

NORTH SYDNEY

LOCAL HOUSING STRATEGY



North Sydney Council
October 2019

ACKNOWLEDGMENT OF COUNTRY

North Sydney Council acknowledges the traditional custodians of this land. We pay our respects to the Elders, past and present and recognise the inherent connection of the Indigenous people of Australia to Country.

MESSAGE OF APPRECIATION

We gratefully acknowledge and appreciate the extensive input, feedback and support provided by key stakeholders, industry and community representatives and the staff and Councillors of North Sydney Council in the preparation of the North Sydney Local Housing Strategy.



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ABBREVIATIONS

ABS	Australian Bureau of Statistics
AHO	Aboriginal Housing Office
CBD	Central Business District
CSP	Community Strategic Plan
DCP	Development Control Plan
DPIE	Department of Planning, Industry & Environment
EP&A ACT	Environmental Planning & Assessment Act 1979
FACS	Family and Community Services
GFC	Global Financial Crisis
GSC	Greater Sydney Commission
LALC	Local Aboriginal Land Council
LEP	Local Environmental Plan
LGA	Local Government Area
LHS	Local Housing Strategy
LSPS	Local Strategic Planning Statement
NDP	North District Plan
NSC	North Sydney Council
NSDCP	North Sydney Development Control Plan
NSLEP	North Sydney Local Environmental Plan
NSLHS	North Sydney Local Housing Strategy
NSROC	Northern Sydney Regional Organisation of Councils
NSW	New South Wales
PPH	Persons per hectare
REIA	Real Estate Institute of Australia
SEPP	State Environmental Planning Policy

RESIDENTS

INTRODUCTION

1.1 EXECUTIVE SUMMARY

The North Sydney Local Housing Strategy (NSLHS) sets out the strategic direction for housing in the North Sydney Local Government Area (LGA) over the next 20 years. It is a mandated strategy which aligns with the hierarchy of Regional and District Plans directions, objectives and actions for housing in Metropolitan Sydney.

North Sydney Council is required to meet the *North District Plan* 0-5 year housing target of 3000 dwellings, deliver a 6-10 year housing target to meet anticipated demand, contribute to the Districts 20 year target and inform affordable housing targets.

Crucially, as the key strategic framework for directing housing growth in the LGA, the NSLHS, as well as aligning with high-level strategic plans, must respond to local needs and context by identifying the right location for more housing growth underpinned by a robust place-based strategic approach rebuking Planning Proposals that run contrary to Council's strategic direction.

The housing vision for North Sydney LGA is drawn from extensive consultation undertaken during the preparation of Council's Community Strategic Plan and aims for:

“Carefully managed expected levels of growth in population through planning for housing in North Sydney which is supported by good access to infrastructure, services and amenity; provides housing diversity and affordability choices and respects the unique character of our built and natural environment to ensure that North Sydney continues to enjoy high levels of amenity and liveability.”

The population of the North Sydney LGA is projected to increase from 72,150 in 2016 to 91,650 by 2036. This is a 26% increase in population over the next 20 years that is consistent with growth across the North District over this timeframe. Department of Planning, Industry & Environment (DPIE) projections identified that a further 11,450 dwellings are needed in the LGA over the next 20 years.

The evidence base analysis in Section 2 identifies demand and forecasted supply of housing in the North Sydney LGA. A determination of whether there are any gaps in housing supply and what type of housing is required for the projected demand is key to this analysis.

The main findings identify that housing supply gaps are not anticipated as the number of dwellings forecast to be supplied slightly exceed the dwellings required to meet demand. The land use planning approach and mechanisms to implement the NSLHS, set out in Section 3 and 4, are to:

- Continue Council's long-term housing approach of concentrating residential density in and around existing centres and transport nodes and rely on the existing capacity of current land use planning controls;
- Manage housing delivery in the St Leonards Crows Nest Planned Precinct;
- Continue Council's approach of place-based strategic planning with detailed consultation to seek the best planning outcomes.

Importantly, delivering housing in the Planned Precinct is focused on well managed and phased development drawing on the place-based studies carried out by Council to direct the finalisation of the *Draft St Leonards and Crows Nest 2036 Plan*.

Housing affordability findings, highlight an evident housing supply gap in the affordability of housing particularly for key workers and lower income households. This strategy recommends that once the *Greater Sydney Commission* (GSC) and DPIE finalise consistent Affordable Rental Housing Targets, that Council investigate undertaking an Affordable Housing Contributions Scheme. It also recommends that Council continue to update the *North Sydney Council Affordable Housing Policy* and ensure delivery of a diverse dwelling mix to provide diverse and affordable choices and advocate for greater stability in the rental sector.

Future housing supply will also need to focus on identified demographics by, for example, providing for a growing number of smaller households and older people living in the LGA.

