Introduction

A stronger emphasis on achieving efficient use of existing urban areas where small, medium and large centres enjoy good access to services, jobs and public transport is critical for making Sydney a sustainable, affordable, liveable and equitable city. With Sydney’s population projected to grow by 1.7 million to almost 6 million people by 2036, providing suitable housing in the right locations is a strategic direction of this Metropolitan Plan.

The 2005 Metropolitan Strategy focused on the establishment of Sydney’s North West and South West Growth Centres to accommodate Sydney’s needs for new housing in greenfield areas. The development of the Growth Centres will continue to 2036 and beyond to help meet Sydney’s housing needs, but will be coupled with a stronger emphasis on achieving the most efficient use of existing urban areas where small, medium and large centres enjoy good access to services, jobs and public transport.

Well designed medium density development centres of all sizes will improve urban amenity, stimulate local economies and deliver new, energy efficient homes more suited to Sydney’s changing population profile.

ENOUGH HOUSING

Although Sydney’s population is projected to grow by 40 per cent by 2036, the average household size will fall from 2.6 to 2.5 people, creating demand for more—but smaller and more affordable—homes. As a result, Sydney will need 770,000 additional homes by 2036—a 46 per cent increase on the current 1.68 million homes. (Department of Planning 2008a)

More than 93,000 extra dwellings were added to the Sydney region’s total in the five years since City of Cities, with 86 per cent in the existing urban area and 14 per cent in new release areas.

Housing production in new release areas has been well below expectations in recent years, while new housing in existing urban areas has almost reached expected levels. Many of the actions in Housing Sydney’s Population, therefore, seek to deliver more housing to keep pace with population growth and address housing affordability.
Aim to locate 80% of all new housing within walking distance of centres of all sizes

APPROPRIATE LOCATION FOR HOUSING

The location of new housing is a valuable opportunity to address issues such as congestion, health, urban renewal, social and economic participation, public amenity and choice. A key action of this Plan is the aim to locate 80% of all new housing within walking distance of centres of all sizes with good public transport (refer to Action B1.3 in Growing and Renewing Centres). The focus will be on all types of centres (refer to Appendix 5), but particularly the numerous local centres with access to transport and infrastructure that have experienced low levels of renewal over the past 10 years. Relevant LEP proposals will need to support this principle. This will reduce car dependence and make walking, cycling and public transport more viable to more residents.

Compact cities with pedestrian friendly streets, good access to public transport and a wide variety of services and amenities tend to be more accessible, environmentally efficient and cost effective. Areas with high accessibility and amenity are better suited for higher density living. The areas within walking distance of shops, services and public transport are termed centres—the size of the walking catchment and scale of a centre will vary. Each centre is unique and local councils will ultimately set height and design requirements; however, as a broad policy approach:

- all centres would have a minimum level of medium density, with low density reserved for heritage or physically constrained areas
- smaller local centres are suited to low–medium rise medium density housing, and
- larger local and Strategic Centres such as towns, Major Centres and regional cities are suited to medium–high rise medium–high density, with some low rise medium density in the outer parts of the walking catchment

This approach must adjust over time as many centres will grow into a different type of larger centre. Renewal in some centres will also be staggered in instances to suit infrastructure capacity, market conditions and avoid developing an area in a way that prevents a better outcome at a future date when it becomes viable.

If new high density residential development is proposed outside the walking catchment of an existing centre, a new centre may be created with a matching level of services, amenities and public transport servicing (refer to Growing and Renewing Centres Actions B3.1 and B3.6 and Planning for new neighbourhood centres near schools).

Other focus areas to ensure new housing is located in the most appropriate places is to avoid planning residential development adjacent to busy roads and freight routes (refer to Actions G7.2 and G8.1 in Tackling Climate Change & Protecting Sydney’s Natural Environment and strategic freight transport Action B2.4 in Transport for a Connected City and Action E6.4 in Growing Sydney’s Economy).

