PART 3 - HOUSING

3. Housing

FuturesPlan20 - A green city

I have a sense of wellbeing through living in a clean, healthy local environment

FuturesPlan20 - A liveable city

My City has attractive streets, village centres and public spaces

My City has a range of housing options

FuturesPlan20 - A prosperous city

I have access to an attractive village centre near where I live where I can socialise and shop for day to day things I need

The general aim of this Housing chapter is to ensure that the key actions of the Metropolitan Strategy for Sydney are adequately considered during the preparation of an LEP for the City of Canada Bay, including:

- The encouragement of housing choice in the City of Canada Bay, including an adequate supply of housing for families, people with disabilities, affordability and the ageing population;
- The identification of how the City of Canada Bay dwelling target contained within the Inner West sub-regional strategy will be achieved.

SGS Economics and Planning were commissioned to prepare a Housing & Employment study for Canada Bay in 2008. Two documents resulted, a Working Paper and a Final Report. This section incorporates the relevant outcomes of these documents.

3.1. Planning Context

3.1.1. State Plan

The State Plan contains two targets relevant to Housing:

E5 Jobs closer to home

The State Plan seeks to increase the percentage of the population living within 30 minutes by public transport of a city or major centre in Greater Metropolitan Sydney.

E6 Housing affordability

The State Plan seeks to ensure a supply of land and a mix of housing that meets demand.

3.1.2. Metropolitan Strategy

The Metropolitan Strategy is a broad framework to guide Sydney's growth to 2031. It seeks to maintain Sydney's place within the global economy, while meeting the needs of local communities.

The Metropolitan Strategy is planning for growth of 1.1 million additional people in Sydney by 2031, and highlights the need for a range of housing options to meet demand. The Strategy seeks to achieve a balanced approach to growth, with better quality development around transport in established areas, and an increased supply of land for new release housing. It is estimated that an additional 640,000 new dwellings will be required to accommodate this demand by 2031. Current dwelling forecasts reveal that 190,000 new dwellings will be built in existing areas by 2013 under current planning controls. The Strategy aspires to achieve 75% of new housing in strategic centres, smaller centres and corridors within walking distance of shops, jobs and other services concentrated around public transport. The Metropolitan Strategy expects that an additional 30,000 new dwellings would need to be accommodated within the inner West subregion by 2031.

3.1.3. Inner West Subregion - Draft Subregional Strategy

For the Inner West, a subregional target of 30,000 additional dwellings has been set for 2004 to 2031, increasing from approximately 95,000 to 125,000. This represents 6.7 per cent of the total dwelling target for the metropolitan region and would see the subregion's share of total dwelling stock remain steady at 6 per cent.

Given the absence of new or Greenfield land release areas in the Inner West, the dwelling target will be accommodated in established areas primarily in and around centres. Large sites such as Rhodes and Breakfast Point will accommodate a good proportion of these new dwellings to enable the subregion to reach its target by 2031.

Council's role in addressing the draft Inner West Subregional Strategy in relation to housing includes:

- Inner West councils to plan for sufficient zoned land to accommodate their local government area housing targets through their Principal LEPs (IW C1.3.1).
- Inner West councils to ensure the location of new dwellings maintains the subregion's performance against the target for the State Plan priority E5 (IW C2.1.1).
- Councils to provide in their LEPs zoned capacity for a significant majority of new dwellings to be located in strategic and local centres (IW C2.1.2).
- Councils to review capacity for future dwelling growth in strategic and local centres through their LEPs and investigate potential major sites for residential development within centres (IW C2.2.1).
- Inner West councils to provide for an appropriate range of residential zonings to cater for changing housing needs (IW C2.3.2).
- Local councils to consult with Department of Housing regarding the redevelopment and renewal of Department of Housing assets, prior to the preparation of LEPs (IW C4.2.1).
- THE NSW Government to undertake Strategic Corridor planning for Parramatta Road, Macquarie park to Westmead Corridor and Victoria Road (IW G2.1.2).
- The NSW Government and council to complete Breakfast Point and Rhodes as major projects (IW G2.2.1).

3.1.4. Methodology

SGS has considered both the quantitative and qualitative aspects of employment and housing within Canada Bay. The approach comprised of:

- **A Housing Assessment** – a review of relevant policy and literature, profiling of existing housing, consideration of the supply and projecting future demand for these land uses.
- **Housing Affordability Investigation** – analysis of the level of affordable housing need and an overview of the current policy context and scoping of options available to council to address this issue.

- **Urban Capacity Analysis** – assessment of development constraints and opportunities, and the gap between supply and demand within Canada Bay.
- **Development of Planning Options** –were developed for future residential lands, following discussions with Council, a preferred option was chosen to provide the basis of the strategy.
- **Feasibility Testing** – based on the preferred planning option, implementation scenarios were developed. The feasibility of scenarios was tested to ensure that any potential changes to development controls allow for viable redevelopment.
- **Strategy Development** - following the completion of the other components of this study, SGS has developed a strategy for future residential development within Canada Bay LGA.

3.1.5. Affordable Housing

Historically the Commonwealth and State's involvement in housing has been primarily funded and directed through the Commonwealth-State Housing Agreement (CSHA). This agreement was designed to provide strategic direction and funding certainty for the provision of housing assistance to those whose housing needs cannot be met by the private market. The majority of funding under the CSHA is provided for public housing. The current (2003) CSHA has been extended until the end of 2008 and will be replaced in early 2009 by a new National Affordable Housing Agreement. Since the 1970s, the Commonwealth has also provided lower income tenants in the private sector with 'Commonwealth Rent Assistance'.

More recently, the Commonwealth and States and Territories have made a fresh commitment to addressing housing affordability. At its March 2008 meeting, the Council of Australian Governments (COAG) agreed to implement five key housing initiatives;

- a National Rental Affordability Scheme to increase the supply of affordable rental housing, reduce rental costs for low and moderate income households, and encourage large scale investment and innovative delivery of affordable housing;
- a Housing Affordability Fund to streamline development approval processes and reduce infrastructure charges and regulatory costs;
- a Land Audit to facilitate improved housing supply through the identification of surplus Australian, State and Territory land for possible release for housing development (excluding operating defence bases);
- a National Housing Supply Council to provide research, forecasts and advice to the Australian Government and COAG on issues relating to the adequacy of housing and land supply to meet future needs; and
- A Place To Call Home to deliver 600 new dwellings for homeless people.