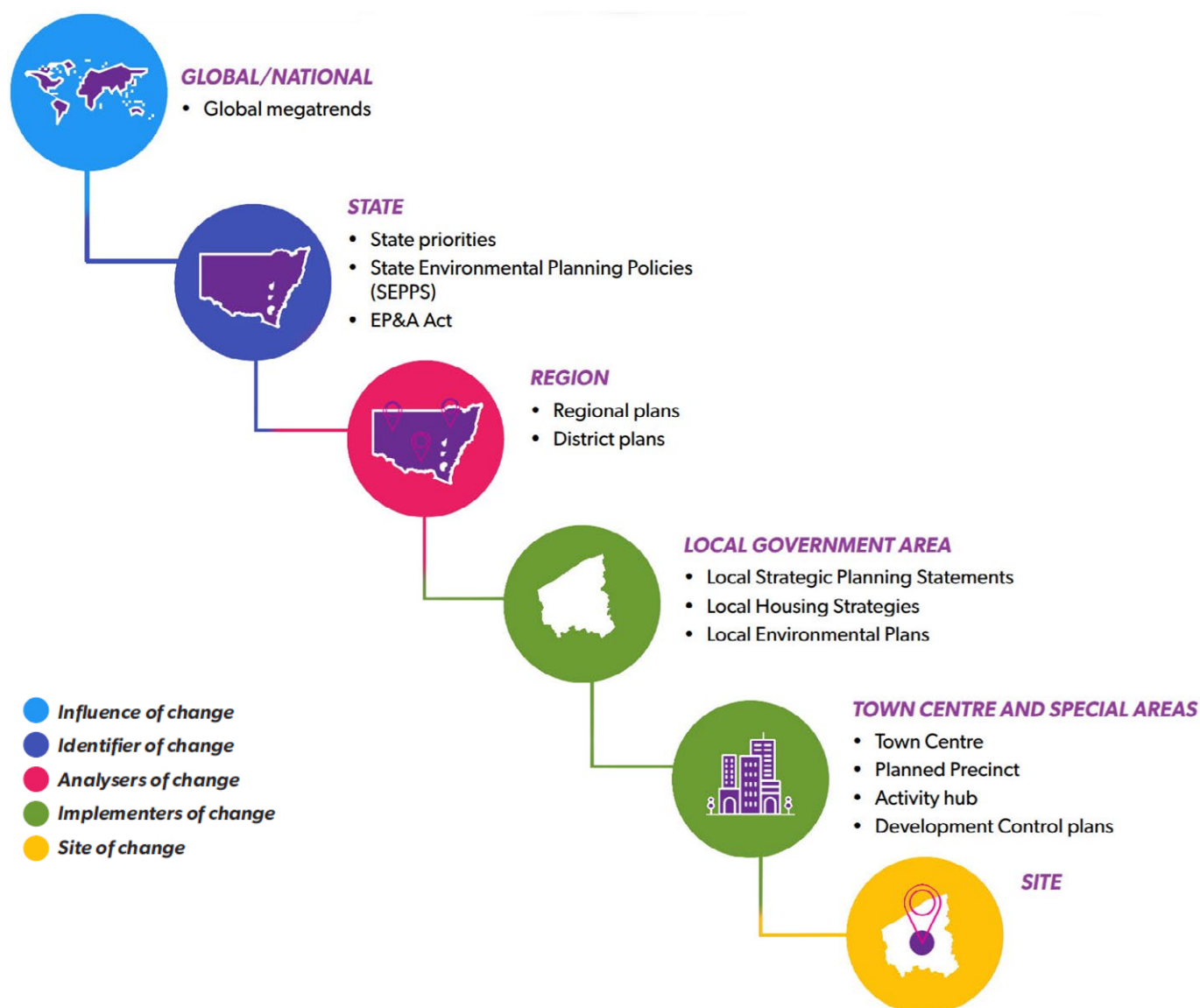
To ensure the effective delivery of additional housing and more appropriate forms of housing, there will be a 10-year review of the NSLHS, 5-year review of the evidence base and housing stock and annual monitoring of housing delivery and supply against the implementation and delivery plan.

WHAT IS A LOCAL HOUSING STRATEGY?

Recent changes to planning legislation in NSW means metropolitan councils are now required to develop a Local Housing Strategy in consultation with their communities. Local Housing strategies must tie Council's vision for housing with NSW Government-led plans. This means being consistent with strategic priorities set out in the Greater Sydney Commission's Greater Sydney Region Plan, A Metropolis of Three Cities and the North District Plan.

1.2 PLANNING POLICY AND CONTEXT

FIGURE 1 STRATEGIC PLANNING IN NSW



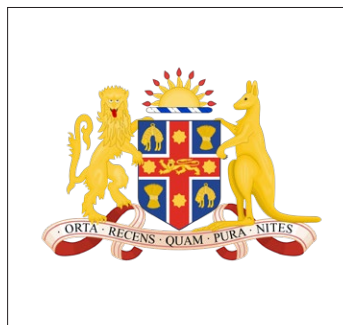
Source: DPIE, 2018, Local Housing Strategy Guideline

STATE



ENVIRONMENTAL PLANNING & ASSESSMENT ACT (EP&A ACT)

The *EP&A Act 1979* is the Act that institutes the planning system in New South Wales (NSW). The *EP&A Act* underwent substantial change on 1 March 2018 with the recognition that strategic planning plays a critical role in the development of land. In particular, the *EP&A Amendment Act* introduced requirements for the preparation of Local Strategic Planning Statement to form part of the strategic planning framework and align with the objectives and planning priorities of the regional and district plans.



STATE ENVIRONMENTAL PLANNING POLICIES RELATING TO HOUSING (SEPP'S)

State Environmental Planning Policies (SEPP's) are planning policies which relate to planning matters of state or regional significance. SEPP's relating to housing delivery in NSW encourage, deliver and guide housing as set out below and detailed overleaf:

ENCOURAGE



**SEPP
(Affordable
Rental
Housing)
2009**

DELIVER



Codes SEPP



**Seniors Housing
SEPP 2004**

GUIDE



SEPP 65



**SEPP 70 –
Affordable Housing
(Revised Schemes)**

FIGURE 2 SEPPS RELATING TO HOUSING

State Environmental Planning Policy No 65 – Design Quality of Residential Apartment Development (SEPP 65)

establishes a state-wide approach to the design and assessment of apartments and the way they are assessed by councils. The Apartment Design Guide explains how to apply the SEPP 65 design principles to the design of new apartments.

State Environmental Planning Policy (Affordable Rental Housing) 2009 (Affordable Housing SEPP)

aims to increase the supply and diversity of affordable rental and social housing in the state and covers housing types including villas, townhouses and apartments that contain an affordable rental housing component, along with secondary dwellings (granny flats), boarding houses, group homes, social housing and supportive accommodation.

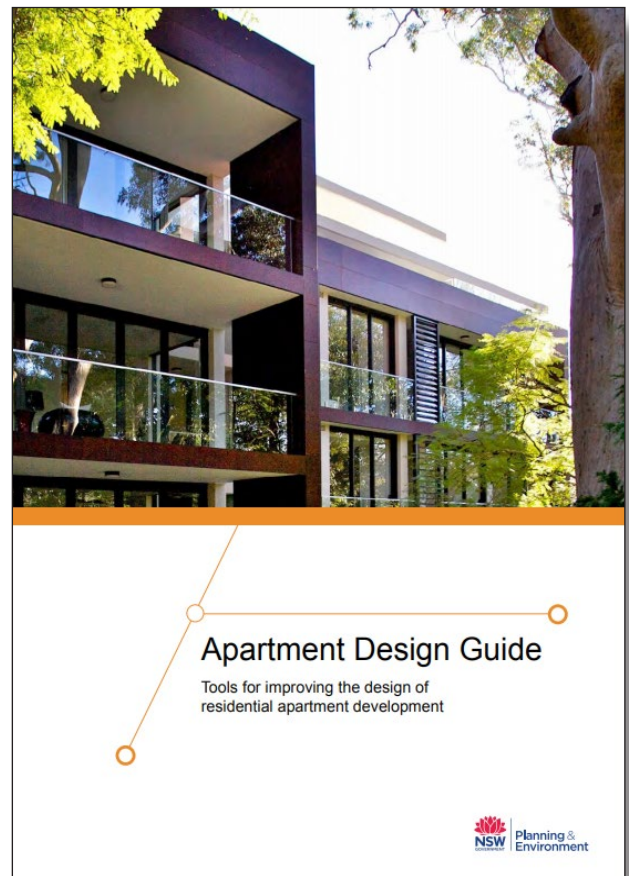
State Environmental Planning Policy No 70 (SEPP 70)