FIGURE D2
HISTORIC SYDNEY REGION INFILL DWELLING PRODUCTION SHARE: ANNUAL AND LONG-TERM AVERAGE DWELLING PRODUCTION
APPROPRIATE HOUSING TYPES

By 2036, one in six people in Sydney will be aged 65 or more, compared to one in eight now. This is driving a growing trend towards smaller households, in particular single person households which are expected to increase by 69 per cent.

About 60 per cent of homes in Sydney are detached suburban houses. Only about 40 per cent are units, terrace housing, semis and low, medium and high rise apartments more likely to suit the needs of smaller households (ABS, 2006a).

Innovative new housing is needed across the city to provide a well designed mix of types, tenures, prices, sizes, room mix and shapes. Sydney will require significantly more medium density, low-medium rise homes in the right locations.
FIGURE D5
EXISTING HOUSING DENSITIES ACROSS SYDNEY
SOURCE: ABS, 2006 CENSUS OF POPULATION AND HOUSING
NOTE: SHADING IS GENERALISED TO CENSUS COLLECTION DISTRICT LEVEL
<table>
<thead>
<tr>
<th>Occupation</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Worker (Advanced, Qualified)</td>
<td>$49,000</td>
</tr>
<tr>
<td>Registered Nurse (8 Years)</td>
<td>$69,400</td>
</tr>
<tr>
<td>Police Sr. Constable (5 Years)</td>
<td>$78,000</td>
</tr>
<tr>
<td>Teacher (Step 13)</td>
<td>$81,600</td>
</tr>
</tbody>
</table>

### Median House Purchase and Rental versus Sydney Median Household and Key Worker Incomes 2009–10

<table>
<thead>
<tr>
<th>Home Sale Prices Across Sydney 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: RP Data (all dwellings including detached houses, semi-detached houses, townhouses and units)</td>
</tr>
</tbody>
</table>

- **$235–355K**
- **$355–445K**
- **$445–555K**
- **$555–750K**
- **$750–985K**

### ANNUAL INCOME REQUIRED FOR HOUSING TYPES

- **$69,249** Median Household Income
- **$65,867** Median Strata Home Rent
- **$72,000** Median Strata Apartment Rent
- **$90,896** Median Detached Home Purchase
- **$114,816** Median Detached Home Purchase

### AVERAGE INCOMES OF KEY WORKERS

- **$49,000** Child Care Worker (Advanced, Qualified)
- **$69,400** Registered Nurse (8 Years)
- **$78,000** Police Constable (5 Years)
- **$81,600** Teacher (Step 13)
HOUSING AFFORDABILITY

The NSW Government recognises the need to improve the availability of affordable housing for households on low to moderate incomes. In recent years, dwelling costs have risen sharply in every Australian capital and most global cities. A consequence of Sydney’s status as a global city is high demand for housing from skilled workers pushing up house prices and rents.

Poor housing affordability impacts hardest on those on low and moderate incomes, who comprise more than half of Sydney’s households. Figure D7 highlights the importance of providing housing choices that match median household incomes and key worker incomes in Sydney. Renting is also difficult for local and overseas students. The mix of new housing to 2036 should accommodate students by including lower cost housing and hostels near education institutions and within walking distance of other centres to ensure convenience for those without cars and to capture the vibrancy of student life and enliven centres.

There are several ways to measure housing affordability and stress. One definition of housing stress measures households in the lower 40 per cent of income distribution paying more than 30 per cent of their income on mortgage repayments or rent. Under this definition, 29.6 per cent of households in the Sydney Statistical Division experience housing stress (Tanton et al. 2008).

It is noted that:

- Only 4.8 per cent of Sydney’s rental stock was affordable for very low income households and 18.6 per cent was affordable for low income households (Housing NSW 2010)
- Sydney’s rental vacancy rate was 1.1 per cent (REINSW 2010)
- The number of households has been rising at a greater rate (46 per cent) than the population (40 per cent) (Housing NSW 2010)
- There has been a steady decline in the growth rate of rental properties (0.6 per cent at the end of the September 2008)
- Lower cost stock is often occupied by moderate and higher income households, who can outbid lower income households, particularly in a tight rental market, and
- Sydney leads Australia’s capital cities in stock shortage, with one affordable and available dwelling for every 15 very low income households (Wulff et al. 2009)
- More affordable housing is needed in appropriate locations across Sydney. It is essential that existing numbers of affordable and moderately priced homes are maintained when areas undergo renewal.