3.2. Current Position

3.2.1. Population Profile

Canada Bay has a growing population. Between 1996 and 2006, the population grew by 12,409 persons to 68,883 (18.0%). This compared with 9.4% growth for the Sydney Statistical Division over the same period. The LGA hosts a diverse population; key characteristics can be described as follows:

- Most households are couple families. Roughly one-third of households in Canada Bay are couple only households, 27.3% comprise couple families with children and around 24.2% of all households contain a lone resident only.

- While Canada Bay has a relatively old population age structure, over the past 10 years the age profile has remained relatively stable.
- Canada Bay has a mix of income levels but the proportion of lower income households in the LGA has been steadily declining.
- Residents of Canada Bay are employed in a mix of occupations however the LGA is characterised by an increasing concentration of higher skilled professionals.
- The LGA has low levels of employment self-containment, that is, the majority of residents travel outside the LGA for work.

3.2.2. Housing Profile

There are currently 26,147 dwellings in the LGA (ABS, 2006). This is primarily made up of detached dwellings (51.2% or approximately 13,000 dwellings) with a significant proportion of flats, units and apartments in the LGA (36% or 8,824 dwellings). The majority of dwellings have two or three bedrooms.

The LGA has experienced a significant increase in dwellings over the past decade, with a total increase of 21.3% (4,279 dwellings) between 1996 and 2006 (almost half this growth occurred between 2001 and 2006 - an increase of 10% or 2,219 dwellings). The majority (87%) of new dwellings in the LGA between 1996 and 2006 were flats, units or apartments (a total of 3,757 dwellings). There have been small increases in the supply of 'separate houses' over the same period with a net increase of around 200 dwellings.

Most of the recent development activity is located outside of existing transit nodes. Of the dwellings approved for construction between 2002 and 2007, over half (57%) were located outside of transit nodes and 43% were within transit nodes (MDP, 2007).

Some large former industrial sites have been redeveloped. These are located on 'premium' foreshore areas of the LGA but some are a considerable distance from existing centres, transport and established community infrastructure – Breakfast Point, Abbotsford Cove and Cape Cabarita for example. The resulting development patterns mean that significant areas of high density development are not well located in terms of their proximity to existing centres and transport.

Home ownership is by far the most prevalent tenure in Canada Bay with approximately 61% of households either fully owning or purchasing their home in 2006. There has been a slight decrease in the number of rental properties in Canada Bay with 27% of dwellings available for rent in 2006, a decline of 2.3 percentage points since 1996.

3.2.3. Housing Affordability

Ensuring an adequate supply of affordable housing and diversity of dwelling types and tenures is important to ensure the future economic, social and environmental sustainability of Canada Bay and the wider Sydney metropolitan area generally. Housing affordability can be defined as the ease with which households across all income groups can access housing.

Social housing stock in Canada Bay is in limited supply. According to the 2006 ABS Census, the LGA had a total of approximately 650 public housing dwellings, comprising 2.5% of the housing stock. This compared with 4.5% for Sydney SD. While the net amount of public housing stock has changed little since 1996, public housing has declined as a proportion of total housing stock in Canada Bay over the past decade. Dwellings owned by the NSW Department of Housing are concentrated at Friend Avenue, Five Dock with the remainder scattered over the LGA.

Some relatively minor increases in the supply of public housing stock in the LGA are planned, including the NSW Department of Housing's intention to redevelop 37 cottages and units in Concord and Abbotsford into 102 adaptable units targeted at frail aged and elderly tenants.

Not-For-Profit Housing (including community housing) totalled 65 dwellings – 0.2% of the housing stock in the LGA in 2006. This compares with 0.5% for Sydney SD. The number of community housing dwellings more than doubled over the decade to 2006 (from 31 dwellings, or 0.1% of the stock, in 1996).

Canada Bay has directly contributed to the quantity of affordable housing stock in the LGA by obtaining 23 units at 27 George Street, North Strathfield and 7 units within the Strathfield Triangle via voluntary planning agreements with developers. These units are owned by Council and will be managed by a community housing provider for key workers in the area.

The private housing market increasingly caters for the needs of low and moderate income households. The affordability of housing in the private housing market in Canada Bay is declining, in line with trends in the wider Sydney region generally.

There is a danger that housing affordability will become an increasingly significant issue in the Canada Bay LGA if no action is taken. While Local Councils are not traditionally recognised as having a significant role in the direct provision of affordable housing in Australia, they can actively impact on the supply, cost and location of housing by ensuring an adequate supply of housing in the private market and facilitating the development of housing by social housing providers and not for- profit developers.

3.2.4. Future Housing Demand

The population of Canada Bay is expected to grow significantly in the 25 years to 2031. According to Transport Data Centre (TDC) forecasts (adjusted for Estimated Resident Population, 2006), Canada Bay is likely to experience 29% growth in population between 2006 and 2031, an increase of 20,076 people.

SGS's estimates suggest that Canada Bay LGA will need to cater for approximately 9,700 additional dwellings between 2006 and 2031. This represents a 37.0% increase in dwelling supply over the next 25 years though this is a slower rate of dwelling growth compared with recent development activity. As discussed above, there was 21.3% growth in housing supply in the LGA over the past decade alone.

Along with an increase in the number of dwellings, the type of dwellings in demand is an important consideration. Demand for more housing in Canada Bay is driven by social trends leading to changes in family and household types that have resulted in smaller households.

3.2.5. Future Housing Supply

Supply forecasts have been provided by Canada Bay Council for this study. These short and medium term forecasts were provided by Council to the NSW Department of Planning for the Metropolitan Development Program (MDP) 2007 update. The following discussion refers to the period 2004 onwards to correspond with the period of the NSW Department of Planning's dwelling targets for the Inner West sub-region (2004-2031).

The total supply of 10,109 new dwellings is forecast by Canada Bay Council from 2004 onwards, (based on existing Development Approvals and construction activity). A total of 3,114 dwellings have been constructed between 2004 and 2007. 4,235 dwellings are forecast in the short term (2007-12) and 2,760 dwellings in the medium term (2012-2017).

Most new housing supply is expected to be located within walking distance of transit nodes (6,467 dwellings or 64% of supply from 2004 onwards) – this primarily refers to the supply of new dwellings anticipated at Rhodes and Strathfield Triangle. A significant amount of new development is also forecast to occur outside of existing transit nodes (3,642 dwellings or 36% of new dwellings). The majority of future dwelling supply is expected to be multi-unit development and is expected to be constructed in the next 5 years.

