the cost of housing. Setting unrealistically high levels of car parking, can effectively sterilise the development potential of land. Furthermore, excessive car parking requirements are not consistent with government policy that seeks to encourage higher density development in accessible locations, expressly to reduce the reliance on the private motor vehicle. In fact, the Metropolitan Strategy for Sydney and the Long Term Transport Master Plan seek to encourage actions to reduce car travel and improve public transport services. DCPs with excessive car parking requirements would frustrate these policies. It should be noted that doubling of density will reduce the number of cars and vehicle miles travelled per household by 25 per cent.³

Council's DCP should set minimum car parking requirements in line with RMS guidelines and also permit the applicant to suggest an alternative car parking scheme supported by expert traffic advice.

5. The planning system must support growth and housing

All predictions strongly suggest that the Metropolitan Region will grow significantly over the next thirty years. This growth will be particularly experienced within the existing urban areas such as Botany Bay. In this regard, the Metropolitan Strategy says that by 2031 our population will grow by 1.3 million people and that we will need to provide 545,000 more houses. We should expect that given the right circumstances that Sydney's growth rate will lift to be more in line with other major cities such as Melbourne meaning that even more housing will need to be provided, particularly in areas such as Botany.

The metro strategy says that:

..... minimum housing targets have been set for 2021. These shorter-term targets will drive greater accountability of State and local government to support the growing housing needs of Sydney.

Council should be showing leadership by ensuring that its planning controls actually assist in meeting housing targets set in the Metropolitan Strategy.

Understanding market demand and providing an environment to meet demand are also acknowledged in the Metropolitan Strategy. The Metropolitan Strategy says:

.....deliver more and different types of housing across the city in line with employment and infrastructure and market demand.

..... a growing preference for housing and apartment living in existing urban areas, close to other suburbs and with good services.

Given that approximately 28 per cent of all private dwellings are now apartments with terraces and townhouses making up approximately an additional 13 per cent of housing stock, there must be a recognition that the market is seeking out apartment and medium density housing within existing suburbs that provide good access and amenity.

Sydney needs a greater number of smaller dwellings to meet the changing population and market demand. Unfortunately, Botany Bay Council's draft plan is not supporting housing affordability, choice and market feasibility.

Council must abandon development controls that require excessive apartment size and excessive provision of car parking. Furthermore, Council's controls should not seek to regulate apartment mix. Apartment mix should be in response to market requirements, not regulation.

³ Leck, E., 2006, The Impact of Urban Form on Travel Behaviour: A meta-Analysis. *Berkeley Planning Journal*, Vol. 19, pp. 37-58.

We offer these comments as an industry perspective of the implications of adopting some of the key controls contained in the draft plan. Should Council proceed with the adoption of the draft plan as exhibited, the impact will be continued housing supply shortages and unaffordability within the Botany Local Government Area. We urge the Council to reconsider its position on minimum apartment size, apartment mix and car parking provision. In this regard, Council should not:

- seek to set minimum apartment size greater than those set by the Residential Flat Design Code;
- prescribe apartment mix; and,
- seek to impose car parking rates greater than guidelines set by Roads and Maritime services.

I would welcome the opportunity to discuss our concerns with you.

Yours sincerely

Urban Taskforce Australia

A handwritten signature in blue ink, appearing to read 'Chris Johnson', with a long horizontal flourish extending to the right.

Chris Johnson AM
Chief Executive Officer