# **Attachment A**

**Summary of Submissions** 

### Introduction

This submissions table provides a summary of the 390 submissions received during the public exhibition period of Planning Proposal – Sydney Local Environmental Plan 2012 – Dwelling Retention.

Submissions were received from a range of stakeholders including residents, community groups, industry peak bodies, planning consultants representing landowners, strata schemes and a state agency. Over 66% of submissions stated overall support for the planning proposal. The community groups, industry, government agencies and owners' corporations or company title who made submissions are listed below.

Individuals (374)			
Community groups (4)			
Pyrmont Action (2 submissions)	Glebe Society		
2011 Residents' Association	Potts Point Preservation Group		
Industry (7)			
National Trust of Australia	Planning & Co		
Australia Institute of Architects	Thirdi Group		
Renato D'Ettore Architects	Time & Place		
Keyton			
Government agencies (1)			
Sydney Water			
Building management bodies (4)			
Strata Plan No 31174,	Strata Plan No 2130,		
137-147 Forbes Street, Woolloomooloo	51-59 Roslyn Gardens, Elizabeth Bay		
Chair of the Board of Directors, The Gateway	Board of Directors, 17 Wylde Street, Potts		
Pty Limited, 3 Wylde Street, Potts Point	Point		

<b>Submission Position</b>	Number	Proportion (%)
Support – no changes	186	48
Support – with greater restrictions	61	16
Support – with less restrictions	12	3
Oppose	91	23
Comment (do not support or oppose)	40	10
Total	390	100

### Response

## Support and opposition to planning proposal

## 1) Reasons for support

## a) Support for 15% control

Submissions from 5 individuals

A balanced, logical, principled and fair response to addressing the community's housing issues.

## b) Support for objective and intended outcomes

Submissions from 116 individuals
The proposal supports key workers, students
and long-term locals, and the dynamic
atmosphere of neighborhoods with Potts Point
area frequently mentioned. Loss of housing
diversity is seen as a threat to this balance.

Submissions from 2 community groups Supported by Pyrmont Action. Potts Point Preservation Group notes that retaining dwellings is crucial for maintaining affordability and diversity, which are unique features of the area.

Submission from an industry group
Australian Institute of Architects outlines how
the proposed control will help achieve the
planning proposal's goals. It ensures that
development aligns with infrastructure,
improves access to essential services for lowerincome residents, and supports living near
workplaces, which reduces car use and
promotes healthier lifestyles. Additionally, it
stabilises housing supply and costs, fosters
community stability, and supports the local
economy by sustaining demand for retail and
services.

Submission from a building management body Supported by board of directors for 17 Wylde Street.

# c) Supported as a response to housing crisis

Submissions from 42 individuals
Housing is regarded as a fundamental right for everyone, especially vulnerable populations.
Development reducing housing stock further contributes to the crisis and displaces long-term residents. This issue is part of a larger discussion about whether the city should cater solely to the wealthy or strive to remain inclusive for all.

## a) Response

Support for the proposal is noted.

### b) Response

Support for the proposal is noted.

## c) Response

Support for the proposal is noted.

Summary of outprission	Response	
Summary of submission  Submission from 2 community groups Pyrmont Action and Potts Point Preservation groups highlight the ongoing housing crisis in Australia.	Response	
Submission from a building management body The board of directors at 17 Wylde Street Potts Point support the proposal as it would protect housing stock during a housing crisis.		
d) Loss of housing impacting local economy Submissions from 7 individuals Loss of dwellings is harming the local economy in Potts Point area with decreased foot traffic, lower business patronage. Demographic change with fewer, wealthier residents is diminishing demand for services and public transport.	d) Response Support for the proposal is noted.	
Submission from a building management body The board of directors at 17 Wylde Street Potts Point are concerned about the impact of recent development on vibrancy, social and cultural characteristics of the area.		
e) Embodied carbon impacts of redevelopment Submissions from 3 individuals Replacing buildings long before their end of life has an embodied carbon impact.	e) Response Support for the proposal is noted.	
Submission from an industry group National Trust notes that in many instances, the 'greenest' building is the one that already exists.		
f) Encourages investment in maintenance Submission from an individual The proposal encourages owners to invest in maintenance and upgrades in favour of selling to developers in future.	f) Response Support for the proposal is noted.	
g) Reduced heritage impacts Submission from an individual The proposal could preserve the unique and diverse heritage architecture of an area.	g) Response Support for the proposal is noted.	
2) Reasons for opposition		
<ul> <li>a) General opposition</li> <li>Submissions from 11 individuals</li> <li>The planning proposal is overly restrictive,</li> <li>reactive and flawed. Development complying</li> </ul>	a) Response The planning proposal protects against the loss of dwelling numbers and allows redevelopment to occur. It ensures that existing supply is not	

with the control will still produce unaffordable housing, won't achieve its intended outcome for the retention of dwellings and won't increase housing supply.

## b) Impact on development feasibility

Submissions from 35 individuals
The planning proposal, in limiting the number of larger apartments that can be provided, will decrease development feasibility. This is owing to the high demand for larger apartments, particularly in and around Potts Point, that underpins strong feasibility. The control will cause a stagnation in development in the City of Sydney (the City), with investment shifting elsewhere.

Submission from a community group
Pyrmont Action express similar concerns about feasibility impacts and the flow-on effects.

Submissions from 3 industry groups
Thirdi Group, Keyton and Planning & Co also
have similar concerns. Planning & Co adds
feasibility is restricted further where existing
buildings already exceed the floor space ratio
(FSR) and height of building (HOB) controls.

## c) Opposed to retaining buildings with superseded design standards or where investment in repairs is required

Submissions from 33 individuals

These submissions relate to two separate issues:

- buildings in deteriorating condition e.g. waterproofing issues, requiring window replacement, asbestos removal.
- buildings built to superseded design standards – e.g. no balconies, low ceiling height and size less than 35sqm.

They are opposed to the controls because it will mean these types of buildings won't be redeveloped.

These buildings are considered inconsistent with modern building requirements, have lower amenity, can be unsafe, may have limited accessibility, and poor environmental standards. This results in poor amenity for residents and exposure to health and safety

### Response

lost in favour of larger and more expensive housing.

**Action**: None required.

## b) Response

The planning proposal supports housing diversity and affordability by discouraging the replacement of smaller apartments with fewer large apartments. Limiting the loss of smaller, lower cost apartments, in favour of larger, higher value apartments, may have some impact on the relative profit that can be achieved in any redevelopment. Notwithstanding the above, it does not mean that redevelopment is unfeasible.

The planning proposal provides adequate flexibility to allow for redevelopment. While opportunities and constraints differ across sites, redevelopment will be most attractive where there is potential for unrealised capacity in existing planning controls to be used to provide larger apartments. Where buildings are already close to or exceed existing built form controls, further intensification of the site is limited in general, but this is not due to this planning proposal.

**Action**: None required.

#### c) Response

The proposal does not require the retention of existing apartments, only that the new development does not significantly reduce the number of apartments. A new development under the proposed controls will be expected to meet current amenity standards.

It provides flexibility to ensure owners can refurbish, maintain or redevelop their properties. The intention and effect of the planning proposal is only to ensure that this does not lead to a significant reduction in dwelling numbers.

Response

risks where a building is in deteriorating condition.

Owners may not be able to fund repairs, leading to further deterioration and reducing property values further, with re-sales becoming difficult.

This situation is seen as contrary to objective (h) of the *Environmental Planning and Assessment Act 1979* (EP&A Act) "to promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants."

Submissions from 3 industry groups
Thirdi Group and Time & Place raise the same concerns. Planning & Co claim the planning proposal fails to consider these circumstances, and that poorer amenity may make these older dwellings relatively more affordable, but that affordable housing should not be 'worse housing'.

## d) Impact on larger apartments for families, seniors and group households

Submissions from 29 individuals
The proposal will limit new supply of larger apartments and does not account for the growing demand for larger apartments in Potts Point. This negatively impacts families including intergenerational households, empty nesters seeking to downsize and group households, potentially displacing long-term residents. The impact on population hasn't been explored. Larger apartments often enable rent-sharing, making housing more affordable than sole occupancy units.

Submissions from a building management body The owner's corporation at 137-147 Forbes Street, Woolloomooloo share these concerns.

Submissions from 3 industry groups
Planning & Co share these concerns. Time &
Place specifically refer to a significant
undersupply of larger apartments in the Potts
Point area, with data from the Australian
Bureau of Statistics to support this claim. They
cite, lower than average numbers of 3- and 4bedroom apartments compared to the rest of
the state, largely due to the high-density nature
of the area.