Housing supply is anticipated to primarily occur on large ex-industrial sites and is anticipated to be concentrated at two major sites – Rhodes Peninsula (4,500 dwellings from 2004 onwards) and Breakfast Point (1,899 dwellings from 2004 onwards) (discussed in further detail below). These sites have catered for a significant proportion of recent development.

Strathfield Triangle (569 additional dwellings) and the Westinghouse Brakes site, George Street North Strathfield (332 additional dwellings) are also anticipated to make a significant contribution to future housing supply in the LGA.

3.2.6. Summary of Housing Demand and Supply Interaction

The basic housing supply and demand headlines for Canada Bay can be summarised as follows:

- At the time of the 2006 Census there were 28,268 private dwellings in the LGA (26,147 including private occupied dwellings) (ABS 2006);
- The NSW Department of Planning has set a target for growth of 10,000 new dwellings between 2004 and 2031 (Draft Inner West Subregional Strategy);
- The SGS housing model has estimated that there will be demand for an additional 9,700 dwellings in the LGA between 2006 and 2031 (based on TDC population growth forecasts); and
- The total supply of 10,138 new dwellings is forecast by Canada Bay Council from 2004 onwards.

These findings indicate that the NSW Department of Planning's target for future dwelling growth is likely to come close to being met through Council's forecast future dwelling supply (based on existing Development Approvals and construction activity) (MDP 2007).

3.2.7. Dwelling Capacity

Dwelling capacity analysis was completed to illustrate capacity under the existing controls. This capacity was then assessed against both the targets and objectives of the Metro Strategy.

Residential capacity analysis uses GIS mapping to identify lots that have redevelopment potential and then applies a dwelling density to these lots based on the development potential under the existing planning controls. Lots that are available for redevelopment are identified through constraints analysis. Constraints to residential development can result from policies (e.g. zoning or minimum lots size control) or physical conditions (e.g. heritage listing or acid sulfate soils). The capacity analysis has focused on both physical and policy constraints.

Land which is subject to policy constraints preventing residential intensification are excluded from the dwelling capacity analysis. Such land includes areas used for roads, public and private open space, schools, employment zonings that exclude residential development and sites that have already been redeveloped for multi-unit housing. Heritage lots were also excluded from the analysis.

It is estimated that there is capacity for around 10,300 dwellings on the lots identified in Canada Bay LGA (refer to Map 3.1 on p41). This assessment of dwelling capacity attempted to account for inefficiencies in the development of land to the maximum potential, including:

- Incomplete development of all medium density lots, and
- Limited take up of both subdivision and dual occupancy opportunities on larger lots.

The methodology for calculating the potential dwelling capacity is described in Table 3.2.

Of the potential dwellings identified, around 70% are in centres and the remaining 30% are 'infill' development located further from existing centres. Dwellings assumed to be in centres include those at Rhodes, Strathfield Triangle, all shop top housing and half of the potential R3 (precinct 2) and R3 (precinct 3) dwellings. Rhodes and Breakfast Point account for more than 60% of all new dwellings. Approximately 25% of new dwellings will occur in the established centres (considered here to the B1 and B4 zones and precincts 2 and 3 of the R3 zone).

Approximately 93% of the dwellings will be apartments and shop top housing (81% and 12% respectively). The remaining 7% will likely be a combination of villa or townhouse style development (less than 6%) or dual occupancies and detached dwellings (less than 2% in total).

Table 3.1: Estimate of New Dwelling Capacity Under Existing Planning Controls

ZONE	New dwelling location or type	MDP	Lots	Maximum potential dwellings	Efficiency rate	Existing dwellings replaced	Total Dwellings[1]	% of GRAND TOTAL	Efficiency rate explanation
R1	Breakfast Point	1,797	-	1,797	100%	-	1,797	18%	Complete development to MDP totals is anticipated.
	Remaining	-	231	750	70%	162	363	4%	Inefficiency in land development and some non-residential development are likely to prevent complete realisation of development potential.
R2	Subdivision	-	314	628	10%	31	31	0%	Only a small portion of lots are likely to have adequate frontage[2] and it is conceivable that many large dwellings on single may stay that way.
	Dual Occ	-	7,916	15,832	2%	158	158	2%	Only a small portion of lots are likely to have adequate frontage[3] and there is likely to be limited demand for dual occupancies on common title.
R3	Precinct 1	-	57	289	80%	51	180	2%	Not all lots will develop. Smaller lots have been excluded and no consideration has been given to the potential for site amalgamations. On balance, a relatively higher take-up rate of identified lots has been used.
	Precincts 2 and 3	-	129	1,479	80%	116	1,067	10%	
Rhodes		4,656	-	4,656	100%	-	4,656	46%	Complete development to MDP totals is anticipated.
Strathfield Triangle		707	-	707	100%	-	707	7%	Complete development to MDP totals is anticipated.
Residential total (A)				**26,138**	**-**	**519**	**8,959**	**89%**	*Proportion is of the Grand total dwellings after adjustment by efficiency factor which is 10,138 dwellings.*

[1] Total Dwellings = (Maximum Potential Dwellings x Efficiency Factor) minus existing dwellings replaced.
[2] Normal allotments must have a minimum street frontage of 14m. Therefore, R2 lots would need a minimum area of 900sqm and an 18.0 metre frontage (14.0m and 4.0m access handle). It is considered that a minimal number of the identified lots would have this attribute.
[3] It is considered that few lots greater than 450sqm will turn over to dual occupancy considering the restrictions on separate title and the site coverage maximum of 50% for attached dual occupancies (detached dwellings can already reach a site coverage of between 50% and 70% under the DCP).