Broader housing initiatives in this plan, such as promoting small dwellings in the existing urban area, will contribute to better affordability if there is a plentiful supply of lower cost homes and more housing generally.

STUDENT HOUSING
GOOD DESIGN

Local communities often criticise poor quality housing and a lack of attention to good urban design. Better designed medium and high density development that makes the most of the location with interesting active street frontages is vital to ensure the character and appearance of places is improved and maintained. Measurable benefits will also be delivered to the environment through BASIX compliant construction and to residents through enhanced amenity. Good design for higher density housing should focus on increasing densities without compromising the amenity of existing properties and contributing to a high quality urban domain.

DELIVERY

Local Environmental Plans (LEPs) are crucial to delivering the Metropolitan Plan. In particular, LEPs allow the achievement of housing targets by providing an adequate supply of serviced land suitable for housing development and, where appropriate, densification.

The role of the NSW Government through the Sydney Metropolitan Development Authority (SMDA) and the application of the Urban Renewal State Environmental Planning Policy will also be important in delivering the Metropolitan Plan’s housing component (refer to Delivering the Plan and Strengthening and Renewing Centres).

Major projects with regional or state significance and residential projects over $100 million will continue to be assessed under Part 3A of the Environmental Planning and Assessment Act 1979. These projects can play an important role in meeting future housing needs.

The Affordable Rental Housing SEPP and Exempt and Complying Development Codes also assist meeting Sydney’s housing needs by expanding opportunities to develop affordable medium density housing in accessible locations and by improving investment certainty and reducing delay in the development of quality low and medium density housing.
### COMMON HOUSING TERMS

<table>
<thead>
<tr>
<th>BUILDING HEIGHT</th>
<th>RESIDENTIAL DENSITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Rise</strong></td>
<td><strong>Low Density</strong></td>
</tr>
<tr>
<td>3 storeys or less. Includes terraces, townhouses, shop-top housing, semi-detached housing and small residential flat buildings</td>
<td>Fewer than 25 net dwellings per hectare. This only includes the number of dwellings within land zoned for housing, not land for open spaces, roads etc</td>
</tr>
<tr>
<td><strong>Medium Rise</strong></td>
<td><strong>Medium Density</strong></td>
</tr>
<tr>
<td>4 to 5 storeys. Includes residential flat buildings and shop-top housing</td>
<td>Between 25 to 60 net dwellings per hectare</td>
</tr>
<tr>
<td><strong>High Rise</strong></td>
<td><strong>High Density</strong></td>
</tr>
<tr>
<td>6 storeys or more. Includes residential flat buildings, shop-top housing and large mixed use developments such as offices and shops with housing above</td>
<td>More than 60 net dwellings per hectare. High density living does not necessarily mean 'high rise'. There are many development forms that result in medium and high density which are low or medium rise.</td>
</tr>
</tbody>
</table>
OBJECTIVE D1
TO ENSURE AN ADEQUATE SUPPLY OF LAND AND SITES FOR RESIDENTIAL DEVELOPMENT

ACTION D1.1
Locate at least 70 per cent of new housing within existing urban areas and up to 30 per cent of new housing in new release areas

At least 70 per cent of new dwellings (about 540,000 homes) by 2036 will be within existing urban areas of Sydney and the Central Coast, focused around centres served by public transport. Comprehensive LEPs for the 41 metropolitan councils will need to set the land use zoning pattern for Sydney to achieve this outcome.

This approach is confirmed by the Centre for International Economics whose analysis indicated the most beneficial urban form for Sydney would be achieved by locating at least 70 per cent of new housing within the existing urban area. Greenfield development will continue to play a significant role in meeting Sydney’s long-term housing needs, providing up to 230,000 homes in well-planned new precincts.