## d) Response

The planning proposal provides adequate flexibility to ensure that any redevelopment can provide some larger apartments as part of its overall dwelling size mix. Sydney Development Control Plan 2012 (DCP) requires 10 per cent of apartments to have 3 or more bedrooms and soon to be exhibited controls proposed increasing this 20 per cent. Testing of the proposed controls demonstrated that the current and draft dwelling mix controls can be achieved.

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Keyton state that the proposal will negatively impact the delivery and ability to address the current shortage of seniors housing in the City, particularly to their larger space requirements.

## e) Opposed to market intervention by government

Submissions from 17 individuals
The proposal unnecessarily interferes in the housing market removing flexibility to respond to market demand and undermines property owners' rights. Fewer rules are believed to enhance housing supply and stimulate economic growth, allowing the market to dictate development needs.

Submission from an industry group
Time & Place refers to this proposed change as
a very direct market intervention that could
have serious, unintended consequences.

## f) Negative impact on innovation and design flexibility

Submissions from 5 individuals Proposal limits developers' ability to have flexibility and innovation in redeveloping residential buildings.

Submission from a building management body Submission from the owner's corporation for 137-147 Forbes Street, Woolloomooloo share these concerns.

## g) Reduced developer contributions for council

Submissions from 3 individuals
The proposed control would reduce opportunities for redevelopment, reducing the amount of 7.11 developer contributions that the Council receives.

Submission from an industry group Thirdi shares these concerns.

## h) Proposal does not prevent displacement

Submission from an individual
Even if housing is retained through
development because of this control, there will
still be a displacement of existing residents and
some loss of housing.

## e) Response

Response

The proposal addresses the effect of the market, being the loss of dwellings and loss of smaller more affordable dwellings, which contribute to housing diversity. New larger dwellings favoured by the market can still be developed under the proposed controls.

Action: None required.

### f) Response

The planning proposal ensures a balance between innovation and the need to retain housing stock, without unduly restricting creative design solutions.

Action: None required.

## g) Response

The concern the planning proposal would limit the City's receipt of developer contributions is noted, however, minimising the loss of housing supply through the redevelopment of existing dwellings the City's primary concern.

Action: None required.

#### h) Response

This planning proposal effectively reduces the loss of housing supply. However, it is acknowledged it cannot prevent evictions or displacement during redevelopment or for other reasons.

## Loss of housing minimal compared as a percentage of overall housing stock

Submission from an individual

The reduction of units by 15% is prohibitive and may only address current short-term problems. The loss of only 65 dwellings since 2018 and proposed reduction of 143 dwellings is minimal and does not justify the proposed restrictions.

## j) New housing and infrastructure elsewhere

Submissions from 2 individuals

New metro lines and housing uplift close to these stations means more people will have quick access to the Sydney CBD. This reduces the urgency of retaining dwellings in the City. The planning proposal does not consider this.

## k) Benefits of gentrification

Submissions from 2 individuals
Gentrification could deliver positive change by revitalising the area with new developments creating a safer, family friendlier area. Retaining more affordable housing in the Kings Cross/Potts Point area exacerbates issues like drugs, crime and homelessness.

# I) Need to balance housing affordability goals with supporting new development

Submission from an industry group
Thirdi Group do not support restricting
development to maintain housing affordability.
Development plays a crucial role in economic
growth, employment and livability.

### Response

### i) Response

The City has been tasked by the NSW Government to grow supply and meet a local housing target of 18,900 dwellings over the next 5 years.

While the reduction in numbers may seem small, any loss in supply is to the detriment of housing supply for the community.

Moreover, as a percentage of overall housing stock, their impact is amplified by their concentration in relatively affordable apartments in the Potts Point area.

**Action**: None required.

### i) Response

Even with the changes described, it does not diminish the importance of this planning proposal in supporting housing supply in the City.

Action: None required.

## k) Response

There is no evidence that retaining housing in the Potts Point area will worsen crime, drugs, or homelessness. Dwelling retention is crucial for diversity, relative affordability, and proximity of workers to lower-paid jobs.

Action: None required.

## I) Response

It is agreed development plays a crucial role in economic growth, employment and livability.

The stated objective of the planning proposal is to minimise the loss of housing diversity and supply through the redevelopment of existing dwellings. Supporting housing affordability is stated objective of the planning proposal, given the current housing crisis.

The planning proposal provides adequate flexibility to facilitate development and does not restrict development from occurring. There are other developments that can occur on these sites, including redevelopment that does not reduce housing and/or refurbishments.

## m) Interface with Housing SEPP

Submissions from 2 industry groups
Planning & Co raises concern that the planning
proposal does not adequately consider its
interface with State Environmental Planning
Policy (Housing) 2021 (Housing SEPP) Chapter
2, Part 3. The SEPP already imposes
conditions to reduce the loss of affordable
housing, and not just the retention of existing
dwellings, which are not affordable dwellings.
Further, the SEPP part allows a consent
authority to impose an affordable housing
condition requiring a monetary contribution on
development that reduces affordable housing.

Victorian developer Time & Place goes further to state that the planning proposal is inconsistent with the Housing SEPP for the following reasons:

- The planning proposal makes limited reference to the Housing SEPP and the Department's Gateway Determination Report flags the general issue of older buildings not being able to be consistent with the amenity provisions in the Housing SEPP.
- The inflexible nature of the proposed control in the planning proposal is inconsistent with the affordable housing provisions and overall aims in the Housing SEPP to promote diversity and mitigate the loss of affordable housing.
- A flow-on impact of less development due to the proposed dwelling control is that there will be fewer opportunities for the recently introduced in-fill affordable housing provision under the Housing SEPP. This provision in the Housing SEPP allows for 30% additional FSR if 15% of apartments are provided as affordable housing for 15 years. It requests that the Department should exempt the application of the dwelling retention control where the in-fill affordable housing provision of the Housing SEPP is applied.

## Response

### m) Response

With regards to the interface with the retention of existing affordable rental housing provisions in the Housing SEPP, there are very limited instances where both the SEPP and the dwelling retention controls would apply, specifically on buildings held in single title that are not strata or company sub-divided. In such cases, there is no conflict as the Housing SEPP focuses on retaining affordable rental housing, while the planning proposal addresses overall housing supply, irrespective of affordability. The gateway determination confirms the planning proposal's consistency with the Housing SEPP, as demonstrated in the determination report prepared by the Department.

The Gateway Determination is satisfied by the Planning Proposal's consideration of Housing SEPP 2021, and the accompanying determination report clearly demonstrates this to be the case. The Department's Gateway Determination Report states that "the planning proposal is consistent with the SEPP as it considers the need to provide apartments with good amenity for future residents that meet the Apartment Design Guide."

The planning proposal supports the objectives of the Housing SEPP "enabling the development of diverse housing types" and "mitigating the loss of existing affordable rental housing." This is also addressed in the Justification section (pp.15) of the Planning Proposal.

Concerns about the impact on development feasibility as a result of this planning proposal was addressed in Section 2(b). In addition, where redevelopment of a residential flat building is proposed, a proponent can utilise the in-fill affordable housing provision under the Housing SEPP which enables additional FSR and height where 10%-15% of the development is provided as affordable housing for 15 years. The planning proposal does not impede the use of the infill affordable housing provision in the Housing SEPP. The use of this provision can help to provide a developer with additional FSR in any redevelopment and assist in maintaining the number of existing dwellings.

## n) Inconsistent with the conditions of the Gateway Determination due to lack of justification

Submissions from 2 industry groups
Planning & Co is concerned that the tipping
point analysis in the planning proposal is based
on a small sample and does not sufficiently
justify the 15% standard or its potential impacts.
It does not demonstrate that a diverse mix of
dwelling sizes can be achieved and the
Gateway determination, by requesting more
analysis, validates these concerns.

Time & Place states that the proposal is inconsistent with the conditions of the gateway determination for the following reasons:

- no clear evidence base and analysis explaining how the proposed control was chosen
- does not explore options or alternatives that could have been applied to balance a wide range of views
- misaligned with Council's draft 20% minimum requirement for 3 bedroom units
- does not analyse scenarios where average apartment size in existing building is already very low
- absence of detailed 'worked examples' and the implications of these.