ZONE	New dwelling location or type	MDP	Lots	Maximum potential dwellings	Efficiency rate	Existing dwellings replaced	Total Dwellings[4]	% of GRAND TOTAL	Efficiency rate explanation
B1	Shop-Top	-	333	613	50%	-	306	3%	Not all lots will be redeveloped with residential uses. Assumes no dwellings are replaced. On balance, a modest take up rate as been assumed.
B4	Majors Bay Rd	-	65	200	50%	-	100	1%	
	Great Nth Rd	-	183	863	50%	-	431	4%	
	Victoria Rd Centre	-	179	686	50%	-	342	3%	
Mixed Use total (B)				**2,362**			**1,179**	**11%**	*Proportion is of the Grand total dwellings after adjustment by efficiency factor which is 10,138 dwellings.*
GRAND TOTAL (A + B)				**28,500**			**10,138**	**100%**	

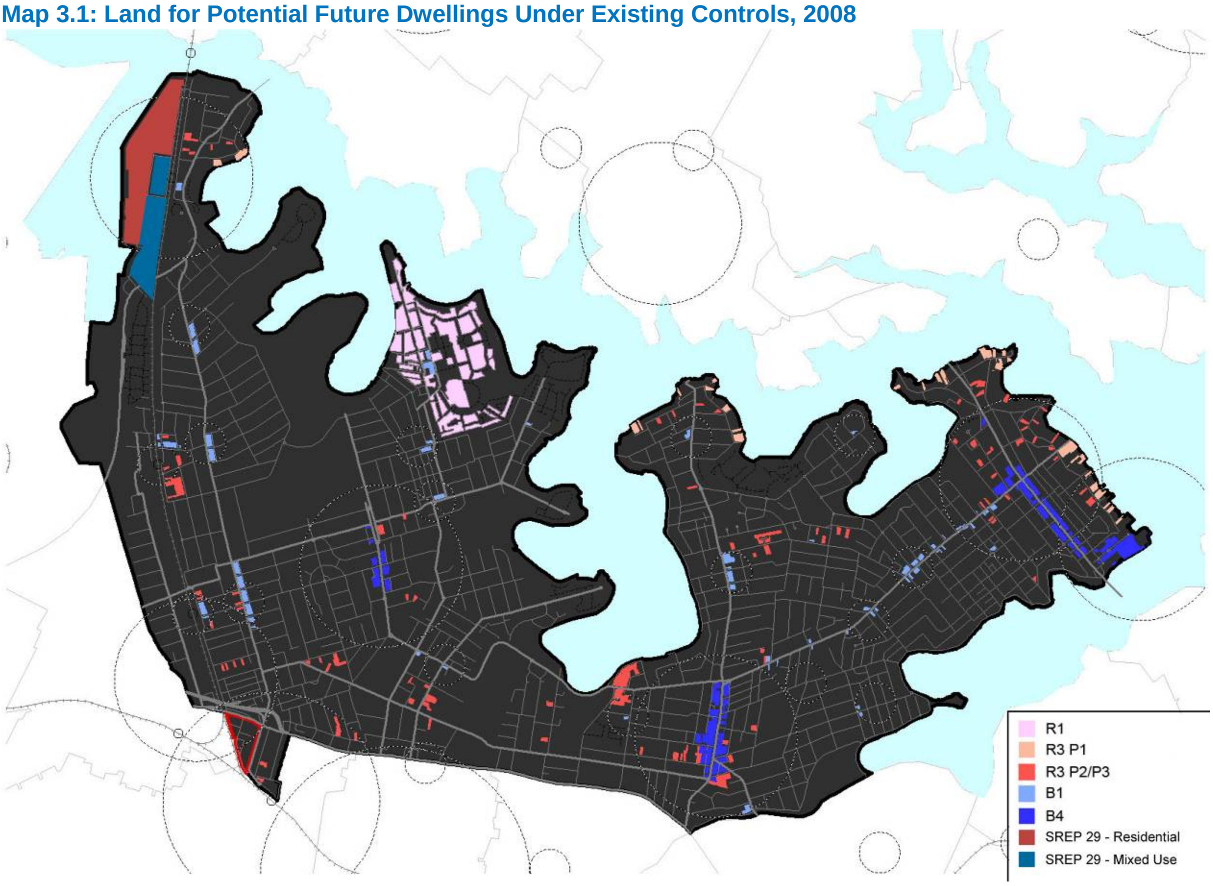
[4] Total Dwellings = (Maximum Potential Dwellings x Efficiency Factor) minus existing dwellings replaced.

Table 3.2: Dwelling Capacity Methodology

Zone	Capacity methodology
R1 General Residential Zone Applies to Breakfast Point and Mortlake Point.	▪ Remaining Capacity on Breakfast Point site (from MDP) ▪ Remainder of R1 zoned land (located outside 'Breakfast Point' site): – Apply 63 dw/Ha to land that is left. This density is based on LEP maximum FSR of 0.75 and assumed average dwelling size of 120m^2.
R2 Low Density Residential Zone Limited opportunity for new dwellings: subdivision and dual occupancies on larger lots (over 900 or 450m^2 respectively).	▪ Subdivision of existing lots: – Lots greater than 900m^2 have potential to be subdivided to create additional dwellings. – Potential new dwellings is the number of lots greater than 900m^2 x 2. – Make assumption about take up rate of this type of development based on past trends and understanding of likelihood of remaining larger lots to be subdivided. Apply this rate to total. – Subtract replaced dwellings from total new dwellings. ▪ Dual occupancies: – Permissible on lots greater than 450m^2. – Potential new dwellings is the number of lots greater than 450m^2 x 2. – Make assumption about take up rate based on past trends and understanding of likelihood of new dual occupancies on common title. Apply this rate to total. – Subtract replaced dwellings from total new dwellings.
R3 Medium Density Residential Zone Opportunity for new multi-unit housing and residential flat buildings.	▪ Methodology assumes no amalgamation of lots less than 800m^2. ▪ Development of existing lower density sites: – DCP requires lots to be greater than 800m^2 to be developed. – For lots that are within precinct 1, apply density of 45 dw/Ha. Lots that are within precincts 2 and 3, apply density of 83 dw/Ha. These dwelling densities are approximations of those that result from the application of the density standards contained at 6.2.4 of the Canada Bay DCP. – Subtract replaced dwellings from total new dwellings.
SPEP 29 Rhodes Peninsula	▪ Remaining capacity from MDP documents.
DM Strathfield Triangle	▪ Remaining capacity from MDP documents.
B1 Neighbourhood Centre Opportunities for shop top housing above retail/commercial development.	– Given a portion of all development will be retail/commercial and limitations on residential development as shop top housing, it is unlikely that new dwellings will exceed an average of 0.5:1, half the maximum FSR allowable in the LEP – Apply 63 dw/Ha to land zoned B1. This density is based on maximum FSR of 0.5 and assumed average dwelling size of 80m^2.
B4 Mixed Use Opportunities for shop top housing.	– Methodology assumes no amalgamation of lots in the Victoria Road Centre, and FSR have been applied accordingly. – Shop top housing – Apply FSRs from LEP based on specific centres and existing lot sizes. Given a portion of all development will be retail/commercial, FSR for residential are less than the maximum permissible. – For lots within Majors Bay Road Centre (Concord) apply 100 dw/Ha. Based on assumed maximum FSR for residential development of 0.7 (of max. total FSR 1.5 – 1.8:1) and assumed average dwelling size of 80m^2.) – For lots within Great North Road Centre apply 125 dw/Ha. Based on assumed maximum FSR for residential development of 1.0, (of max. total FSR 2.0 – 2.5:1) and assumed average dwelling size of 80m^2. – For lots within Victoria Road Centre, apply FSRs shown in table at Part 4, 4.4a of LEP. Assume half of floor space is residential and average dwelling size of 80m^2. – (Birkenhead Point area excluded from additional residential calculations.)