ACTION D1.2
Reflect new subregional housing targets in Subregional Strategies and Local Environmental Plans, and monitor their achievement

This Metropolitan Plan updates subregional housing targets, moving the timeframe to 2036 (refer Table D1 and Figure D8). Revised subregional strategies will include updated Local Government Area targets. The targets represent a shift towards more homes in established areas compared with the 2005 Metropolitan Strategy. This ratio will be re-assessed as part of the Metropolitan Plan’s five yearly review in response to new information and analysis (see Actions I.7.2 and I.7.3 in Delivering the Plan). Long-term housing targets will be closely monitored against performance and research will continue on the drivers of housing demand.

All councils will incorporate the Plan’s targets and strategic directions into their LEPs at the first opportunity. These targets represent a minimum and councils are encouraged to plan for higher capacity where appropriate. Other related actions, such as market testing the feasibility of development controls are found in Delivering the Plan Action I.4.3.

The Department of Planning will use the METRIX Subregional Planning Tool as part of long-term planning for housing across Sydney. The Department will assist councils to annually upload their long-term housing strategies and estimates into the tool. The METRIX 30 year time horizon for local governments’ housing distribution estimates complements the current 10 year MDP forecasting. The Department of Planning’s Metropolitan Development Program will continue to monitor housing production against housing targets and report annually on delivery.
Housing targets were calculated after considering household and dwelling projections, demographic and economic trends, land capacity, infrastructure and feasibility. A key guiding factor for distributing new housing targets is the subregional jobs to population ratio. This broadly indicates a city’s efficiency in terms of work travel distances and local employment opportunities. Using this ratio to guide land use ensures integration with transport and links decisions about housing to the State Plan’s ‘more jobs closer to home’ aim.
At the 2006 Census, most of Sydney’s homes were still detached houses (61 per cent), although the share has been declining over the previous 10 years. In the five years to 2008–09, three-quarters of all new dwellings were multi-unit homes (Department of Planning 2010a).

There has also been a shift from separate houses to other dwelling types (flats, semi-detached, terrace and townhouses) by couple families between 1996 and 2006, as well as a small rise in the proportion of detached houses occupied by people living alone, with half aged 60 or older. This suggests many older people prefer to stay in the family home near their existing family and social networks, rather than downsize elsewhere.

One and two person households will be the most common by 2036. Therefore, more medium density development and smaller, affordable dwellings should be allowed to assist young families and older residents stay in their communities.

Houses Are Growing
New homes in Sydney are getting bigger overall. Between 2001 and 2006, the number of homes with four or more bedrooms grew by 14 per cent while the number with less than four bedrooms remained about the same (as smaller detached homes often make way for new development).

Smaller dwellings are more affordable, sustainable and best suit expected future demographics. It is important for the industry to deliver attractive smaller homes and for the community to want them. The Government encourages design innovation to produce more sustainable housing types for the public to see and experience such as row houses, duplexes, townhouses, courtyard homes and a range of apartments.

International Comparison
In 2008–09, the typical new Australian home was 215 m², a 10 per cent increase in a decade. The average home size in the USA is 202 m² whilst Denmark has the biggest average homes in Europe at 137 m² and Britain the smallest at 76 m² (ABS 2009).
ACTION D2.1
Ensure local planning controls include more low rise medium density housing in and around smaller local centres

Detached homes in areas outside the walking catchment of any centre will continue to be an important part of Sydney’s housing stock. New apartment blocks in larger centres (usually towns or Strategic Centres) will also be a significant component of future housing.

However, low rise medium density development is particularly encouraged around Sydney’s many smaller local centres because it:

• is less expensive to build
• does not need major site by site amalgamation of land
• performs better environmentally than most high rise housing (Holloway and Bunker 2006; Pullen 2007)
• can deliver more affordable homes
• fits into existing streets, and
• suits a wide range of demographic groups

A suite of measures is needed to ensure planning controls allow more housing of this type. Specific measures to streamline the planning and approval process for suitable low rise medium density housing include:

• Extending SEPP 65 Design Quality of Residential Flat Development to include quality criteria and advice for low rise medium density housing types such as townhouses and villas. This may include codes for precincts established by the Sydney Metropolitan Development Authority