### Response

## n) Response

The changes made to the planning proposal prior to public exhibition thoroughly address the requirements of the gateway determination specifically:

- A comprehensive explanation of how the 15% maximum dwelling reduction rate was determined (Gateway requirement 1(a)(i)). This included further detailed tipping point analysis that explores a range of alternative maximum dwelling reduction rates to test the sensitivity of the proposed dwelling standard. The aim of the tipping point analysis is to ensure future redevelopment of buildings could still be achieved while maintaining compliance with current minimum dwelling size requirements, as well as draft Sydney DCP requirements to provide 3-bedroom apartments in any new development. The testing included 5%, 10% and 15% options. It found the 5% and 10% maximum dwelling reduction rate was demonstrated as too low as it was unable to achieve the required dwelling mix while ensuring that 20% of the units were 3bedroom apartments; and the 15% maximum dwelling reduction rate successfully balanced both objectives, aligning with dwelling size and mix requirements while minimising the loss of apartments. Dwelling reduction rates beyond 15% would meet dwelling size and mix requirements, but it is considered that they would result in an increasingly unacceptable reduction on housing supply, undermining the proposal's intended outcomes. This explanation is provided on pages 7-8 of the planning proposal.
- Discussion regarding how the proposal ensures a diverse mix of dwelling sizes for various household types and its application to employment and mixed-use zones (Gateway requirement 1(a)(ii) and (iii)) is provided on pages 7, 9 and 10 of the planning proposal.

The planning proposal also addressed the requirement (1)(b) and (1)(c) of the Gateway determination to update Section 9.1 Ministerial Direction 4.2 – Coastal Management and to include a transitional provision, respectively.

## o) Inconsistent with objects of the Environmental Planning and Assessment Act 1979

Submission from an industry group Planning & Co argues that the proposal is inconsistent with the objects of the EP&A Act, specifically:

- To promote the orderly and economic use and development of land (at s 1.3(c)) as it restricts development of uses that are legally permitted within a zone such as single dwellings.
- To promote the delivery and maintenance of affordable housing (at s 1.3(d)) as it may prevent the replacement of aging, lowamenity housing with affordable rental options if the redevelopment reduces existing dwelling numbers by more than 15%.
- To promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants (at s 1.3(h)) as the proposal restricts the redevelopment of a site to meet modern building standards.

### Response

## o) Response

The planning proposal balances opportunity to redevelop while preserving existing housing. It aligns with the Act by integrating environmental and economic considerations, supporting orderly land use while allowing redevelopment that respects the objectives of land use zones. The planning proposal does not restrict dwelling houses, which remains a use permitted with consent and it also does not prevent the combining of two dwellings into one.

It also does not prevent broader redevelopment from occurring, where there is a reduction in dwellings provided that no more than 15% of dwellings are lost.

The planning proposal does not restrict the provision of affordable housing and development may still use the infill affordable housing provisions in the Housing SEPP.

The proposal does not restrict the redevelopment of a site.

**Action**: None required.

## Requested changes to planning proposal

#### 3) Requested changes to further restrict loss of dwellings

## a) Reduction in the allowable percentage loss

Submissions from 57 individuals 57 submissions request stricter limits on dwelling loss. Specifically:

- 22 request no loss of dwellings;
- 6 request an unspecified lower percentage;
- 5 suggest a maximum loss of 10%;
- 5 request an increase in dwellings;
- 1 requests a 5% maximum; and
- 1 requests no loss, but allows up to 10% on a case-by-case basis.

The remaining submissions request an alternative stronger approach. This includes having no reduction in certain zones or for buildings with larger units. One submission argues that because there is additional FSR available from the Housing SEPP in-fill affordable housing incentives means there should be no reason to justify any dwelling loss.

## a) Response:

The City notes the requests to introduce stricter limits for dwelling loss. As explained in the planning proposal, the proposed 15% reduction rate is based on finding a reduction rate that best balances the need to ensure that buildings are not completely prevented from redevelopment with the intention to protect the stock of smaller dwellings...

Further restrictions on dwelling loss is not supported, as redevelopment must meet current amenity and spatial requirements, including larger apartments and modern layouts. The 15% maximum dwelling reduction rate is preferred over lower percentages, such as 5% or 10%, because these lower rates were found to be too restrictive. They would not allow for the necessary dwelling mix, particularly the proposed minimum 20% provision of 3-bedroom units. The 15% rate strikes the right balance, enabling redevelopment to occur while

Submission from a community group Pyrmont Action requests no loss at all, even the merging of two apartments into one.

## b) Apply control to non-residential uses

Submission from an individual

The conversion of residential buildings to office should be banned.

Submission from a community group
Pyrmont Action oppose conversion of
residential buildings to non-residential buildings
as it reduces the supply of housing and
undermines the objectives of this planning
proposal.

They request amendments to prevent any dwelling loss when residential is converted to non-residential.

## c) Opposed to Council not being nominated as plan-making authority

Submissions from 7 individuals Local council is better suited to handle local housing issues. Council has the planning expertise and a stronger understanding of community concerns.

Submission from a community group Potts Point Preservation Group share this view.

Submissions from 2 building management bodies

The board of directors at 17 Wylde Street and 3 Wylde Street, Potts Point share this view.

## d) Remove savings and traditional provisions

Submissions from 8 individuals
The savings provisions may encourage developers to fast-track proposals before the new rules take effect. There has been a surge in applications to demolish older buildings to bypass the proposal. To prevent this, the proposal should apply to already lodged development applications (DAs).

Submission from a community group Potts Point Preservation Group share this view.

Submission from a building management body

#### Response

b) Response

maintaining housing diversity and ensuring compliance with current standards.

## **Action**: None required.

The conversion of the residential building to a non-residential building can already occur under the mixed-use zoning of the site. The planning proposal only excludes the proposed requirement to limit the loss of dwellings when the building is redeveloped for residential purposes.

Reference was made in the submission to a specific matter that relates to the Pyrmont Peninsula Strategy. This will be on public exhibition from 1 October 2024 to 13 November 2024 providing opportunity to comment. This matter is not relevant to this planning proposal. **Action**: None required

c) Response

These concerns are noted, however the Act empowers the Minister to make an LEP, and delegation to a state government representative, or to a Council, is at their discretion.

In this instance, the authority has not been delegated to Council and it is not within the powers of Council to alter this decision.

Action: None required

## d) Response

The Department required as part of their Gateway Determination that the City update the planning proposal prior to exhibition to include a provision for savings and transitional arrangements for applications lodged prior to the provision coming into effect.

The board of directors at 3 Wylde Street, Potts Point share this view.

## e) Requests post-exhibition report back to Council in October

Submissions from 3 individuals
The planning proposal is requested to be reported to Council in October to ensure quick implementation of changes.

Submission from a building management body Board of directors at 3 Wylde Street, Potts Point share this view.

## f) Mandate net increase in dwellings for upzoned land

Submission from an individual
If the state government's 'low and mid-rise housing reform' is implemented, the City should include a clause in its LEP requiring any new development in these areas to result in a net increase in dwellings.

## g) Apply additional restrictions on larger units

Submission from an individual Limits on 3 bedroom apartments in the postcode 2011 should apply and a minimum net increase in dwellings (e.g. 125%) instead of the maximum loss of 15%. This is because the current control is insufficient for the 2011 postcode.

The City needs to recover lost housing, increase demand near infrastructure, reintroduce affordable housing and a mixed population and contribute to unmet housing needs.

Submission from a community group
Pyrmont Action requests measures to keep a
mix of apartments to maintain affordability. This
includes requiring one bedroom and 2 bedroom
apartments to only have one bathroom.

## Response

### e) Response

Planning proposals are reported back to Council following public exhibition as soon as possible.

A significant number of submissions were received about this planning proposal that required due consideration and response.

Action: None required

### f) Response

At this stage, there is no indication of the timing and final form of the 'low and mid-rise housing reform.' Planning responses to these reforms will be considered once it is in place.

Action: None required

## g) Response

The City does not support the restriction on providing larger apartments as they are also needed for larger households in the local area.

Limiting the number of bathrooms is not supported as it's unlikely to influence housing supply and diversity.

Action: None required

## 4) Requested changes to allow exceptions to the rule and/or to allow for greater loss of dwellings

## a) Change provision to 'net-bedroom loss' rather than 'net-dwelling loss'

Submissions from 22 individuals Instead of a net dwelling loss, replace this with 'net bedroom loss.' This would mitigate the

#### a) Response

The proposal to shift from 'net-dwelling loss' to 'net-bedroom loss' has been considered. However, since the lost units are generally smaller, this change would likely diminish

impact of reduced dwelling numbers by potentially maintaining or increasing the total bedroom count. Larger units can house more people, provide accommodation for families and extended groups and support co-living arrangements compared with studios.

## b) Requests for exemptions and variations

Submissions from 19 individuals
Request exemptions from or variations to the proposed maximum dwelling loss of 15% contained in the planning proposal as summarised below:

### Older buildings

- exempt buildings older than 50 years.
- further reduction to meet modern standard.
- reduction to meet broader objectives housing diversity, sustainable development, safety and accessibility.
- increase FSR, HOB, reduce parking to support no loss of dwellings in redevelopment while for newer buildings have a no net loss provision (0%).