Zone	Capacity methodology
B6 Enterprise Corridor Residential flat buildings are permissible in this zone.	– FSR of 1:1 is unlikely to generate significant new dwellings in mixed use developments, particularly given a large portion of this land is within 20 metres of Parramatta Road and residential development is prohibited from these areas in the LEP.

Map 3.1: Land for Potential Future Dwellings Under Existing Controls, 2008



Source: SGS, 2008

3.2.8. Issues & Strategy

Issues

Canada Bay provides an attractive residential location and a high level of amenity for residents...

Canada Bay is located within a short travel time of Sydney CBD and is bounded by the Parramatta River. Extensive open space provides opportunities for local recreation, and just beyond the LGA, Olympic Park provides higher order facilities and recreational opportunities. The area is relatively well served by buses and ferries, and some parts of the LGA are also within the walking catchment of rail stations on the northern line. There is scope for a reduction of private car usage and increased utilisation of public transport.

…however, areas with potential dwelling supply will provide a significant number of dwellings outside of centres,

Although approximately 70% of potential dwelling supply is located in centres there are approximately 3,200 dwellings that are located outside of centres. Out of centre dwellings are likely to generate more private vehicle usage, are less likely to have access to public transport and are less likely to utilise local business. The Sydney Metropolitan Strategy aspires to achieve 75% of new housing in centres. In areas of inner Sydney like Canada Bay that have potential for good transport connections, a greater proportion of dwellings within centres should be achieved. The future supply of dwellings needs to be refocussed towards the LGA's centres.

...and, consultation with Council indicates that there may be some resistance to change within the local community.

To locate additional dwellings within existing centres requires changes to planning controls and the existing built form. Discussions with Council have indicated that some residents may not be receptive to change. Council could potentially combat negative sentiments by highlighting the need to support local centres and the need to provide a range of housing types to allow local residents to age in place.

There is substantial theoretical capacity for additional dwellings under Canada Bay's existing planning controls...

The current planning controls appear to provide capacity for approximately 10,300 additional dwellings within the existing planning controls.

...however, short and medium term dwelling supply will provide limited diversity in dwelling types and locations,

While the current housing stock in Canada Bay offers some diversity in type and tenure, future supply of housing is likely to be concentrated at Rhodes and Breakfast Point and will generally consist of larger apartments that are currently affordable only to higher income households. Breakfast Point is not well located in terms of its proximity to existing centres and transport. Additional higher density housing is likely to be provided at Mortlake and within the Strathfield Triangle. Despite strong demand for housing in the LGA, new, generally high end, apartments do not meet the needs or means of a population with diverse incomes, household sizes and ages.

...short and medium term dwelling supply will not provide low cost or affordable housing,

There is a declining proportion of low cost housing available in the LGA. Most recent residential redevelopment has been in 'high amenity' locations that have demanded higher housing prices. The majority of additional new dwellings in the short to medium term will occur in similar locations. Limited supply of sites in alternative locations for redevelopment helps to keep dwelling prices high. Housing affordability will become an increasingly significant issue in Canada Bay if action is not taken to increase the supply of possible redevelopment sites.

...and in some cases, existing planning controls may prevent the potential redevelopment of existing 'R3 Medium Density Residential' zoned areas.

Minimum lot size requirements (800 sqm) and requirements for site amalgamations are likely to be an impediment to the redevelopment of sites in 'R3 Medium Density Residential' zoned areas. Modest maximum densities in Canada Bay's planning controls are likely to contribute to low levels of site amalgamation and therefore redevelopment. The density controls for higher density housing encourage provision of larger dwellings and limit the number of dwellings (based on site area), as opposed to limiting the physical bulk of development. This approach will generally result in fewer, larger dwellings, which in term will affect affordability and dwelling supply.

SGS undertook Development Feasibility testing on a number of sites in the LGA. In the vast majority of cases, the development controls in Canada Bay result in feasible development. In broad terms, the feasibility analysis demonstrated that increasing densities and decreasing parking requirements would make development at the subject sites and therefore in centres more feasible. Refer to Appendix 1.

Canada Bay Council has facilitated the provision of some affordable housing and has an Affordable Housing Policy in place...

In 2005, Canada Bay Council entered into its first voluntary planning agreement under Section 93 of the Environmental Planning and Assessment Act 1979 (EP&A Act 1979) to provide affordable housing. A voluntary planning agreement between the developer and Council resulted in the dedication of sixteen affordable rental housing dwellings at George Street, North Strathfield. Another 7 affordable housing units are being provided in the Strathfield Triangle. The units are owned by Council and will be managed by a community housing provider.

In August 2007, Canada Bay Council adopted its Affordable Housing Policy outlining the objectives, eligibility criteria, responsibility for management, and fund management of affordable housing in the LGA. The policy determines that \sites close to public transport hubs and/or employment areas have potential for affordable housing as they enable residents to easily access public transport, employment and services. The eligibility criteria stress the importance of keeping key workers in the LGA. Eligible tenants do not only have to fall under the low and moderate income group, but must also be employed in health services, childcare, education, emergency services, public transport or at the Council. Resident employees are given priority in the assessment.

...however, the current affordable housing policy is having a limited impact on the supply of affordable housing.

The current strategy that seeks to provide affordable housing through ‘profit sharing’ when development exceeds the planning controls is unlikely to provide a significant amount of affordable housing into the future. Providing affordable housing will be a significant challenge in an area where land values are high, redevelopment opportunities are limited and concentrated in locations where development costs are high (industrial sites) and rely on the premium sale prices paid for waterfront locations to recoup costs.

A number of different mechanisms are available to address housing affordability. These mechanisms are summarised in Appendix 3 – Affordable Housing Mechanisms, with Objectives and Actions for affordable housing set out in Part 3.2.3.