allows the imposition of conditions relating to the provision of affordable housing. In February 2019, SEPP 70 was revised to enable all councils (through its LSPS and LHS), the option to investigate and develop an affordable housing contributions scheme without the administrative step of entering the Local Government Area (LGA) into SEPP 70.

State Environmental Planning Policy (Housing for Seniors or People with a disability) 2004 (Seniors Housing SEPP) aims to encourage the provision of housing (including residential care facilities) that will increase the supply or diversity of housing to meet the needs of seniors or people with a disability in appropriate locations.

State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Codes SEPP)

provides parameters for exempt and complying development. Exempt development is very low impact development that can be carried out without the need for planning approval. Complying development generally includes development of a greater scale of impact than exempt development and are determined through a fast track assessment process. In July 2018, the Codes SEPP was amended to increase options for low rise medium density housing to be considered as complying development.



REGION



A METROPOLIS OF THREE CITIES

The GSC's *A Metropolis of Three Cities* was adopted in early 2018. This Region Plan provides a 40-year vision and 20-year plan to accommodate Sydney's anticipated growth of 725,000 dwellings and 817,000 jobs by 2036 across the 'three cities'.

North Sydney is in the Eastern Harbour City where the population is projected to grow from 2.4 million people in 2016 to 3.3 million by 2036.

The Region Plan:

- sets the 40-year vision and 20-year plan to manage growth and change for Greater Sydney in the context of social, economic and environmental matters;
- informs district and local plans and the assessment of planning proposals;
- assists infrastructure agencies to plan and deliver for growth and change and to align their infrastructure plans to place-based outcomes;
- informs the private sector and the wider community of the growth management and infrastructure investment intentions of government; and
- sets the planning framework for the five Districts which make up the Region, including the North District, in which North Sydney is located.

Directions to deliver the Region Plan are divided into 4 priorities including Liveability. Liveability requires housing, infrastructure and services in the right locations to meet people's needs. Liveability objectives are:



A city for people Housing the city A city of great places

Actions to deliver liveability objectives include:

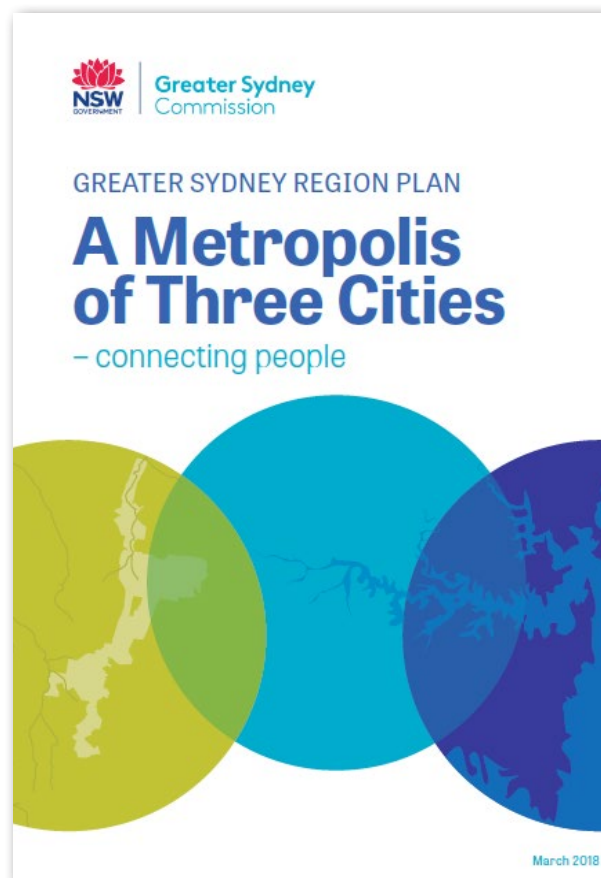


Prepare housing strategies
(objective 10)

Develop 6-10-year housing targets
(objective 10)

Implement Affordable Rental housing targets
(objective 11)

FIGURE 3 LIVEABILITY OBJECTIVES/ACTIONS



NORTH DISTRICT PLAN

North Sydney is in the North District which forms a large part of the Eastern Harbour City. The North District Plan is a 20-year plan “to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision for Greater Sydney”. The North District Plan “is a guide for implementing the Greater Sydney Region Plan... at a District level and is a bridge between regional and local planning”.

92,000 additional homes are needed in the North District in the period 2016-2036 to meet population and household growth with a 5 -year (2016-2021) dwelling target of 3,000 additional dwellings set for North Sydney.

To meet the objectives of *A Metropolis of Three Cities*, the North District Plan under Planning Priority N5, sets out that a Local Housing Strategy (LHS) has to be prepared to:

- make provision for the anticipated growth associated with the 0–5 and 6–10-year housing targets;
- align projected growth with existing and proposed local infrastructure and open space improvements;
- identify the right locations for growth, including areas that are unsuitable for significant change in the short to medium term;
- identify capacity to contribute to the District's 20-year strategic housing target;
- inform the Affordable Rental Housing Target Schemes for development precincts; and
- coordinate the planning and delivery of local and State infrastructure.