## Allow greater than 15% loss

- 20%
- 25%
- 'more than 15%'
- only restrict merging of apartment buildings into one dwelling.

#### Exempt smaller developments

- only apply to more than 20 units
- only apply to more than 6 units
- allow merging of 2 units.
- · Allow incremental merging of apartments.

#### Other exemptions where existing building:

- already exceeds the current FSR and HOB controls:
- are non-compliant with the current Apartment Design Guide and Building Code of Australia (BCA); or
- has an average apartment size too low to facilitate a minimum of 20% 3-bedroom apartments in a redevelopment.
- provides contributions to an affordable housing fund if it isn't feasible to retain dwellings.

### Response

housing choice by forcing smaller households into share households. Recent redevelopments typically result in new, less affordable apartments for group households, meaning the net loss of dwellings persists and doesn't solve affordability concerns or housing needs for smaller households.

Action: None required

## b) Response

The planning proposal allows the merging of two apartments into one. It also allows the incremental merging of units within the rule. For example, if in a block of 7 units, two apartments on the top floor were merged and a subsequent DA was submitted to merge the two ground floor units, the proposed dwelling retention control would not prevent this.

In relation to older buildings, the age of buildings is unrelated to the supply and diversity of housing. The exemptions proposed contradict the objectives and intended outcomes.

In relation to allowances for greater than 15% loss, the planning proposal used a tipping point analysis, to consider the lowest rate that can be applied while also meeting the objectives of a minimum 20% 3-bedroom apartments in the new development and meeting modern apartment size standards. Unlike the 15% rate which is justified by the planning proposal, rates higher than 15% are not supported as they allow an even higher rate of housing loss.

The planning proposal has already considered that some existing residential buildings have smaller units than current standards, while others meet or exceed existing FSR or HOB, limiting redevelopment opportunities. The 15% loss rate is seen as the best balance to minimise housing loss while still allowing redevelopment, based on testing across six scenarios that considered these issues. There is also no evidence in recent dwelling loss examples where the existing building already met or exceeded the FSR or HOB control.

The Housing SEPP facilitates contributions for the loss of affordable rental housing, but only in very limited scenarios and it does not apply to strata or company title residential flat buildings.

Submission from a community group
The Glebe Society requests an amended limit
of dwelling loss to 2 or 15%, whichever is the
greater. This could be limited to apply only
where it is the owner's principal residence.

They also request an exemption for heritage items and contributory items where the development would reinstate its original layout. Their rationale is that many buildings that are originally dwelling houses have been unsympathetically divided into separate units, often as substandard accommodation.

It should be noted that this does not necessarily mean the loss of all the flats in an old house and instead focus on reinstating principal parts of the original plan.

Submission from an industry group
Time & Place requested an exception clause for applications that include in-fill affordable housing in accordance with Part 2, Division 1 of the Housing SEPP 2021. It was also requested that where an existing residential flat building is subject to redevelopment, through significant investment well in advance of the proposed policy, the subject site is excluded from its application.

## c) Exclude seniors housing

Submissions from 8 individuals Request exemption for retirement living, aged care and over-55s living as aged care needs more space for mobility, carers, and communal areas.

Submission from a building management body A submission on behalf of the owners of 51-59 Roslyn Gardens Elizabeth Bay requests an amendment to the draft clause to exempt seniors housing if the building will not be subdivided into separate strata lots; and will be owned and controlled by one entity; and will be operated by one managing agent, who provides on-site management.

They are concerned that the Planning Proposal may preclude seniors housing development as a redevelopment for seniors housing would reduce the number of dwellings at 51-59 Roslyn Gardens by more than 15% (noting the small

### Response

This is not an option that can be applied to dwelling loss of this nature.

The proposal does not prevent merging two apartments through consecutive DAs, as suggested by the Glebe Society. The option of losing 2 or 15% is not supported as an owner with 3 adjacent apartments are able merge them with two DAs. However, merging more than two units is not expected to be common, and the provision applies regardless of single or multiple ownership.

Action: None required

#### c) Response

The planning proposal does not prevent the redevelopment of residential flat buildings or shop-top housing for seniors housing, as long as the loss of dwellings does not exceed 15%. Introducing an exemption for seniors housing would be inconsistent with the objectives of this proposal, as it could lead to significant dwelling loss through redevelopment for residential purposes.

While there are acknowledged strategic and social benefits in providing seniors housing, these benefits can still be achieved should the planning proposal be implemented.

The proposal's aim is to maintain housing diversity and availability, and exempting seniors housing would undermine that objective.

Also refer to 4(d) Concerns about lack of flexibility with Clause 4.6.

existing unit sizes in the building which cannot meet the accessibility standards required to meet the needs of older and disabled people with mobility restrictions and the need to provide communal facilities for a managed seniors housing community).

It also explains that their proposed amendment won't have unintended consequences as it cannot be applied to strata subdivided private dwellings and instead, promotes the development of managed seniors housing buildings that are owned and controlled by one entity and operated by one manager.

This will ensure that only non-private dwellings are promoted and that the provision cannot be utilised to provide private dwellings built by market housing developers.

Submission provided a strategic justification for this change identifying consistencies with local and state strategic plans.

Submission from an industry group
Keyton request an amendment to the draft
clause to exempt seniors housing, similar to the
request made by the owners of 51-59 Roslyn
Gardens Elizabeth Bay.

## d) Concerns about lack of flexibility with Clause 4.6

Submission from an individual
The use of exceptional circumstances via only a
Clause 4.6 variation is onerous, and a greater
flexibility is required to allow for scenarios that
must be contained in the drafting of the new
Local Provision in Part 6 of the Sydney Local
Environmental Plan 2012 (Sydney LEP).

Submissions from 2 industry groups
Planning & Co is concerned that the clause
objective negates the use of Clause 4.6 as any
loss of housing would ultimately be inconsistent
with the objectives of the clause. It is also
concerned that it would make consideration of
environmental and economic impacts under
s4.15 of the EP&A Act secondary
considerations compared to the social impacts.

It recommends that amendments to the Sydney LEP should balance considerations of the environmental and economic impacts of

### Response

Action: No change required

#### d) Response

Clause 4.6 provides flexibility on a case-bycase basis and is not solely dependent on proposed dwelling numbers. It does not prioritise social impacts over environmental or economic considerations, all of which remain essential consideration under s4.15 of the Environmental Planning and Assessment Act 1979.

There are scenarios where Clause 4.6 would be applicable. For instance, if a building exceeds the 15% dwelling loss threshold but requires redevelopment due to deterioration, Clause 4.6 offers the necessary flexibility, provided the proponent can justify the variation. The clause is intended to allow justified exceptions, not restrict its application.

development or restrictions on development per the EP&A Act.

Time & Place share similar concerns, believing that Clause 4.6 will be rarely used, providing limited flexibility, due to the focus on the quantitative impact on dwelling numbers.

## e) Savings provisions are inadequate and unclear

Submission from an industry group Time & Place are concerned that the savings provisions proposed will not safeguard Concept DAs, where the detailed design DA stage has not yet commenced. Requests refinement to ensure that applications and subsequent applications will not the subject of this policy.

## e) Response

Response

The draft savings provision in the planning proposal applies to subsequent DAs, following the initial concept DAs for the site.

Action: No change required

## 5) Other

## a) Contiguous development provisions

Submission from an individual Suggests development subject to this clause could be required to be contiguous or within a specified distance, such as "not more than 200 meters apart," to ensure effective implementation of the control.

### a) Response

This is not supported as it places unnecessary restrictions on the flexibility of development sites and could hinder the efficient use of land.

The primary objective of the planning proposal is to manage dwelling retention on a site-by-site basis, and introducing a distance requirement could inadvertently limit opportunities for appropriate redevelopment while adding unnecessary complexity to the assessment process.

Action: No change required

## b) Monitoring and review of controls

Submission from an industry group Australian Institute of Architects seeks effective monitoring, review and enforcement of the control once in force. This is crucial for transparency, public trust and making sure the controls continue to meet their objectives.

#### b) Response

The City monitors and reviews all planning controls regularly to ensure they are functioning effectively. This will also apply to the dwelling retention controls should they be implemented.

**Action**: No change required

## Renewal challenges for older apartment buildings

## 6) Impacts of proposed control on existing owners who would like to sell their building

## a) Negative impact on apartment values

Submissions from 2 individuals Submissions say the planning proposal will have a negative impact on apartment values. This is most significant for buildings that require significant levies to meet safety and compliance standards.

## a) Response

The objective and intended outcomes of this planning proposal are to maintain housing diversity and availability by minimising the loss of housing supply.