Strategy

This preferred Strategy, for future residential development in Canada Bay allows for all projected growth under the LEP 2008, but with the addition of further growth in and around Canada Bay’s ‘traditional’ centres. This will be a two stage process, first allowing for initial residential growth, and then providing for concentration within the centres.

Achievement of draft Subregional Strategy dwelling target (initial growth)

This initial growth will provide 10,357 dwellings, thereby exceeding the target of 10,000 dwellings contained within the draft Inner West Subregional Strategy. It is intended that this growth be accommodated within Council's Comprehensive LEP to be prepared in 2009/10.

The key features include:

- Continuation of additional housing at Rhodes, Breakfast Point, Mortlake, Strathfield Triangle and potential for additional shop top housing;

- Additional housing and some employment in traditional centres, particularly in centres and larger neighbourhood centres on transport routes such as:
    - Drummoyne; Five Dock; and Majors Bay Road, Concord;
    - Small centres/Neighbourhood centres: eg. Concord West and North Strathfield; and
- Some additional dwellings in R3 zoned areas (both in and outside of centres).

The future distribution of dwellings, within centres, is shown in Map 3.2 with Maps reflected in Table 3.3.

The potential dwelling capacity in Canada Bay is considered to provide a conservative estimate of dwelling numbers. In addition to the dwelling numbers identified in Table 3.3, additional capacity may occur as a consequence of sites that come forward for rezoning during preparation of the next LEP.

Concentration in centres

Following the achievement of the dwelling target, Council will require a Strategy to inform ongoing development. The Strategy is not intended to facilitate individual spot rezoning but to ensure a framework is provided for future planning reviews. Such reviews are likely to occur on a centre by centre basis. Indicative examples of how this approach would be applied is provided in Appendix 2.

The key features include:

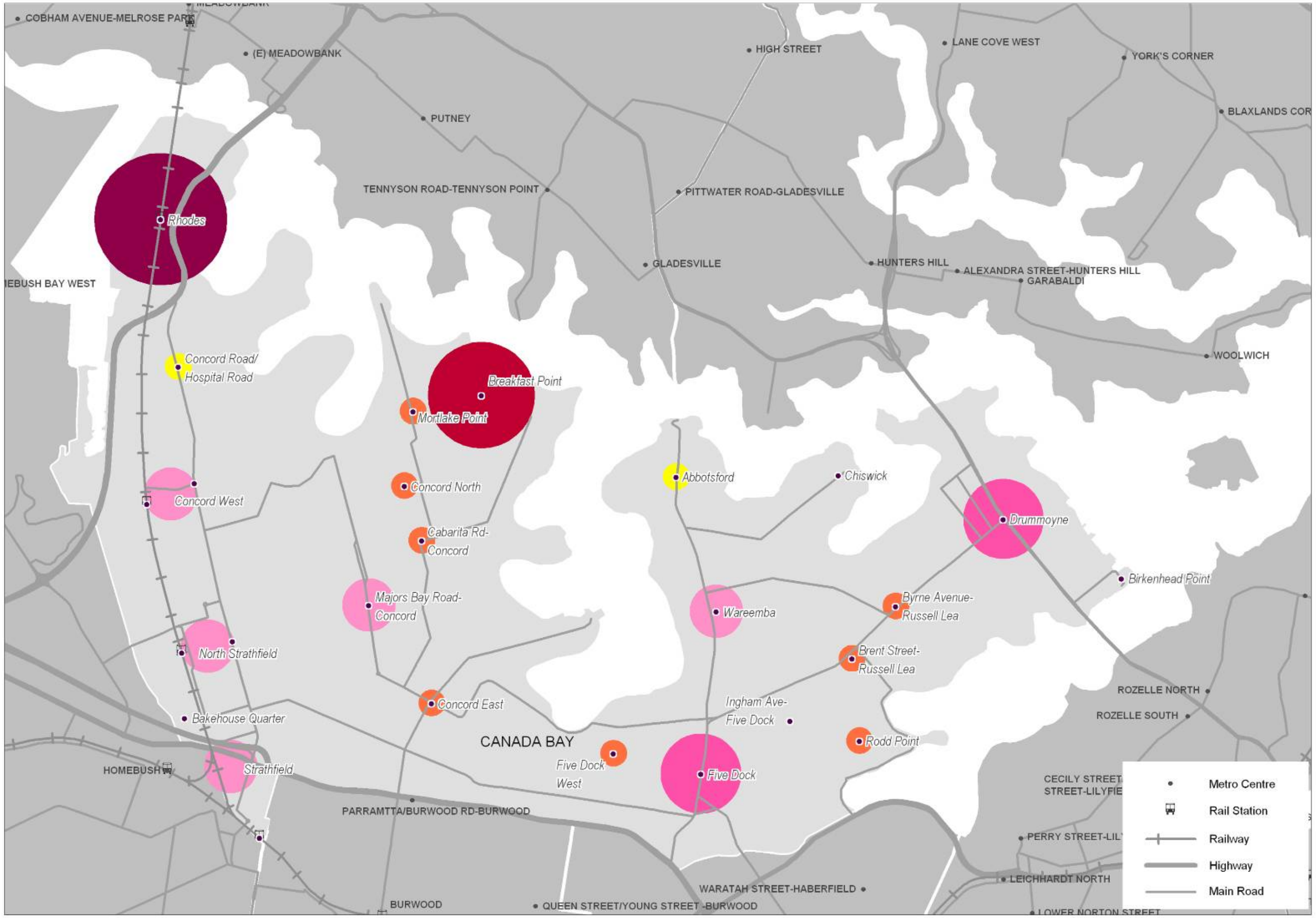
- A wider distribution of opportunities for new housing, increasing housing choice and price points;
- Capacity for new housing which supports the viability of existing centres and transport routes;
- Additional supply of development sites which should increase supply and improve housing affordability; and
- Potential supply of dwellings which exceeds the draft Inner West Subregional Strategy target.