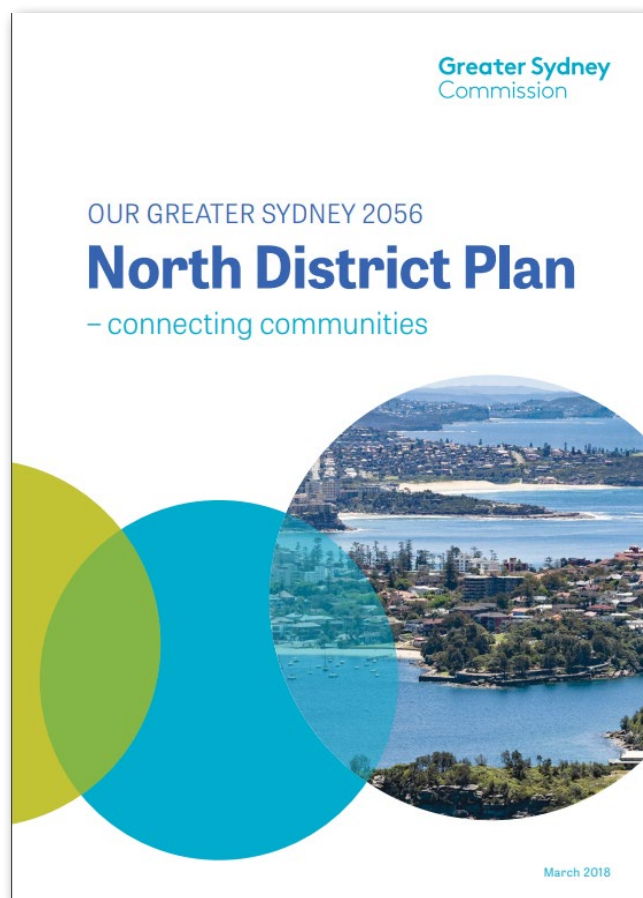


FIGURE 4 NORTH DISTRICT PLAN PLANNING PRIORITIES

Planning Priority N5: Provide housing supply, choice and affordability, with access to jobs, services and public transport

Objective 10: Greater housing supply

Objectives 11: Housing is more diverse and affordable

Action 17: Prepare local or district housing strategies that address the following:

- a. The delivery of five-year housing supply targets for each local government area
- b. The delivery of 6-10 year (when agreed) housing supply targets for each local government area
- c. Capacity to contribute to the longer term 20-year strategic housing target for the District.
- d. The housing strategy requirements outlined in Objective 10 of *A Metropolis of Three Cities* that include:
 - i. Creating capacity for more housing in the right locations.
 - ii. Supporting planning and delivery of growth areas and planning precincts as relevant to each local government area.
 - iii. Supporting investigation of opportunities for alignment with investment in regional and district infrastructure.
 - iv. Supporting the role of centres.

Action 18: Prepare Affordable Rental Housing Target Schemes following development of implementation arrangements.

NORTH SYDNEY LOCAL GOVERNMENT AREA (LGA)



NORTH SYDNEY COMMUNITY STRATEGIC PLAN 2018- 2028 (CSP) (2018)

The *North Sydney Community Strategic Plan 2018-2028* (CSP) was adopted by Council on 25 June 2018 and came into effect on 1 July 2018.

The CSP is the highest level plan that councils prepare in accordance with NSW Integrated Planning and Reporting legislation, it is Council's most important strategic document and sets the future direction for the community of North Sydney. It identifies the community's main priorities and future aspirations, and details strategies for achieving them.

Council prepared the CSP in partnership with local residents, students, businesses, educational institutions, non-government organisations and government agencies. Council is the key driver of the CSP, but its implementation is the shared responsibility of all community stakeholders. While many of the 'strategies' relate directly to Council activities, some can only be achieved with help from other stakeholders.

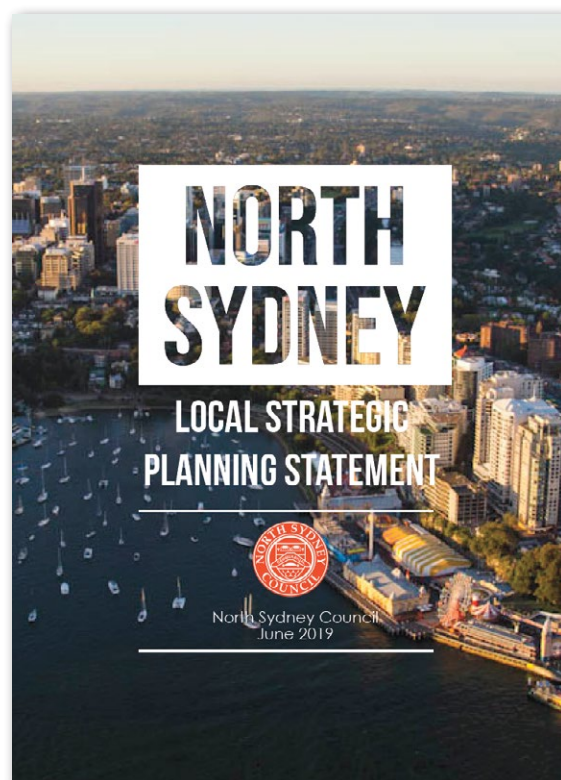


NORTH SYDNEY LOCAL STRATEGIC PLANNING STATEMENT (LSPS) 2019

The Local Strategic Planning Statement (LSPS) sets out North Sydney Council's land use vision, planning principles, priorities and actions for the next 20 years. It expresses the desired future direction for housing, employment, transport, recreation, environment and infrastructure for the North Sydney LGA.

Planning Priorities and Strategies of the LSPS provide a direct line of sight with Region and District Plans and include directions to achieve their objectives. Accordingly, the LSPS sets out Strategies and Actions requiring the preparation of a LHS to inform and align council's vision for housing with the hierarchy of plans and ensures a clear plan for housing within the local context.

The LSPS also recognises the direct link between housing and planning issues such as employment and infrastructure, enabling the LHS to focus solely on housing by ensuring the desired future direction of the LGA is guided by the LSPS.



NORTH SYDNEY LOCAL ENVIRONMENTAL PLAN (LEP) 2013

The Local Environmental Plan (LEP) is the main policy instrument councils use to guide planning decisions and control development. It sets out zoning, height and other land use controls that new development is required to comply with.

The following zones enables delivery of residential accommodation.

ZONING



R2 Low Density Residential –

Is primarily for single dwellings, but attached dual occupancies are also permissible.



R3 Medium Density –

Permits Multi-Dwelling housing (townhouses or villas) and attached dwellings (terraces) but prohibits Residential Flat Buildings.



R4 High Density –

Permits Residential Flat Buildings.



IN2 Light Industrial –

Encourages a mix of low scale housing types interspersed with light industrial activity.



E4 Environmental Living –

Permits detached dwellings in environmentally sensitive areas, such as bushfire prone land or foreshore areas.