Submission from a building management body The Owners Corporation at 137-147 Forbes Street, Woolloomooloo are concerned the control will artificially lower apartment values due to its impact on feasibility.

# b) Reduced willingness to invest and maintain existing apartment buildings

Submissions from 37 individuals
Owners show reduced willingness to invest in maintaining and upgrading older buildings due to cost-prohibitive repairs. This reluctance results in further deterioration, as seen in avoided fire safety audits, neglected property maintenance inquiries, and postponed repairs. Despite ongoing maintenance, these buildings often require comprehensive redevelopment.

Maintenance costs for owners are becoming even more challenging as building regulations become stricter, requiring upgrades and retrofitting to buildings to address issues such as fire safety.

Submission from a building management body The Owners Corporation at 137-147 Forbes Street, Woolloomooloo are concerned that the negative impacts on property values will reduce willingness of landlords to invest in and maintain units.

Submission from a community organisation Pyrmont Action is concerned that the proposal will lead to buildings becoming increasingly run down and eventually unfit for any occupancy due to lack of renewal.

Submission from an industry group Planning & Co highlights that remedial works to make older buildings compliant with current National Construction Code requirements is increasingly unfeasible.

## c) Owners unable to afford the levies to maintain/repair buildings

Submissions from 8 individuals
The proposed planning changes fail to address
the economic realities of maintaining or
renewing aging buildings, leaving many owners

### Response

The value of a dwelling is affected by many factors including building condition, financial state of owners corporations and amount invested in the maintenance and upgrade of buildings over time.

Also refer to 2(b) Impact on development feasibility.

Action: No change required.

## b) Response

The planning proposal provides adequate flexibility to facilitate the redevelopment of a building where it reaches the end of its economic life.

Also refer to response to 2(b) Impact on development feasibility and 6(a) Negative impact on apartment values.

Action: No change required

## c) Response

Decisions regarding maintenance levies, repairs, or potential sales are long-term responsibilities of individual owners.

in difficult financial situations. Owners of older strata buildings face a financial burden, especially with funding essential maintenance and repairs. Many buildings nearing the end of their life see owners unable to afford high levies, leading to disrepair and forced sales. Buildings designed under outdated regulations face substantial upgrade costs that owners cannot afford, risking becoming uninhabitable or uninsurable.

Submission from an industry group
Time & Place shares similar concerns, stating
that the planning proposal will financially burden
owners' corporations. They are concerned that
this will create pockets of inequality and
segregation.

## d) Maintenance costs increase housing costs

Submission from an individual
The cost of repairs and maintenance of existing buildings impacts the rental market and housing affordability as these costs are passed onto tenants.

### Response

Also refer to response to 2(b) Impact on development feasibility and 6(a) Negative impact on apartment values and 6(b) Reduced willingness to invest and maintain existing apartment buildings.

**Action:** No change required.

## d) Response

The planning proposal does not affect maintenance costs.

**Action**: No change required.

## 7) Role of proposed control in reducing impacts on apartment owners who do not want to sell

## a) Security of tenure for owners/tenants Submissions from 21 individuals

Developer interest in residential flat buildings has created housing insecurity for owners and tenants as the Strata Schemes Development Act 2015 allows a building to be sold for redevelopment if 75% of owners agree. While facilitating site acquisition, it is not resulting in the creation of more housing, leading to market failure and further exacerbating Sydney's housing affordability crisis.

The acquisition process adds considerable financial strain due to legal costs and mental health strain on residents due to the uncertainty and conflict between owners.

It is having a disproportionate impact on older residents who tend to be asset rich but cash poor, who if forced to sell, are unable to afford to stay within the community or alternatively, cannot afford the rising levies for building repairs. Displacement risks social isolation and loss of community connections. The current

#### a) Response

The planning proposal is not intended to stop acquisition or renewal and redevelopment of strata schemes. Strata renewal is permitted under NSW Government legislation.

shortage of aged care accommodation and affordable housing exacerbates this issue.

Submission from a community group 2011 Resident Association focuses on the current trend of displacement as a result of redevelopment and the impact on, long-term, low-income and older residents, with a lack of options to stay within the same area. It highlights that this is a vulnerable stage of a person's life, and familiar surroundings are important for their wellbeing.

## b) Inflated estimated costs for building repairs

Submissions from 3 individuals

There are concerns that the estimated cost of bringing existing buildings up to standard are being exaggerated to justify selling to developers, and to justify its eventual redevelopment.

Request for Council to advocate for solutions to issues around repair deficiencies and bias towards encouraging collective sale of buildings.

## c) Strata governance issues

Submissions from 5 individuals
Strata managers have allowed older buildings to deteriorate despite legal responsibilities to keep buildings to standard. There are concerns that this has occurred to encourage owners to sell to developers for redevelopment. The risk that this is due to a conflict of interest between developers, strata managers and real estate agents should be examined.

There are broader concerns about governance issues within strata schemes, with accusations of developers using misleading tactics and pressure to reach required sales percentages.

The current system allows individuals to exploit the laws, bullying owners into selling their homes, even when they don't want to, which underscores the need for reform.

## Response

### b) Response

The submissions raising these concerns are noted, however fall outside of the scope of this planning proposal to address.

**Action:** No change required.

## c) Response

Strata governance issues, including the potential conflicts of interest among strata managers, developers, and real estate agents, fall under the jurisdiction of the state government.

Also see response to 7(a) Security of tenure for owners/tenants.

## Response

- 8) Impact of proposal on redevelopment of 51-59 Roslyn Gardens, Elizabeth Bay "ToR building"
- a) Impact of proposal on redevelopment of 51-59 Roslyn Gardens, Elizabeth Bay "ToR building"

Submissions from 13 individuals and a building management body

Three submissions support the planning proposal as it stands, while the other 11 (including the Owners Corporation) either oppose it or request an exemption for their site to allow redevelopment for seniors housing.

The Owners Corporation submission for "The Tor," a 10-storey, 70-unit building from 1966, notes that the building is at the end of its design life. Owners face two options: a collective sale for redevelopment or retaining ownership and funding a refurbishment.

The submissions note that an adjacent seniors living provider is considering buying the site, but the proposed planning changes would block redevelopment for retirement living. There are also concerned that Council might consider heritage listing the site.

Some are concerned that redevelopment is a less viable option if the planning proposal comes into effect, leaving refurbishment as the only option. Despite significant repairs since 2010, further structural and safety upgrades are needed, costing an estimated \$7.5 to \$8 million. This requires a special levy of over \$100,000 per unit, and residents may need to vacate for 12 to 24 months during the work.

The reasons that owners do not support refurbishment include the existing design's inability to meet modern apartment standards, such as size, balconies, solar access, ventilation, and energy efficiency. Owners also cite poor construction, lack of outdoor space, small apartment sizes, and high maintenance demands due to the building's deteriorating condition and inefficient use of space.

There would also be a need for significant levies, with some unable to secure financing due to lending restrictions for smaller apartments. Repairs would require the building to be vacated for up to two years, forcing owners who can't afford the levies to sell at a

### a) Response

Exemption of the ToR building from the proposed planning controls, if implemented, is not supported. The planning proposal provides adequate flexibility for the redevelopment of the site.

The City is currently undertaking a heritage assessment of post war residential flat buildings in the Potts Point area. The City has met with owners of the Tor Building about the assessment. A planning proposal for any future heritage listings is planned to be reported to Council later in 2024. Owners will be notified if the building is proposed to be listed and will have further opportunity to provide feedback.

Also see response to 4(c) Exclude seniors housing/non-private dwellings and response to Renewable challenges for older apartment buildings.

Summary of submission	Response
discount. Those who can afford it would raise rents to cover costs, while renters would need to move out.	
In contrast, three submissions support the planning proposal and do not wish to sell the building. They are frustrated by the owners corporation's refusal to invest in repairs and fear being forced to sell, which would leave them unable to afford to stay in the area.	
9) Other issues or suggestions	
a) Clause for Remedial Works Incentive Submission from an individual A remedial works incentive clause should form part of the planning proposal to make it more financially appealing to renovate the existing building than selling to a developer.	a) Response The planning system is not able to equitably fund maintenance works for all building owners. Action: No change required.
The FSR and height of HOB would be allowed to exceed existing controls if it is strictly for the purpose of remediating buildings that are not structurally sound and/or to achieve compliance with the BCA. It would not require increased parking but it would need to retain the existing number of dwellings.	

## Request for other measures to make housing more affordable

## 10) Request to amend the City's planning controls to incentivise development

#### a) Increased density

Submissions from 44 individuals
Asks Council to explore FSR and HOB controls
to boost housing supply and prevent dwelling
loss through redevelopment. Suggestions
include:

- focus on CBD, Woolloomooloo, Potts Point
- requiring development of buildings with five or more units to increase housing by at least 20%
- minimum 25% increase in dwellings in the 2011 postcode by allowing extra height on existing buildings and limiting larger and more expensive units.