• Faster assessment of:
  — well-located new medium density housing development. Attached dwelling types such as terraces, semi-detached, townhouses and innovative housing types for different contexts up to three storeys will be considered for complying development status in expanded Housing Codes where development meets preconditions including consistency with approved structure plans/master plans
  — low rise housing on small lots in accessible areas where a higher form of density is unlikely to be desired in the foreseeable future. Housing on smaller lots can be integrated in low density areas and, if well designed, can achieve good amenity and liveability for both the occupants of the new housing and their neighbours

• Facilitating:
  — higher occupation of existing dwellings by allowing alterations to increase occupancy rates in an economically feasible way; and
  — well-located secondary dwellings (also known as granny flats) which have an important role providing low-cost accommodation. Used to house a family member or rented out for extra income, secondary dwellings can use spare backyard space and lofts over garages without requirements to provide any additional parking.
ACT Action D2.2
Adopt a program examining how to achieve the Federal Government’s targets for disability-friendly housing

Housing designed to be accessible or easily modified to suit the needs of people with a disability and older people provides greater choice about where they may live, and more opportunity for visiting friends and family. Like others in the community, they value security of tenure, affordability (including maintenance) and dwelling suitability.

In 2003, there were 1.2 million people with a disability in NSW with 38 per cent were 65 or older (ABS 2004). The proportion of people in Sydney aged 65 or more is expected to grow from 12 per cent to 18 per cent by 2036 (Department of Planning, 2008a).

Universally designed homes—those that meet the changing needs of occupants across their lifetimes, as they age or acquire a disability—give people greater independence and choice about where they live. Housing NSW has adopted these standards for all new housing constructed or modified since 2009 (Towards 2030). Some Sydney councils also have provisions for universal design requirements in their DCPs.

The State Environmental Planning Policy (Housing for Seniors or People with a Disability) aims to increase the supply of homes tailored to the needs of older people and people with a disability and establishes an assessment framework which replaces local planning controls that may not allow such development. The SEPP also ensures housing for seniors is located near shops, banks and other retail, community services and recreation facilities, a medical practitioner and a reasonable public transport service.

Individual developments should recognise and accommodate an ageing population. The surrounding environment should also enable people to easily access services and allow them to visit friends and family, shopping centres, places of worship, medical centres, libraries and so on.

LEPs must allow appropriately located and sufficient housing for seniors and people with a disability. New housing and public facilities should be more accessible, aiming for:

- at least 10 per cent of all new multi-unit residential development to be adaptable for use by people with a disability
- all new multi-unit housing to have wheelchair accessible entry with accessible paths of travel to the living area and suitable bathroom fittings, and
- an aspirational target that all new homes should be built to disability-friendly Liveable Housing Design standards by 2020 (Shorten 2010).

ENSURE CONSISTENT PLANNING CONTROLS IN LEPs AND DCPs

LEPs should be complemented by DCPs; both need to allow for more development potential than demanded at any one time. Although the current zoned land in existing areas across Sydney has theoretical potential to deliver much of the housing needed, the greater challenge is to ensure enough housing is actually built and more new development takes place in centres, well designed and matched with appropriate infrastructure and services.

Urban design quality is most commonly addressed through the DCPs prepared by local councils. DCPs should reflect the Metropolitan Plan objectives. They will not conflict with LEPs or have requirements that render the controls set out in LEPs unachievable.

Planning Reform Fund grants can be utilised by councils to support work in their centres matching this. The fund aims to support the development and implementation of reforms to the planning system. The criteria for the latest funding round has broadened to include the strategic directions of the Metropolitan Plan, favouring projects that plan for more residential sites within centres, include a diverse mix of housing, address housing affordability and improve the quality of urban renewal.
Many actions in this chapter will collectively improve housing affordability by increasing the number of smaller homes, streamlining the planning and approval process for suitable housing and other measures that help reduce development costs. The main ways to encourage an adequate supply of additional housing to meet demand—estimated to be between 24,400 and 26,600 new dwellings a year (Department of Planning 2008a)—are to make it easier to develop additional housing in existing urban areas and to release more greenfield land.