B1 Neighbourhood Centre –

Permits shop top housing



B4 Mixed Use –

Permits Residential Flat Buildings and Shop Top Housing in accessible locations so as to maximise public transport patronage and encourage walking and cycling.

HERITAGE CONSERVATION



Heritage items & Conservation areas –

Schedule 5 of the NSLEP 2013 lists 1,081 heritage items including locally listed items and 26 conservation areas.

NORTH SYDNEY DEVELOPMENT CONTROL PLAN (NSDCP) 2013

The NSDCP, supports the implementation of LEP provisions and guides dwelling mix, sizes and design quality. It contains detailed provisions on all aspects of development not covered under the LEP. The DCP provisions are not legally binding, however they are given weight in the assessment of all development applications

NORTH SYDNEY AFFORDABLE HOUSING STRATEGY UPDATE 2017

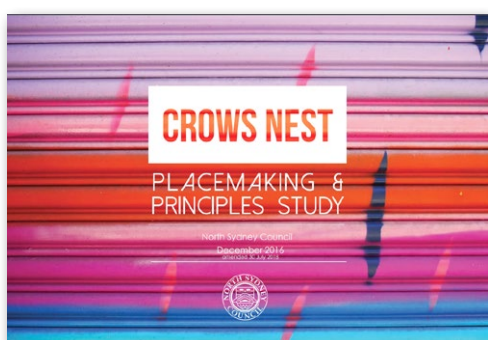
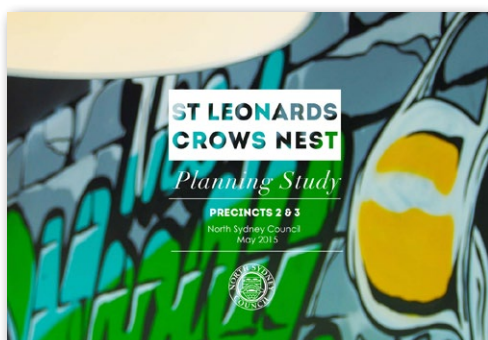
The overarching aim of this Strategy was to *'maintain and increase the amount of affordable rental stock in North Sydney LGA and ensure the long-term sustainability of Council's involvement in affordable housing'*.



TOWN CENTRE AND SPECIAL AREAS

NORTH SYDNEY COUNCIL PLANNING STUDIES – ST LEONARDS AND CROWS NEST PRECINCTS 1, 2 & 3

In 2010, North Sydney Council resolved to commence a comprehensive planning study of St Leonards / Crows Nest to examine opportunities to increase housing and employment capacity in the area whilst delivering high quality public domain and services to support the current and future community's needs. Extensive consultation was undertaken and planning studies for Precincts 1, 2 & 3 were adopted by Council.

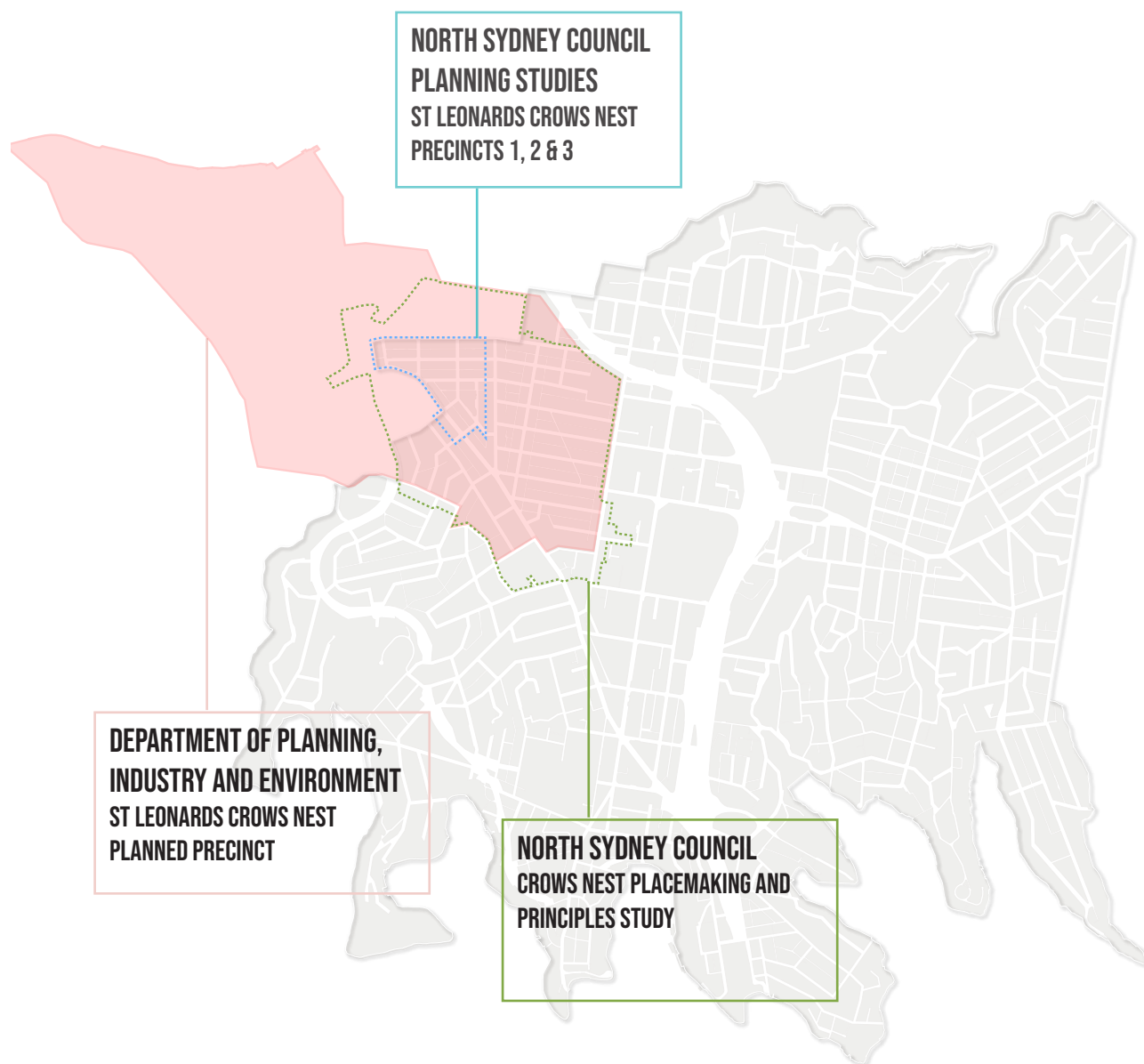


ST LEONARDS AND CROWS NEST PLANNED PRECINCT

Following the announcement of a new Metro Station at Crows Nest, St Leonards/ Crow Nest was formally announced as a Planned Precinct in 2017 by the NSW State Government. Community consultation on the draft documents and all associated technical studies was conducted in late 2018/ early 2019. The principal document, the *Draft St Leonards and Crows Nest 2036 Plan* is still currently in draft form. The three Council's, including North Sydney Council, have been identified as being responsible for the implementation of this plan once finalised.