Submission from a building management body The owners corporation at 137-147 Forbes Street, Woolloomooloo requests that Council allow a higher percentage of studio apartments in a development to increase the total number of units, achieving the desired density without compromising the liveability and quality of larger apartments.

#### a) Response:

The City has sufficient zoned capacity to meet long term housing targets and is rezoning Pyrmont and providing increased floor space for build to rent housing in Central Sydney. The planning proposal will make sure that the loss of existing dwellings does not make it more difficult to achieve the targets. Incentives are not suppoted as they are better used to encourage better performance and outcomes rather guard against poor outcomes.

## Response

Submissions from 5 industry groups
Thirdi suggests exploring opportunities to allow higher FSR controls on strategically located residential sites to facilitate the creation of diverse and affordable housing options.
Increasing the FSR can help preserve existing homes while also enabling new development.

Planning & Co propose that the City could prepare a scheme similar to the Heritage Floorspace scheme, which offers financial incentives for retaining dwellings. They also suggest considering HOB or FSR incentives to allow the retention of dwelling numbers.

The Australian Institute of Architects emphasises the importance of balancing the retention of smaller units with the economic viability of redevelopment projects. They advocate for exploring potential incentives such as density bonuses or expedited approval processes for developments that maintain or increase the number of smaller, affordable units. This approach is seen as a way to engage developers more effectively and align with the policy's social objectives.

Time & Place suggested that the focus should shift away from dwelling numbers towards development incentives to encourage the delivery of housing and policy initiatives to encourage affordable housing.

Keyton requests higher FSR and HOB controls, informed by economic and building envelope analysis so that dwelling retention can be achieved while also allowing for feasible and compliant redevelopment.

## b) Reduce costs of development

Submissions from 2 individuals
Suggestions include reducing regulations on ventilation, solar access, and deep soil, and simplifying energy efficiency requirements to lower development costs and improve housing affordability.

Submission from an industry group
Renato D'Ettore Architects are concerned that
there is a lack of housing supply due to
inflation, overregulation of the DA and
complying development process, the cost of

## b) Response

Residential feasibility is currently affected by macro issues such as construction, labour and financing costs, rather than the planning framework. The City's planning controls and state government planning requirements, such as the Apartment Design Guide, provide minimum requirements to ensure development meets amenity standards, is socially and environmentally sustainable and responsive to their context. The City does not support reducing amenity standards that set basic

construction, the cost and land and real estate, the lack of incentives in the LEP/DCP planning framework and the lack of tax settings to encourage the construction of more housing supply.

Submission from a community group Pyrmont Action suggests that housing costs could be reduced through streamlining development processes.

## c) Support change of use to residential

Submissions from 8 individuals
Support for change of use for carparks to
residential to improve housing supply with 2
submissions making specific reference to a site
in Pyrmont. Refurbished warehouses could be
converted to larger apartments.

Council should incentivise commercial office buildings being converted to residential. Examples include wharves at Walsh Bay and Pyrmont.

Submissions also request the removal of affordable housing levies for change of use from commercial to residential.

## d) Remove heritage controls

Submissions from 2 individuals Request for heritage controls to be removed from Sydney LEP and DCPs.

## e) Encourage student housing

Submission from an individual Universities should be encouraged to build more affordable student accommodation for their students to keep them out of the domestic rental market.

## f) Encourage boarding houses

Submission from an individual Council should introduce incentives for boarding houses and other home-shared schemes.

### Response

requirements for healthy and comfortable homes.

Action: No change required.

#### c) Response

There are no impediments in the planning controls to these changes of use, rather it is the practical implications on the built form that prove to make this form of conversion challenging for developers.

Affordable housing levies are one of the most successful measures on delivering affordable housing in Sydney. No change to the levies is recommended.

Action: No change required.

#### d) Response

Submissions about heritage controls are noted however are beyond the scope of the planning proposal to address.

Action: No change required.

## e) Response

Submissions about the provision of student housing (co-living development) are noted however are outside the scope of this planning proposal. A significant amount of student housing development are in the City's development pipeline and expected to be delivered over the next 5 years.

Action: No change required.

#### f) Response

Submissions about the provision of more boarding houses being provided in the City are noted however are outside the scope of this planning proposal. The City is currently undertaking a separate investigation into the loss of boarding houses. In July 2024, Council resolved to implement a series of actions to protect and retain structurally sound boarding

## Response

houses, ensuring that their capacity is not reduced during redevelopment.

Action: No change required.

## g) Remove minimum apartment sizes

Submissions from 4 individuals
Minimum apartment sizes should be removed to reduce barriers to development.

### g) Response

Submissions seeking the removal of minimum apartment sizes in planning controls are noted however are outside the scope of this planning proposal. The minimum dwelling sizes are established in the state government's Apartment Design Guide.

**Action**: No change required.

### h) Incentivise larger apartments

Submissions from 5 individuals Council should introduce incentives to support the development of larger apartments.

### h) Response

Refer to response to 2(d) Impact on larger apartments for families, seniors and group households.

Action: No change required.

## i) Controls to support retrofitted additions to flat buildings

Submission from an individual
Council should be encouraging an emerging construction method, known as airspace development which allows additional development above a building without distrusting existing occupants. There should be exceptions to height, floor space and other controls so that owners are able to fund building upgrades through additions to their buildings. An owner's corporation considered retrofitting a penthouse but did not proceed due to uncertainty about Council's support of this method.

Submission from community group
Pyrmont Action suggests the above strategy to
prevent disruption and displacement of
owners/tenants.

### i) Response

Owners interested in preliminary concepts can seek pre-DA advice from the City to better understand potential outcomes and requirements for this development type. Planning controls do not expressly prevent the addition of penthouses on existing buildings provided they comply with existing planning controls including FSR and height.

Action: No change required.

#### 11)Request for state government level planning related changes to improve affordability

#### a) Concerns about Housing SEPP

Submission from an individual
The affordable housing covenant should last longer than 15 years.

Submission from a community group
The Potts Point Preservation Group are
concerned that a recent amendment to the
Housing SEPP provides up to 30% uplift in FSR
in exchange for a minimum 15% of gross floor

## a) Response

Submissions about concerns about the Housing SEPP are noted however are outside the scope of this planning proposal. The recently introduced provisions of the Housing SEPP are governed by the state government. The City shares concerns regarding these provisions, particularly the limited 15-year timeframe for which the affordable housing covenant applies. Many stakeholders, including community groups and owners' corporations, have

area (GFA) allocated to affordable housing. However, the additional density is producing negative amenity impacts and the covenant only applies for 15 years and then the units can be sold.

Submission from a building management body
The Board of Directors for 17 Wylde Street are
concerned that a new Housing SEPP
amendment provides floor space uplift of 15%
GFA if allocated to affordable housing.
However, the covenant only applies for 15
years making it an ineffective method to
address housing affordability

## b) Impact on boarding houses

Submissions from 2 individuals
Request for greater measures to protect local
boarding houses, particularly in Paddington. It
was suggested that the proposal will result in
empty unmaintained boarding houses.

Submission from a community group
Pyrmont Action request existing boarding
houses must be retained if not structurally
unsound and capacity should not be reduced
when redeveloped.

## c) Request a change to short-term rental accommodation rules

Submissions from 11 individuals
Submissions requested the introduction of new legislation and controls to limit short-term rentals like AirBnB through measures like levies or restrictions on the numbers of day units can be rented out and fines for non-compliance. Submissions discussed concerns that short-term rentals are reducing housing stock, negatively impacting the availability of housing that is affordable for young professionals and working families. The increase in short-term rentals has led to disturbances and security concerns.

#### Response

expressed that this timeframe may be inadequate for addressing long-term housing affordability issues.

The potential for increased density in exchange for affordable housing must also be carefully evaluated to ensure it does not negatively impact amenity. The Council will continue to advocate for more sustainable and effective measures that result in affordable housing that is provided in perpetuity.

**Action**: No change required.

### b) Response

The planning proposal affects residential flat buildings and shop-top housing. It does not affect boarding houses and will not result in empty and unmaintained boarding houses. The City is currently undertaking a separate review focused on the loss of boarding houses. In July 2024, Council resolved to implement a range of actions to address this issue, ensuring that existing boarding houses are retained where structurally sound and that their capacity is not reduced during redevelopment.

Further information on this initiative can be found in the Council meeting resolution <u>here</u>. **Action**: No change required.