There is generally thought to be a positive flow-on effect on the cost of housing from meeting housing targets, particularly if much of the new housing provided is modestly sized and priced. However releasing more land on the fringe does not automatically make housing more affordable in local areas across Sydney.

Many factors influence a purchaser’s decision to buy a home in a new release area on the outskirts of Sydney. For example:
- most people moving to these areas already live nearby
- each area has different socio-economic and demographic characteristics
- land on Sydney’s outskirts costs more than greenfield land elsewhere (currently around three times higher than in Brisbane and Melbourne), and
- it is often more cost effective overall to live and travel in established areas closer to more job opportunities, services, schools and shops

The positive impact of increasing greenfield land supply is that it frees up housing and sites in existing urban areas. However, the ‘churn’ created by people vacating one home to occupy a different home does not necessarily reduce overall housing affordability generally or at a local scale. Home owners generally sell their homes for more than the original purchase price, while landlords often use the opportunity provided by tenant turnover to raise rents. ‘Even if only a small proportion of households attempt to buy a higher quality or better located home, the price of all housing is soon bid up’ (Productivity Commission 2004).

However, even if housing supply can increase and place downward pressure on general house prices, affording a home will remain a challenge for those on low incomes. Therefore, policy responses and practical initiatives from all tiers of Government are required to improved housing affordability.

To ensure sufficient affordable and moderately priced housing, active measures are needed to stem the loss of affordable stock and encourage more affordable housing. It is crucial for Sydney’s ongoing economic strength and international competitiveness that housing remains affordable across the social spectrum. Housing is strongly linked to economic performance and the ability to provide employers with a strong labour force. Housing stress leaves less money for other essential spending such as food, education, clothes and transport and it can increase homelessness.
There is potential to lower housing costs by rationalising car parking spaces according to location and public transport access.

The RTA will revise car parking guidelines in its Guide to Traffic Generating Developments to explore reduced parking rates for accessible development.

Other ways of improving housing affordability are facilitated by the Centre for Affordable Housing, a division of Housing NSW dedicated to supporting affordable housing in NSW (see Glossary).

### Affordable Housing & Housing Affordability

The concepts of ‘affordable housing’ and ‘housing affordability’ are different.

**Affordable Housing** refers to housing for very low income households, low income households or moderate income households (*Environmental Planning and Assessment Act 1979 [NSW]*). This covers households earning up to 120 per cent of the median income for the area where they live and paying more than 30 per cent of that gross income in rent.

**Housing Affordability** refers to a household’s capacity to pay for renting or purchasing a home, usually expressed in relation to their income. This includes the cost of construction and the supply of serviced new release land as well as escalating land and house values. It is affected by a range of policy and financial settings including taxation and fiscal policy, migration and demographic change. This affects a broader cross-section of society.

### Monitoring Affordability

The MDP will draw upon *Housing NSW Rent and Sales Report* data using Valuer General’s data and will investigate ways to improve data collection, tracking and reporting on housing affordability with particular focus on enhancing and building databases to monitor housing prices, tenure mix and housing configuration (number of bedrooms) and the implementation of affordable housing policies.

### Affordable Rental Housing SEPP

The *State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP)* commenced in July 2009. It encourages home owners, social housing providers and developers to increase the amount and diversity of new affordable rental housing throughout NSW.

The AHSEPP aims to stimulate private sector involvement in the provision of affordable housing through floor space and land permissibility incentives. These incentives are bolstered by the application of key minimum development standards backed up by the application of good design guidelines. The AHSEPP is being reviewed. Discussions with various stakeholders have already highlighted potential issues for consideration including:

- the possibility of local development provisions tailored to local markets
- opportunities for further streamlined development approvals utilising complying development
- the production of more specific design guidance
- the potential effectiveness of inclusionary zoning, and
- the need to further explore means of engaging with the expanding Community Housing Provider sector

The key objective of the review is to ensure innovative solutions for the effective ongoing delivery of affordable rental and social housing throughout NSW.
**ACTION D3.1**  
Explore incentives to deliver moderately priced rental and purchase housing across all subregions

Opportunities for density bonus incentive schemes using LEPs will be explored to encourage more affordable housing beyond those currently in the Affordable Rental Housing SEPP.