Map 3.2: Future Distribution of Dwellings within Centres – Short to Medium Term

Table 3.3: Future Distribution of Dwellings - Short to Medium Term

<table>
<tr><th>LOCATION</th><th>Mixed</th><th>Residential</th><th>Total</th></tr>
<tr><td>Village and town centre</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Majors Bay Road, Concord</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Victoria Road, Drummoyne</td><td>342</td><td>-</td><td>342</td></tr>
<tr><td>Great North Road, Five Dock</td><td>431</td><td>-</td><td>431</td></tr>
<tr><td>Strathfield Triangle</td><td>-</td><td>707</td><td>707</td></tr>
<tr><td>Renewal areas</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Rhodes</td><td>-</td><td>4,656</td><td>4,656</td></tr>
<tr><td>Mortlake Point</td><td>-</td><td>363</td><td>363</td></tr>
<tr><td>Breakfast Point</td><td>-</td><td>1,797</td><td>1,797</td></tr>
<tr><td>Retail and service centres</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Birkenhead Point</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Bakehouse Quarter</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Neighbourhood centres</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Wareemba</td><td rowspan="16">306</td><td>-</td><td rowspan="16">306</td></tr>
<tr><td>North Strathfield</td><td>-</td></tr>
<tr><td>Concord West</td><td>-</td></tr>
<tr><td>Concord Road, Victoria Avenue</td><td>-</td></tr>
<tr><td>Brent Street, Russell Lea</td><td>-</td></tr>
<tr><td>Byrne Avenue, Russell Lea</td><td>-</td></tr>
<tr><td>Cabarita Road, Concord</td><td>-</td></tr>
<tr><td>Concord North</td><td>-</td></tr>
<tr><td>Rodd Point, Five Dock</td><td>-</td></tr>
<tr><td>Five Dock West</td><td>-</td></tr>
<tr><td>Concord East</td><td>-</td></tr>
<tr><td>Abbotsford</td><td>-</td></tr>
<tr><td>Concord Road, Hospital Road</td><td>-</td></tr>
<tr><td>Chiswick</td><td>-</td></tr>
<tr><td>Ingham Avenue, Five Dock</td><td>-</td></tr>
<tr><td>Parramatta Road, Burwood Road</td><td>-</td></tr>
<tr><td>Existing R3 zoned areas</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>R3 - Precinct 1</td><td>-</td><td>180</td><td>180</td></tr>
<tr><td>R3 - Precincts 2 and 3</td><td>-</td><td>1,067</td><td>1,067</td></tr>
<tr><td>Lower density infill</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Subdivision</td><td>-</td><td>31</td><td>31</td></tr>
<tr><td>Dual Occupancy</td><td>-</td><td>158</td><td>158</td></tr>
<tr><td>TOTAL</td><td>1,179</td><td>8,959</td><td>10,138</td></tr>
</table>

Map 3.3: Future Distribution of Dwellings within Centres – Medium to Long Term



3.2.9. Objectives and Actions

The broad housing objectives are to:

Provide a broad mix of new housing. A diverse population mix helps to create a rich social and cultural landscape as well as enabling the efficient economic functioning of the area. Council should strive to encourage a range of housing options to enable the local area to continue to accommodate a diverse population.

Facilitate the provision of a greater share of low cost or affordable housing. There is high demand and low supply for affordable housing in the LGA. Current large scale residential developments are unlikely to address this situation. A lack of affordable housing will impact on the ability of the area to house a diverse population – negatively impacting on the social and economic functioning of the area. Council should aim to encourage affordable housing development.

Support and revitalise traditional local centres. Local centres that are well served by public transport are important components in the centres' hierarchy - providing an important 'fine grain' of activity. The trend to a smaller number of persons per household, combined with the absorption of new jobs by other centres may detract activity from these local centres. Council should seek to retain and enhance activity in local centres that are well served by public transport.

To achieve these objectives, a series of strategies and associated actions are recommended. These are discussed in the following text.

Objective H1 Provide for a mixture of housing types over the short to medium term

Future dwelling supply at Rhodes and Breakfast Point will enable Council to meet the dwelling target for Canada Bay as defined in the draft Inner West Subregional Strategy. However, the resultant housing stock is likely to be oriented towards the higher end of the market, providing a limited diversity in the type of dwellings within a limited price range.

Diversity in the housing stock will enable Canada Bay to continue to house a diverse population. There is a need to provide a range of housing options to accommodate a diverse population including young people, older people and a more diverse range of family types. This will require more small dwellings, dwellings near transport and services (to allow residents to choose not to own a private vehicle), adaptable dwellings and accessible dwellings.

Council should actively encourage the development of an increased supply of housing for rent and purchase through the preparation of planning policies that encourage a mix of housing types and tenure choice, in and near a range centres that are well serviced by public transport. Research indicates that the majority of current new housing supply consists of two and three bedroom apartments. A broader mix of housing, including a greater share of smaller dwellings, may increase housing affordability and provide accommodation for a mixture of residents.

Action H1 Prepare planning controls that promote a mix of housing types.

Planning controls should be reviewed to facilitate the delivery of a mix of housing types including housing that is suitable for a variety of household types, as well as older people. Large developments can offer particular opportunities. For all developments an appropriate mix of one, two and three bedroom dwellings should be encouraged. Allowing secondary dwellings, with appropriate planning controls and in appropriate locations can provide additional smaller dwellings without a significant change to the existing character of lower density areas.

Planning controls should be reviewed regularly to ensure early identification and forward planning of additional areas for future residential development in the longer term.

Council should monitor the availability of land for residential development, including surplus public land and ensure ongoing efficiency in Council's Development Approvals process by auditing processes to ensure they are reaching 'best practice' standards.

Action H2 Ensure that a proportion of all new residential development is adaptable and accessible

Canada Bay should ensure that at least 10% of new residential development is adaptable and accessible. It is important to ensure that a proportion of residential units are designed to be flexible and easily modified to cater for residents with existing disabilities and future needs. AS4299 should be the adopted minimum for defining adaptability.

Objective H2 Provision of a greater share of Low Cost and Affordable Housing

Housing prices in Canada Bay have experienced sharp increases in recent years and while Council cannot act as a sole agent to solve the problem of housing affordability, there are a range of means which can be used in promoting a diverse supply of housing and seeking to encourage affordable housing development.

Council should seek to encourage increased contribution of social and community housing providers to the share of housing in the Canada Bay LGA. Opportunities to increase the amount of affordable housing should be maximised.

Action H3 Work closely with the not-for-profit sector to facilitate affordable housing provision

Council has a legitimate role to play in working with not-for-profit sector to identify development opportunities, assist with planning, concept development, infrastructure provision and community engagement.

Council should ensure that it has a close working relationship with community housing providers and takes a proactive role in initiating partnerships with community service providers and the community housing sector.

Action H4 Work with government agencies to lever funding for affordable housing delivery

Council should work with the NSW Department of Housing and other major land holders to identify potential sites for Not-for-Profit development.