#### c) Response

Submissions about concerns about the regulation of short-term rental accommodation (STRA), such as AirBnBs' are noted however are outside the scope of this planning proposal. The NSW Government is undertaking a review of STRA regulation and the City is awaiting the outcomes of the review. The City's recent study into STRA found that STRA is not currently a driver of housing affordability issues but it could exacerbate problems if STRA returns to precovid settings

To find out more about our submission and the state government's review:

https://www.cityofsydney.nsw.gov.au/city-ofsydney-submissions/discussion-paper-shortlong-term-rental-accommodation

To read about the findings of our study:

https://www.cityofsydney.nsw.gov.au/researchreports/short-term-rental-accommodationreview

## 12)Other measures to improve affordability

## a) Solutions to address vacant dwellings

Submissions from 4 individuals
Submissions suggested solutions to address
the issue of vacant dwellings. Two submissions
requested for council and state government to
tax landlords on vacant properties. It was noted
that commercial properties on Oxford St have
empty accommodation above street level.
Another submission suggested that council
should focus efforts on completed but
unoccupied dwellings particularly in the Green
Square area. It was also suggested that Council
undertake an audit of all long-term unoccupied
premises.

## b) Overseas buyer restrictions

Submission from an individual One submission requested restrictions on overseas buyers.

## c) Fees for net dwelling loss

Submission from an individual Submission suggested that projects that amalgamate sites and result in a net dwelling loss should attract higher fees and rates.

### d) Support for displaced residents

Submission from a community group
The 2011 Residents' Association request that
developers should be responsible for providing
alternative local accommodation for displaced
residents or ensure residents are rehoused in
new developments at affordable rates. This
approach would promote diversity, equity and
the provision of affordable housing. The
Association also suggested that developers be
required to allocate a portion of revenue to rehousing residents.

## **e)** Maintain social and affordable housing Submissions from 12 individuals

There should be an increase in the supply of public, social and affordable housing and there should be greater investment in upgrades and maintenance. Suggestion that council should develop and maintain ownership of affordable and community housing units.

## a) Response

Submissions about how the issue of vacant dwellings might be addressed are noted however are outside the scope of this planning proposal.

Action: No change required.

## b) Response

The submissions about restrictions on overseas buyers is noted however is outside the scope of this planning proposal and is a matter for the federal government.

Action: No change required.

## c) Response

It is preferred that dwelling loss is managed through prevention rather than seeking contributions to mitigate dwelling loss.

Action: No change required.

### d) Response

The submission is noted however is outside the scope of this planning proposal. In certain circumstances where a residential flat building is in single ownership and is proposed for redevelopment and involves the loss of affordable rental housing, the Housing SEPP may require developers to pay a financial contribution and demonstrate that it has provided assistance for displaced residents, such as additional notice periods for vacating, financial assistance for moving and assistance in finding alternative accommodation.

## e) Response

The City provides substantial support to promote the delivery of affordable housing in the local area. To date the City has collected about \$400 million in levies and provided about \$24 million in discounted land and about \$10 million in grants.

Suggestion that there should be an increase of 1-bedroom units in public housing to allow residents to downsize.

Council should acquire affected boarding houses and residential flat buildings to maintain supply of affordable rents.

Submission from an industry group
Planning & Co suggested that affordable
housing contributions under Chapter 2, Part 3
of the Housing SEPP for reduction in affordable
rental housing should be used to fund building
upgrades or the retention of low-or-poor quality
buildings.

Submission from community group Pyrmont Action requests a prohibition on the sale of social and affordable housing.

# f) Reforms to bank lending restrictions on smaller apartments less than 40sqm

Submissions from 7 individuals
Community submissions both for and against the planning proposal raised issue with current bank lending restrictions for smaller apartments which are having a range of impacts. One submission requested that the City of Sydney work with the state government to direct financial institutions to remove lending restrictions.

## g) Built-to-rent housing

Submission from an individual Request for greater investment in build-to-rent housing and changing dwellings from an investment class to a citizen right.

## Response

As at July 2023, the City has 1,464 built affordable housing units in the local area, 565 dwellings in the development pipeline and over 1,100 dwellings that we expect to be built in the future.

The City's contribution scheme, which covers all of the local area, is projected to deliver up to 1,950 additional affordable dwellings to 2036 (some already accounted for in the above figures).

All together, the known built, pipeline, expected and projected affordable housing dwellings equal around 5,100 affordable rental dwellings and affordable diverse dwellings to 2036.

The state government administers contributions under the Housing SEPP for reduction in affordable rental housing.

Social housing is provided by the state government, who are responsible for its management over time.

**Action**: None required.

## f) Response

The submissions about restrictions on lending are noted however are outside the scope of this planning proposal, and local government, to address.

**Action**: No change required.

#### g) Response

The submission about investing in build-to-rent development is noted however is outside the scope of this planning proposal, and local government, to address.

The City recently endorsed changes to SLEP 2012 to introduce incentive controls for build-to-rent (BTR) housing in the Sydney CBD. This information can be found <a href="https://example.com/here">here</a>.

## h) Tax incentives

Submission from an individual
Suggestion that tax and other forms of incentives should be introduced to encourage developers to provide more housing than they demolish. All new developments should incorporate a percentage of affordable or social housing.

## i) Premium amenities in luxury apartments

Submission from an individual
Premium amenities and facilities in strata
schemes are contributing to affordability issues
and recommend that these should be reduced
to lower the cost per metre of new housing.

## j) Rent caps

Submission from an individual Suggestion to introduce rent caps.

## k) Alternative housing solutions

Submissions from 2 individuals
Compact housing solutions should be
encouraged. Small portable houses should be
introduced for homeless people on disused
land.

## Response

## h) Response

The submission about taxation and financial incentives is noted however is outside the scope of this planning proposal, and local government, to address.

**Action**: No change required.

## i) Response

The planning proposal does not seek to control layout, design and amenities provided in residential flat buildings and only seeks to limit the loss of housing.

Action: No change required.

### i) Response

The submission about rent caps is noted however is outside the scope of this planning proposal, and local government, to address. **Action**: No change required.

## k) Response

The submission about providing small portable housing for people who are homeless is noted however is outside the scope of this planning proposal to address.

**Action**: No change required.

#### **Miscellaneous**

#### 13) Council and Court processes

## a) Land and Environment Court

Submissions from 7 individuals
There is a risk that developers will be able to
bypass the proposal by challenging decisions in
the Land and Environment court. Alternatively,
it was suggested that this proposal will help
strengthen Council's case to refuse
applications.

Submission from a building management body The owner's corporation for 17 Wylde Street, Potts Point raised concerns that DA determinations in the Land and Environment Court favour developers.

## b) Concerns with engagement process

Submissions from 19 individuals
Some individuals who oppose the planning
proposal are concerned it is rapidly progressing
without independent analysis or industry
consultation. They are concerned that residents

#### a) Response

If the proposed planning changes are implemented, developers will need to demonstrate compliance with the new dwelling retention controls, just as they must with FSR and HOB controls.

While developers may still challenge decisions in the Land and Environment Court, the clear dwelling retention requirements will strengthen Council's ability to defend its decisions and refuse non-compliant proposals in line with the updated planning framework.

Action: None required

## b) Response

The planning proposal was exhibited for 32 working days. This is consistent with the requirements of the Gateway determination issued by the Department.

have been encouraged to submit pro-forma submissions.

Some submissions say the engagement process is inconsistent with the City's Community Engagement Strategy and Community Participation Plan 2024.

A submission in support of the planning proposal raised that developers' employees were lodging submissions to complain about the proposal without disclosing their interests.

Submissions from 2 industry groups
Time & Place have concerns about the lack of
development industry engagement and the fact
that the proposal is in response to a Councilor
notice of motion.

The Australian Institute of Architects advocated for a robust public engagement process that is reinforced by detailed analysis and transparently integrates community and stakeholder feedback into the decision-making process.

### Response

The planning proposal was made available on the City of Sydney website, in accordable with the City's Community Engagement Strategy and Participation Plan 2023.

When a planning proposal is publicly exhibited, all individuals, interest groups and industry representatives are free to make submissions. Employees of a company are free to also make submissions as individuals, just as residents are free to make use of a pro-forma that has been referred to them.

The City is required to accept and consider submissions that are made to them about a planning proposal. In preparing a response to submissions, all effort is made by the City to accurately represent from where submissions have been received and what they say. The City's consideration of submissions focuses on qualitative issues, not on the quantity of support or opposition. Each submission is assessed equally to ensure a thorough review.

Action: None required.

## 14) Heritage and amenity

## a) Amenity Impacts

Submissions from 7 individuals
Concern about the amenity impacts of new
developments in general. There is specific
concerns about redevelopment increasing the
building envelopes, particular in the 2011
postcode area.