These provisions could apply where an increase in development density is offered in exchange for the provision of affordable housing for low to moderate income groups and extend to the mechanisms available to ensure any affordable housing is maintained and not lost when first sold.

**ACTION D3.2**  
Set affordable housing targets for State urban renewal projects on a case by case basis

Urban renewal has the potential to displace existing affordable housing, as newly developed homes can be more expensive than existing homes, even when providing a new mix of housing products and sizes. Each Sydney Metropolitan Development Authority renewal project will include research on its impact on affordable housing to ensure no net loss of affordable housing.

The Government has been proactive in delivering affordable housing in renewal areas through several approaches. The St Marys and Rouse Hill Affordable Housing programs demonstrate how planning agreements and mechanisms can secure affordable housing supply. The Green Square Affordable Housing Program uses inclusionary zoning supported by an increase in density, while developer contributions are invested in affordable housing supply. Landcom has a voluntary policy of aiming to have at least 7.5 per cent of its projects affordable for moderate income households. Housing NSW is expanding its approach to revitalise areas and renew communities, most recently through opportunities under the Housing Affordability Fund.

State urban renewal projects will take the lead to minimise the impact on the availability of affordable and moderately priced housing in areas that are the focus of redevelopment. Each precinct and centre is unique, and a target will be set that responds to local circumstances. The approach to determine and implement targets will be developed in collaboration with Housing NSW.

As with subregional targets, the State Government will monitor these renewal area targets closely and continue to undertake research to inform future targets on subsequent reviews of the plan.
**Comprehensive Housing Supply Strategy**
NSW Government 2010 Budget Statement 2010–11, Budget Paper 2
This strategy includes: stamp duty cuts and exemptions for off-the-plan dwellings, and for changeover homebuyers over 65; working with local government on development contributions, fast-tracking LEPs and facilitating development; implementing NRAS (see below); and accelerating reforms such as the Urban Renewal SEPP.

**Urban Renewal SEPP**
This will allow the NSW Government, working closely with local councils, to investigate the rezoning of land in areas where there is adequate and effective transport infrastructure, streamlining the planning process by specifically tailoring it for urban renewal areas. Implementation of the SEPP will involve a planning study for each precinct being publicly exhibited for a minimum of 30 days. Each study is likely to look at a wide range of issues including infrastructure capacity, traffic and flood modeling, urban design, landscaping, environmental issues and economic and social factors. Once each study is completed, a new precinct planning blueprint will be established which will allow the lodgement of specific development proposals.

**Nation Building Economic Stimulus Plan**
This $42 billion Federal Government package was introduced in February 2009 to fund the delivery of infrastructure projects including social housing. It provided $1.7 billion to deliver 6,300 social housing homes in NSW by June 2012.

**Housing Affordability Fund**
This fund focuses on proposals that improve the supply of new housing and make housing more affordable for home buyers entering the market. Under round two of the fund, the Federal Government targeted projects that were transit oriented or reduced the concentrations of disadvantage on public housing estates through infrastructure and other reform initiatives. Housing NSW is developing guidelines to engage affected communities on these projects.

**National Rental Affordability Scheme (NRAS)**
This scheme provides incentives to encourage investment in affordable housing for renting to eligible tenants. In NSW, offers of funding have been made for more than 2,500 dwellings rented out to low and moderate income households for at least 20 per cent below market rate. Further take-up is expected under the fourth round of funding.

**Council of Australian Governments (COAG)**
This Metropolitan Plan is being prepared in the context of a national housing and affordability agenda with NSW participation occurring through the Ministerial Council on Federal Financial Relations. This reform agenda will build on the work currently underway by Housing Ministers, including improvements to capital city strategic planning and development approvals. National criteria for capital city strategic planning systems will ensure Australia’s cities have long-term plans in place to manage population growth and improve housing affordability among others.
**IMPROVING AFFORDABILITY**

**Renewing social housing stock**
Housing NSW has significant land holdings in the metropolitan area. Many older dwellings are no longer appropriate for current tenants. Redevelopment of estates presents an opportunity to renew housing stock, build more homes and help achieve Metropolitan Plan objectives and housing targets. This approach has evolved from a primary focus on asset renewal to improve the physical environment, build community capacity and develop partnerships with local organisations to improve access to services for public housing areas. This approach is showing significant promise in places like Minto and Bonnyrigg.