FIGURE 5 STRATEGIC PLANNING WORK WITHIN ST LEONARDS/CROWS NEST



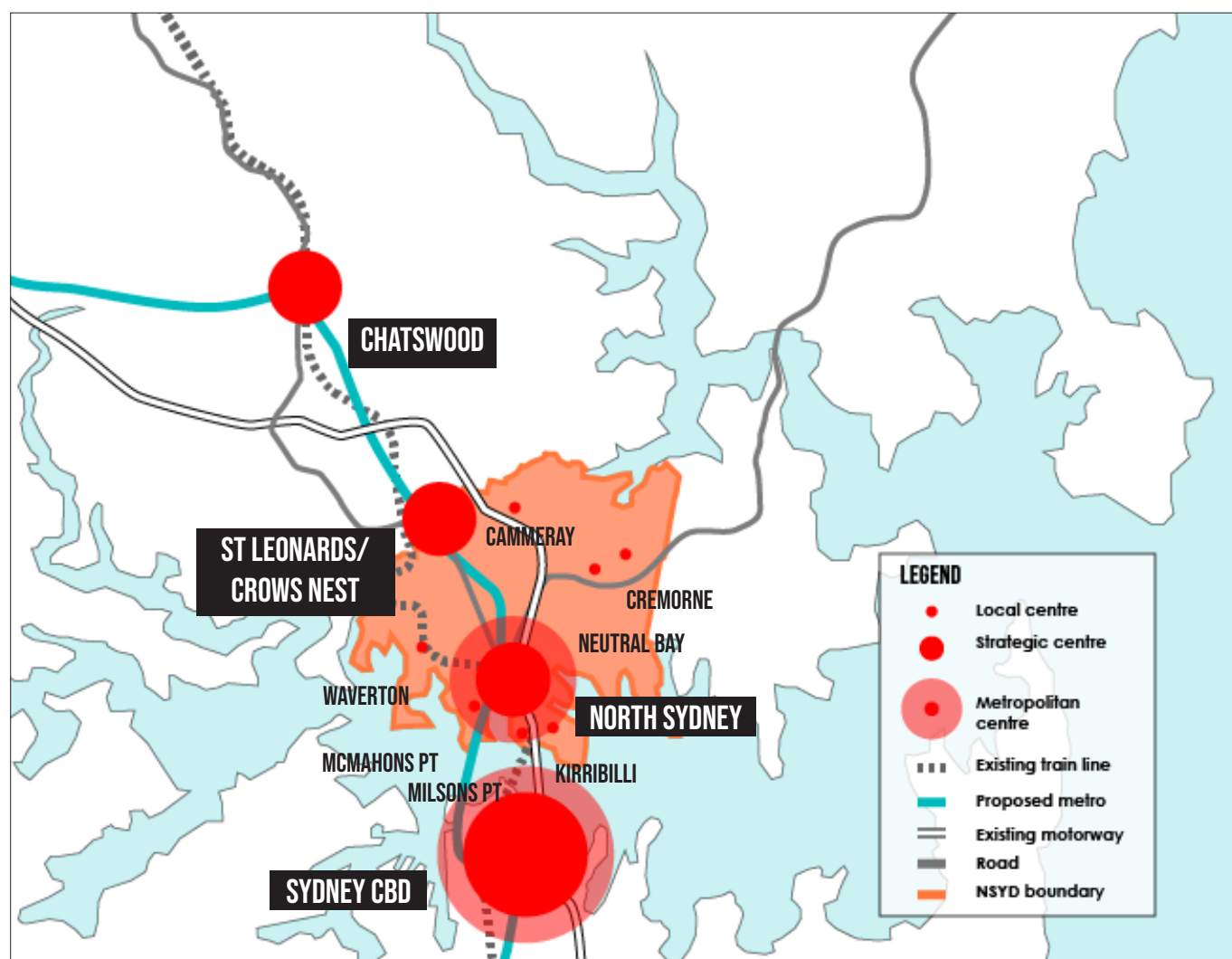
1.3 LOCAL GOVERNMENT AREA SNAPSHOT


SIZE, LOCATION AND REGIONAL CONTEXT

North Sydney LGA is located on the northern side of Sydney Harbour, and covers 10 square kilometres. It is both urban and green in character, comprising two Central Business Districts (CBDs), smaller suburban centres, residential areas, parks and open spaces.

The LGA is bound by Willoughby Council to the north, Lane Cove Council to the west, Mosman Council to the east, and the City of Sydney across from Sydney Harbour to the south.

FIGURE 6 REGIONAL CONTEXT, LOWER NORTH SHORE





Residential Density in North Sydney LGA is higher than other LGAs in the North District.

Households in North Sydney are smaller compared to the Greater Sydney average. Households sizes are typically consistent with that of inner city areas.

North Sydney has a relatively transient population, with a greater likelihood of people moving in and out of the LGA over time.

RESIDENTIAL PROFILE

North Sydney LGA currently has a residential population of 72,150, which is expected to increase to 91,650 (+19,500) by 2036 (DPIE, 2016). The LGA is very densely populated with medium – high density apartments forming a growing part of the landscape.

The current population density is 64.5 persons per hectare (PPH) with the most densely populated suburbs being Kirribilli (87.36 PPH), Milsons Point-Lavender Bay (85.14 PPH) and Neutral Bay (81.25 PPH). North Sydney has by far the highest residential density in the Northern District. The next highest population density in the North District, is Lane Cove with 34.4 persons per hectare.