#### b) Construction impacts

Submissions from 4 individuals
Concerns about construction impacts on
neighbouring residents during redevelopments,
particularly structural risks caused by deep
excavation.

#### c) Heritage

Submissions from 15 individuals
Concerns that new developments are
inconsistent with local architectural heritage and
diversity. Recommend buildings in Potts Point
area be retained and refurbished instead of
demolition. Additional heritage protections are

### a) Response

The amenity impact of development is managed through the Sydney LEP and Sydney DCP 2012 which include controls for setbacks and overshading to ensure impacts such as wind and daylight are appropriately managed. The planning proposal does not impact on consideration of amenity issues in the DA process.

Action: None required.

#### b) Response

Construction impacts are managed at the DA stage to minimise negative impacts for neighboring properties.

Action: None required.

#### c) Response

The City recently commissioned a heritage study of post-war residential flat buildings in the Potts Point, Elizabeth Bay and Rushcutters Bay areas.

In addition, the City has recently revised the statements of significance and physical

required for buildings in the Potts Point area, specifically Art Deco and Modernist buildings.

One submission commented that the proposal does not go far enough to protect heritage.

One submission provided an article documenting the history and contributions of European migrant architects in the Potts Point/Elizabeth Bay areas

Submissions from 2 industry groups
The Potts Point Preservation Group are
concerned Council and state government are
not recognising 20<sup>th</sup> century architecture,
particularly inter-war Art Deco and post-war
modernist apartment buildings. City should
explore measures to protect heritage by
increasing the number of contributory art deco
and post-war buildings, reduce demolition and
create a single heritage conservation area for
2011 postcode area.

The National Trust is concerned that dwelling loss proposals in Potts Point undermine the cultural significance and social value of the area due to the reduced diversity of residents and people participating in the local economy and community.

Submission from a building management body The owner's corporation for 17 Wylde Street, Potts Point is concerned the proposal does not protect heritage, community, social and cultural characteristics.

#### d) Traffic and Parking

Submissions from 6 individuals There are differing views on the amount of onsite parking in developments.

## Response

descriptions for the Elizabeth and Rushcutters Bays and Potts Point areas to ensure they adequately acknowledge the importance of post-war architecture in the area.

This planning proposal is to ensure that housing supply is not reduced by redevelopment and that diverse housing options are maintained. The planning proposal does not impact on consideration of heritage issues in the DA process.

**Action**: None required

#### d) Response

The Sydney LEP 2012 sets maximum car parking provisions which will continue to apply. The planning proposal does not impact on parking rates as set out in the Sydney LEP. **Action**: None required.

## 15)Other

#### a) Opposed to population growth

Submissions from 2 individuals Unsustainable population growth and immigration is causing the housing crisis.

#### a) Response

The submission is noted. However, population levels and immigrations levels are beyond the scope of the planning proposal to address. **Action**: None required.

## b) Opposed to low-rent housing (boarding houses and public housing)

Submissions from 2 individuals
Support for allowing loss of boarding houses and reducing the concentration of social and affordable housing in the city.

## c) Terrace housing

Submissions from 2 individuals
Request to return to Paddington-style terraces
with narrow streets rather than strata
development. Planning restrictions on terraces
restrict housing capacity.

## d) Focus on functional efficiencies

Submission from an individual
The functional efficiencies and quality of
apartments needs to be improved including
double glazed windows, internal courtyards and
insulation.

## e) Concern council is anti-development

Submission from an individual Council is opposed to density and supports developer and NIMBY interests.

## f) Housing diversity

Submission from an individual Questions the meaning of 'housing diversity' in the context of cultural considerations and acceptable living standards for all.

## g) Impact of state government housing reforms on heritage

Submission from an individual
The National Trust of Australia raised concerns
that development pressures in centrally located
areas, exacerbated by the implementation of

## Response

### b) Response

The planning proposal is not intended to facilitate the loss of boarding houses. The City encourage the increase of social and affordable housing I the local area, and the retention of low cost rental accommodation, such as boarding houses, to ensure there is a range of housing choice to support a diverse community. **Action**: None required.

c) Response

The submission is noted however it is beyond the scope of the planning proposal to address. The planning proposal applies to existing residential flat building or an existing mixed-used development.

Action: None required.

## d) Response

The submission is noted however it is beyond the scope of the planning proposal to address. These standards are set by the state government in the Apartment Design Guide. **Action**: None required.

## e) Response

The City supports the delivery of high quality density in the local area where it is adequately supported by infrastructure. The planning proposal will prevent the loss of housing stock. **Action:** None required.

#### f) Response

The reference to "retaining diversity" in the context of the planning proposal is a reference to the need to maintain a mix of housing types in the local area to accommodate a diverse population. The planning proposal acts to retain smaller and relatively low cost apartments, while also ensuring some larger apartments can be provided as part of refurbishment / redevelopment, so that the City can continue to accommodate different housing needs for students, key workers, young households etc. **Action:** None required.

## g) Response

The timing and final form of the state housing reforms are not yet known, and Council will monitor and respond when they become available. Council prepared a <u>detailed</u> <u>submission</u> in response to the reforms in April 2024.

state government housing reforms will affect heritage sites.

#### h) Infrastructure issues

Submissions from 4 individuals

There has been an increase in dwelling density without the necessary supporting infrastructure. Request for more trams and active transport infrastructure.

## i) Councillor powers

Submission from a community group
Potts Point Preservation Society are concerned that City Councillors 'powers' are being eroded and that their access to senior staff has been reduced and they are now limited to just 5 questions per week and any contact with senior staff is only permitted after request to, and approval by, the General Manager.

## j) Quality and safety of mid-high-rise buildings

Submission from an individual Council's electrification plans will increase the use of firepits and liquefied petroleum gas appliances which council does not have current safety regulations for.

## k) Request for planning changes in Burwood

Submission from an individual Query about general controls in Burwood LGA.

## 16) Questions and clarifications

## a) Concern that owners will need to pay for social housing

Submission from an individual Concerns that residents would be required to pay for social housing occupants.

#### b) Clarification of controls

Submissions from 6 individuals Clarification required on;

### Response

Notwithstanding the above, the planning proposal does not impact on consideration of heritage issues in the DA process.

Action: None required.

### h) Response

The City of Sydney is well-serviced by existing infrastructure including transport such as trains, light rail, bus and Metro and by existing utilities. The City supports the development of active transport through projects delivering pedestrianisation. It is outside the scope of this planning proposal to deliver further transport infrastructure.

Action: None required.

## i) Response

The submission is noted however it is beyond the scope of the planning proposal to address. **Action**: None required.

## j) Response

The submission is noted however it is beyond the scope of the planning proposal to address. In December 2023, Council resolved to insert provisions for indoor air quality for new residential development into the draft DCP to go on public exhibition. There is currently an investigation of these provisions being undertaken where these issues, including safety will be thoroughly considered.

Action: None required.

## k) Response

Relates to outside of City of Sydney LGA. **Action**: None required.

## a) Response

The planning proposal does not introduce additional requirements for social housing or require residents to finance social housing. **Action**: None required.

#### b) Response

The following responses are provided:

- Calculation rounding of controls
- Application of proposal to boarding houses being converted to apartments
- Where the policy applies in the city
- Whether this applies to any legal entity or business, in addition to an 'individual'.
- Whether developers can merge adjacent apartments to develop a single luxury apartment.

Submission from a community group The 2011 Residents' Association questioned:

- If developers would be able to exchange or 'buy back' the 15% through an exchange for other additions like extra parking or green
- If the 15% was fixed or negotiable.

## c) Other requests beyond the scope of the proposal

Submissions from 3 individuals Suggestions include:

- No residential units on main roads
- Retain International House at the University
- Specify minimum apartment sizes.

## d) Request for guidelines for strata committees

Submission from an individual Request for guidelines on how multiple DAs in the same building for dwelling loss will be handled.

## Response

- The calculation of percentage rounds to the nearest whole number below .5 or .5 and above.
- The proposal does not apply to boarding houses, it applies to existing residential flat buildings and an existing mixed-use building.
- The planning proposal applies across all parts of the local government area.
- The planning proposal applies to all types of development owners, including but not limited to individuals, legal entities and businesses.
- The proposal provision does not prevent the merging of adjacent buildings.
- The 15% cap on dwelling loss is fixed and is would not be available to 'buy back'.

**Action**: None required.

### c) Response

The submission is noted however it is beyond the scope of the planning proposal to address. It is noted minimum apartment sizes are specified through the Apartment Design Guide.

**Action**: None required.

## d) Response

These guidelines are not required. The planning proposal allows for multiple DAs to merge apartments within the same building. The past loss of dwellings in a building are not considered when a new DA is proposed i.e. to merge 2 apartments into 1.