**Increase affordable housing supply by encouraging growth of Community Housing Providers**
Community Housing Providers are not-for-profit organisations with a charter to manage housing for low-to-moderate income and special needs households. In NSW, 300 bodies manage around 18,000 dwellings. It is projected this will increase to 30,000 by 2013 and continue expanding.

The Department of Planning is working with other agencies and stakeholders to help implement the *Build and Grow Aboriginal Community Housing Strategy* to ensure the best outcomes for Aboriginal housing providers and Aboriginal communities, families and individuals.

Community Housing Providers are strategically placed to deliver affordable housing cost-effectively as they can borrow funds to invest in new community housing supply and deliver more housing than Government through its own investment.
OBJECTIVE D4
TO IMPROVE THE QUALITY OF NEW HOUSING DEVELOPMENT AND URBAN RENEWAL

In the past, suburban development in Australia relied to some extent on wide spaces to achieve good amenity. Design creativity is required to achieve similar good amenity at medium and high densities. More detailed thought is needed about how buildings relate to neighbours and streetscapes, and to maximise landscaping and vegetation benefits at each location. Bearing in mind the need to encourage affordable housing provision, good building design need not require expensive construction and finishes. Sustainable designs should have lower running costs.

Medium and high density development around centres must be linked to improved public areas including pedestrian friendly streets connecting to local parks, schools, community facilities and the centre walking catchment. Good design is imperative to promote community acceptance of higher densities.

ACTION D4.1
Strengthen the Government’s role in ensuring good design outcomes

The Department of Planning will provide urban design and planning advice to councils. The initiative will ensure developers, the public, planners and decision-makers are familiar with examples of good urban design, its underlying principles and the different elements that contribute to good design.

The following guidelines are anticipated:

- Residential guidelines will identify and present a variety of best practice medium density development options for urban and suburban contexts.
- Centres Design Guidelines will include design principles and examples of how to accommodate additional growth while respecting local character and essential elements to achieve successful centres.

These guidelines will be used as a basis for relevant Development Control Plans and assessment of development proposals.
To help improve the design quality of new developments, a partnership between the Department of Planning and the Government Architect’s Office will create an online resource of good urban design and renewal examples. It will showcase best design examples of public domain, community facilities, a range of flexible housing types such as apartments to suit families, water sensitive urban design and other environmental initiatives and adaptive re-use of heritage buildings. It will also provide easy access guidance to developers and councils.

**ACTION D4.2**

*Appoint SEPP 65 Design Review Panels for areas of high growth, including the Strategic Centres*

High quality design is essential to improving the image, and market attractiveness of centres and other strategic locations. SEPP 65 Design Review Panels can play an important role in ensuring the design of new residential development in landmark sites and the urban renewal of centres is of a high quality.

**IMPROVING HOUSING QUALITY & RENEWAL**

**Identifying landmark sites and instigating design competitions to promote excellence, world-class design and sustainability**

High quality design is essential to improving the image and market attractiveness of centres and other strategic locations. Promotion of design excellence, including through design competitions can act as a catalyst for investment and demonstrate a commitment by the private sector and Government to high quality urban renewal. Design Excellence clauses are available for inclusion in principal LEPs along with supporting requirements in the DCP. The Department will continue to assist Councils and agencies to embrace this process for landmark sites and major pieces of infrastructure.

**Heritage**

Heritage can also contribute to quality design outcomes. From individual sites to conservation areas and cultural landscapes (in land release areas), early identification of heritage assets can aid best practice planning through appropriate zonings, land uses, road and subdivision layout. Good urban and architectural design can develop and revitalise sites and/or areas while maintaining and conserving their significance and character.