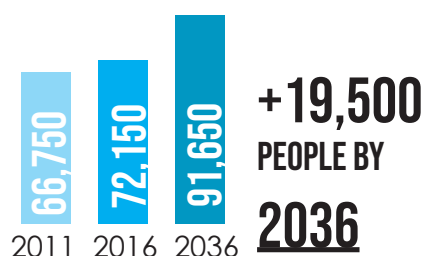
Residents live in 35,900 dwellings in 2016, with an average household size of 1.98 persons per household. There are a high proportion of renters compared to the North District and increasing housing affordability issues in the LGA (DPIE, 2016).

The most populous residential age group is the young workforce (25-39 years) and parents and home builders (30-34 years). This trend is forecast to continue, as is the very high proportion of lone person households (32%) and couples without children (28.5%) (DPIE, 2016). It is anticipated that the 60+ age group will experience the most significant growth in future years.

A major driver of population change in the LGA is the continued attractiveness of the area with inner city accommodation close to transport infrastructure, services, employment and entertainment.

OUR LOCAL PROFILE

POPULATION GROWTH (2011 - 2036)



DENSITY (2016)

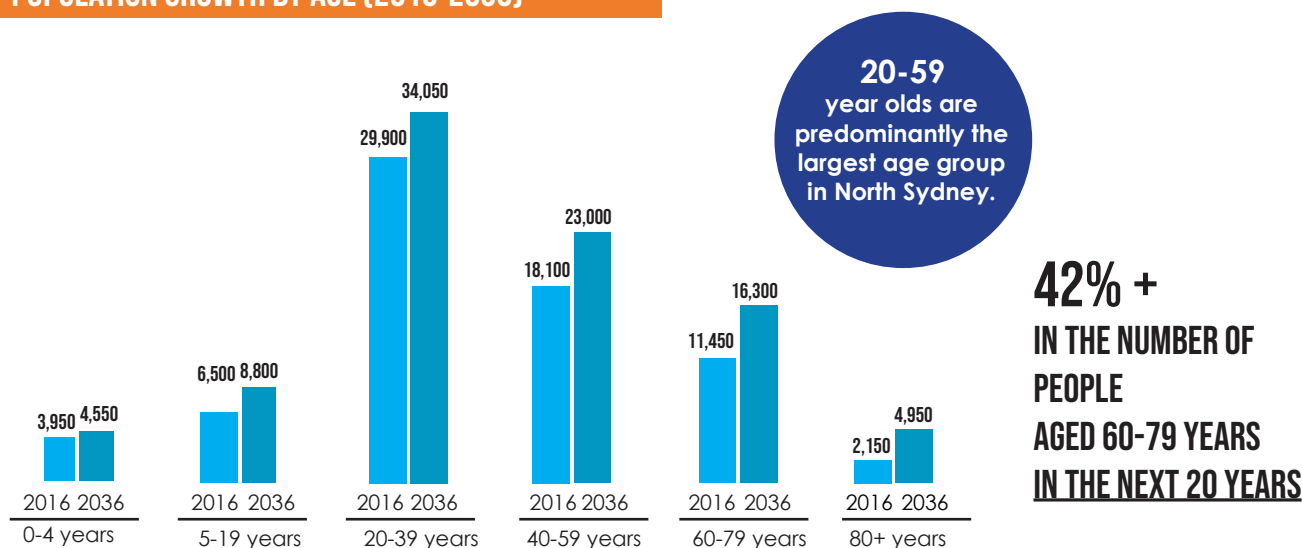


AREA SIZE (2016)

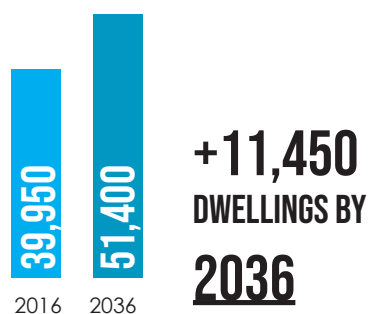


Source: DPIE, 2016, NSW State and Local Government Area Data information pack – Implied Dwelling targets

POPULATION GROWTH BY AGE (2016-2036)

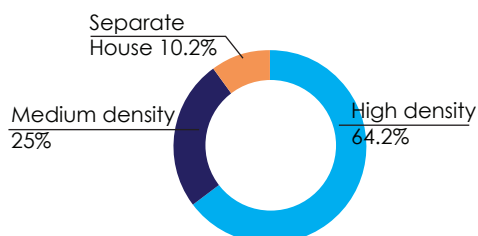


DWELLINGS (2016-2036)



Source: DPIE, 2016, NSW State and Local Government Area Data information pack – Implied Dwelling targets

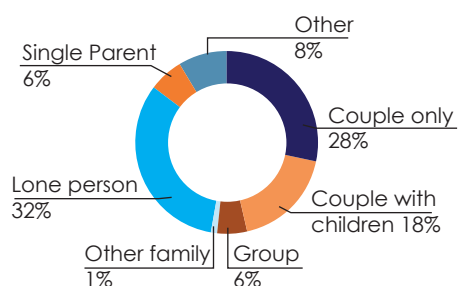
DWELLING STRUCTURE (2016)



Source: DPIE, 2016, NSW State and Local Government Area Data information pack – Implied Dwelling targets

89.2%
of the dwellings
are medium or high
density, compared
to **33%** in NSW.

HOUSEHOLD & FAMILY COMPOSITION (2016)

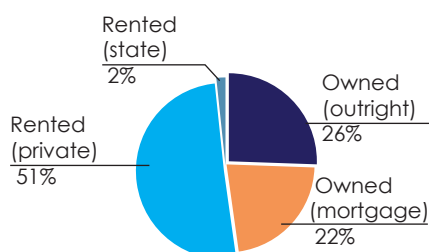


Source: DPIE, 2016, NSW State and Local Government Area Data information pack – Implied Dwelling targets

Families are
prepared to live in
apartments to take
advantage of proximity
to schools, work,
transport & amenities.

Of all LGAs in
Australia, North
Sydney ranks **9th**
at **11.4%** in terms of
highest concentrations
of children living in
apartments.

HOUSING TENURE (2016)



Source: DPIE, 2016, NSW State and Local Government Area Data information pack – Implied Dwelling targets

There is
proportionally a
higher number of
lone person households
(**32.4%**) and group house-
holds (**6.1%**) – significantly
higher than the State aver-
ages (**22.4%** and **3.9%**
respectively).