Monitor Commonwealth and State Government announcements relating to funding and policy related to the 'National Rental Affordability Scheme' and forthcoming National Housing Agreement.

Lobby the Commonwealth Government in favour of increased investment in social housing in the forthcoming National Housing Agreement.

Ensure that Council is in a position to act on available funding and policy changes as announced.

Action H5 **Work with the State Government to renew/replace existing public housing stock**

Over the timeframe of this strategy it is likely that some of the public housing in Canada Bay will be redeveloped. The July 2008 report from the Australian Government's Select Senate Committee on Affordable Housing recommends a social housing proportion of 6% of all residential dwellings. According to the 2006 ABS Census, 2.5% of the housing stock in Canada Bay is social housing. This compared with 4.5% of total stock in Sydney SD.

While public housing is limited within the LGA, Council should work with the State Government to ensure that opportunities for further dwellings are maximised and stock is not diminished.

Action H6 **Consider opportunities for the provision of affordable housing on rezoned sites**

Over the longer term employment lands at Bibby Street and the Freshfood site (Bushells) are expected to be rezoned for other purposes. Provision of affordable, or low cost housing, should be explored on these and other similar sites as opportunities arise.

Action H7 **Investigate the potential for implementing an Inclusionary Zoning provision**

Inclusionary Zoning is a planning provision requiring incorporation of a certain use or facility in approved developments. In some cases, a monetary contribution can be supplied in lieu of the facility or use. In this case, the responsible authority would use the obtained monies to provide the required use or facility on other parcels of land.

Where it is necessary to ensure the ongoing maintenance of dwellings as 'affordable' housing, complementary arrangements would need to be established to ensure that the affordable housing created to meet Inclusionary Zoning requirements does not become a windfall gain for the first generation of buyers of the housing (who could on-sell the properties at market prices). This will generally (though not always) mean vesting the housing in some appropriate social housing provider.

Inclusionary Zoning can only be implemented by gaining approval from the NSW Department of Planning to incorporate a particularly local government area into SEPP 70.

Council should also investigate provisions in the Local Environmental Plan which will deliver affordable housing to the community.

Action H8 **Consider negotiated agreements for provision of affordable housing where development meets certain criteria**

Developers may enter into a negotiated agreement with a Council with regard to the provision of affordable housing in conjunction with a development, whether on site or off site, in cash or in kind.

Negotiated agreements may be considered whereby developments meet the following criteria: are large in scale; have longer timeframes; are likely to be developed in stages; and where the developer has a key interest in delivering public infrastructure[5].

Objective H3 Ensure an adequate supply of low cost housing in the private market

The affordability of housing in the private housing market in Canada Bay is declining. The supply of new homes needs to be suitable for people of different income levels and different household types, including housing that is adaptable and accessible. Any unnecessary barriers to the development of such development should be addressed.

Action H9 Investigate changing planning controls to reduce the costs of development

Council should review existing planning instruments to ensure that there are no significant barriers to the development of lower priced housing (such as maximum lot sizes for subdivision, increased densities in locations close to centres and public transport infrastructure, minimum dwelling sizes, excessive car parking requirements, the permissibility of boarding house and shop-top housing development, etc).

Planning controls should also be reviewed to ensure that they encourage lower cost housing to market specifications such as smaller dwelling sizes, minimising unnecessary fixtures, lower car parking ratios etc) as well as a mix of housing types including for families, singles, adaptive housing.

Resulting changes to planning instruments should be incorporated into the New LEP.

Objective H4 Monitor & Evaluate Housing Strategies

Housing affordability will change over time. Council should monitor and evaluate progress against the objectives outlined in this strategy to ensure that the supply of affordable and social housing is maintained or expanded.

Action H10 Monitor housing affordability and the supply of affordable housing within the LGA

Council should regularly monitor the supply of affordable housing in the LGA by assessing housing market data (volume and price of available housing for rent and purchase) against local demographics (incomes and housing stress thresholds for lower income groups)

Action H11 Monitor land availability to ensure future opportunities are recognised

Land audit data should be maintained so that the land availability and capacity on developed sites is known.

Objective H5 Increase Residential Densities in Centres

Canada Bay's existing local centres that are served by good public transport and offer a range of retail and other services are a valuable attribute of the LGA. Maintaining the viability and vitality of these centres should be part of a strategy to ensure better liveability and sustainability into the future. Support and revitalisation of these local centres can be assisted by zoning for residential intensification.

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[5] Department of Infrastructure Planning and Natural Resources, *Changes to the development contribution system in NSW,* DIPNR Circular PS05-003, 14 June 2005.

Maximum allowable densities in appropriate village and neighbourhood centres should be increased to stimulate growth required to ensure vibrant and viable mixed use centres that are well serviced by public transport.

Action H12 Increase residential densities in, and in the immediate vicinity of, the existing centres of Drummoyne, Five Dock, Concord, Concord West and North Strathfield.

These existing centres all include good services and access to transport access and yet they contain a significant proportion of low density housing. It is recognised that the low density and village feel in Canada Bay is valued by residents and businesses alike, however a balance must be struck between retaining the existing character, and ensuring densities support the public transport patronage. Suitable density increases should be determined consistent with village feel and transport accessibility, and desire to promote housing choice and affordability. This will require an adjustment to local zoning controls, shop-top provisions (to encourage residential), parking controls, and pedestrian and cycling facilities. Design guidelines should be prepared to protect amenity. Particular emphasis should be placed on achieving higher densities at close range, such as with 200 metres of existing retail areas and centres serviced by public transport.

Action H13 Test new planning controls and conduct feasibility testing

Any changes to planning controls should be based on rigorous testing of proposed controls and potential built outcomes that take specific account of the particular lot and block characteristics of each centre. This work should be accompanied with feasibility testing to ensure that the development of new controls is informed by and understanding of the development viability.

Objective H6 Improve Urban Design

Action H14 Improve Urban Design within centres

A review of the development controls which apply to each centre in Canada Bay should be undertaken on a centre by centre basis. The urban design review will consider centres in their totality and will not be undertaken to facilitate the development of individual sites. Matters such as built form, the creation of public spaces and ensuring an appropriate bulk/scale relationship with the surrounding locality will guide the review.

Action H15 Improve the design quality of residential flat buildings

The Development Control Plan should be reviewed to ensure that residential flat development provides good design. Emphasis should be given to areas zoned R3 Medium Density where infill development is likely to occur, particularly for development which falls outside of the application of SEPP 65 (Design Quality of Residential Flat Buildings).