CHARACTER AND HERITAGE

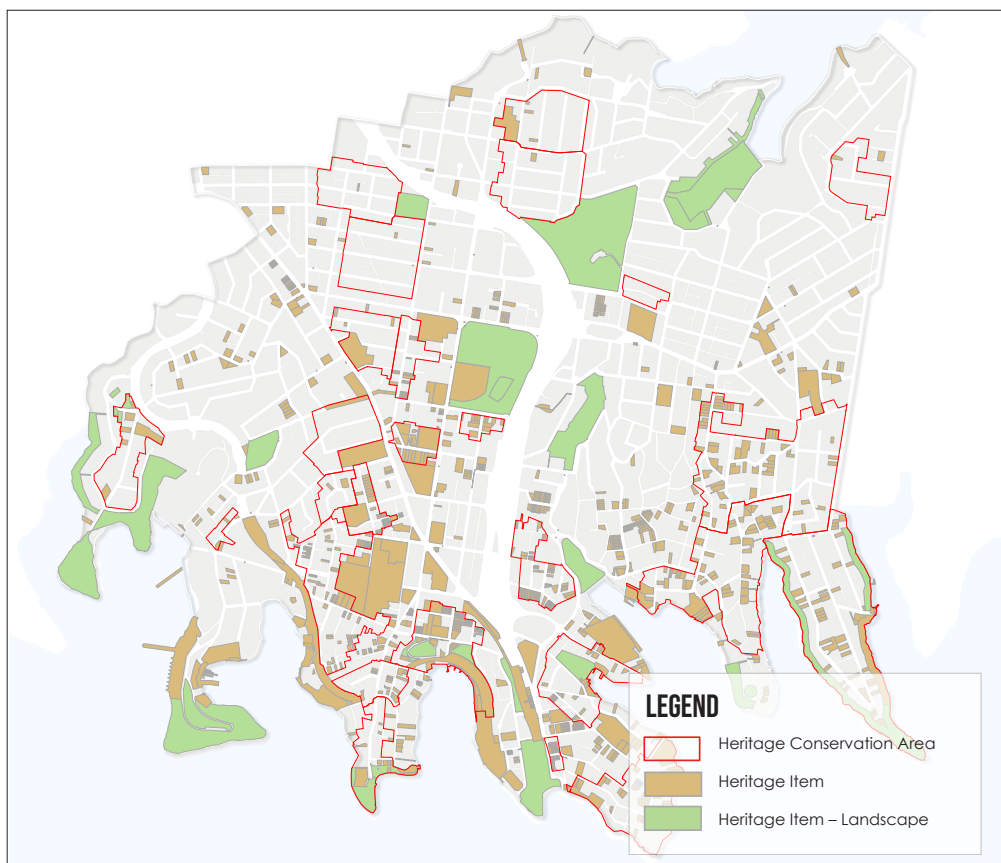
Decades of construction and civic endeavour that have respected topography, position and emerging neighbourhoods have created a unique urban environment in North Sydney. The layers of its history are visible in Aboriginal engravings and archaeological sites, the diversity of its buildings, the pattern of original and subsequent subdivisions, the remnants of paving, stone walls, steps and early cottages and the dense pattern of narrow streets. These layers of history form North Sydney's cultural identity.

North Sydney is also regarded as having some of the most spectacular views and lookouts. The LGA is visually and practically connected through transport routes to the Harbour Bridge. The Bridge is visible from numerous public places throughout the area, whether glimpsed from a distance or more powerfully by dominating the immediate scene. Visual connections to major landmarks are crucial to the sense of place, which constitutes the cultural experience of living and working in North Sydney.

North Sydney Council seeks to draw on all the major characteristics of good urban design – human scale, an identifiable centre and edge, integrated diversity of land use and population, and defined public space. These characteristics, which are so difficult to incorporate into new developments, are highly valued by the community.



FIGURE 7 HERITAGE ITEMS AND CONSERVATION AREAS WITHIN NORTH SYDNEY



COMMERCIAL ROLE

North Sydney CBD is the focus of economic activity in the North Sydney LGA and has played a major employment role within the Sydney Metropolitan Area for a long time. It is identified as a 'Metropolitan Centre' and a key component of the Global Economic Corridor and Harbour CBD. However, the relative competitiveness of North Sydney CBD has declined in recent years, losing its place as the second largest office market in Sydney while maintaining the second highest rents. Factors contributing to this relative decline include competition with other centres, constraints on lateral expansion, the general downturn in commercial property during and following the GFC and competition with residential development.

“North Sydney LGA is the third largest economy in NSW, and eighth largest economy in Australia. The North Sydney CBD is home to a diverse range of commercial industries”

St Leonards is also a major employment centre in Sydney, supporting the regional health and educational campuses of the Royal North Shore Hospital and North Sydney TAFE College. St Leonards, is a 'Strategic Centre' and straddles across three LGA boundaries including North Sydney, Willoughby and Lane Cove. St Leonards is currently experiencing significant growth. Most significantly, the expansion of the hospital and major renewal projects are proposed near St Leonards station and along the Pacific Highway. The new Metro Station opening at Crows Nest in 2024, will also provide opportunities to rejuvenate the St Leonards and Crows Nest area with additional jobs, open space, infrastructure and dwellings.

“St Leonards is one of the major employment centres for knowledge-based industries within the Sydney Metropolitan Region”

Smaller centres such as Neutral Bay and Cremorne Junction, play a significant role in local economic activity and development. These local centres largely generate economic activity from the local resident population, providing local employment, retail and entertainment opportunities.

The dominant industries within the North Sydney LGA are Professional, Scientific and Technical Services and Financial and Insurance Services at 30.2% and 12.5%, respectively (NSEDs, 2016). However, across the LGA there is a lack of office stock for certain market segments including small offices, new offices and A-grade offices. The encroachment of residential development on commercial and retail spaces is evident across North Sydney's centres. North Sydney and St Leonards face the challenge of ensuring sites in strategic centres provide for longer term employment opportunities and a critical mass for commercial or office employment activity.



JOBS (2016)



70,890

jobs within North Sydney

DOMINANT INDUSTRIES (2016)



30.2%
of jobs are
within the Professional,
Scientific, and
Technical Services
sector



12.5%
of jobs are
within the Financial
and Insurance
Services sector

Source: North Sydney Economic Development Strategy, 2016

TRANSPORT INFRASTRUCTURE

North Sydney LGA is highly accessible and well-served by both road and public transport networks, including rail, bus and ferry services. This high level of accessibility is directly related to the LGA's central geographical location within the Sydney Metropolitan Area and much of its commercial activity occurring in the North Sydney CBD.

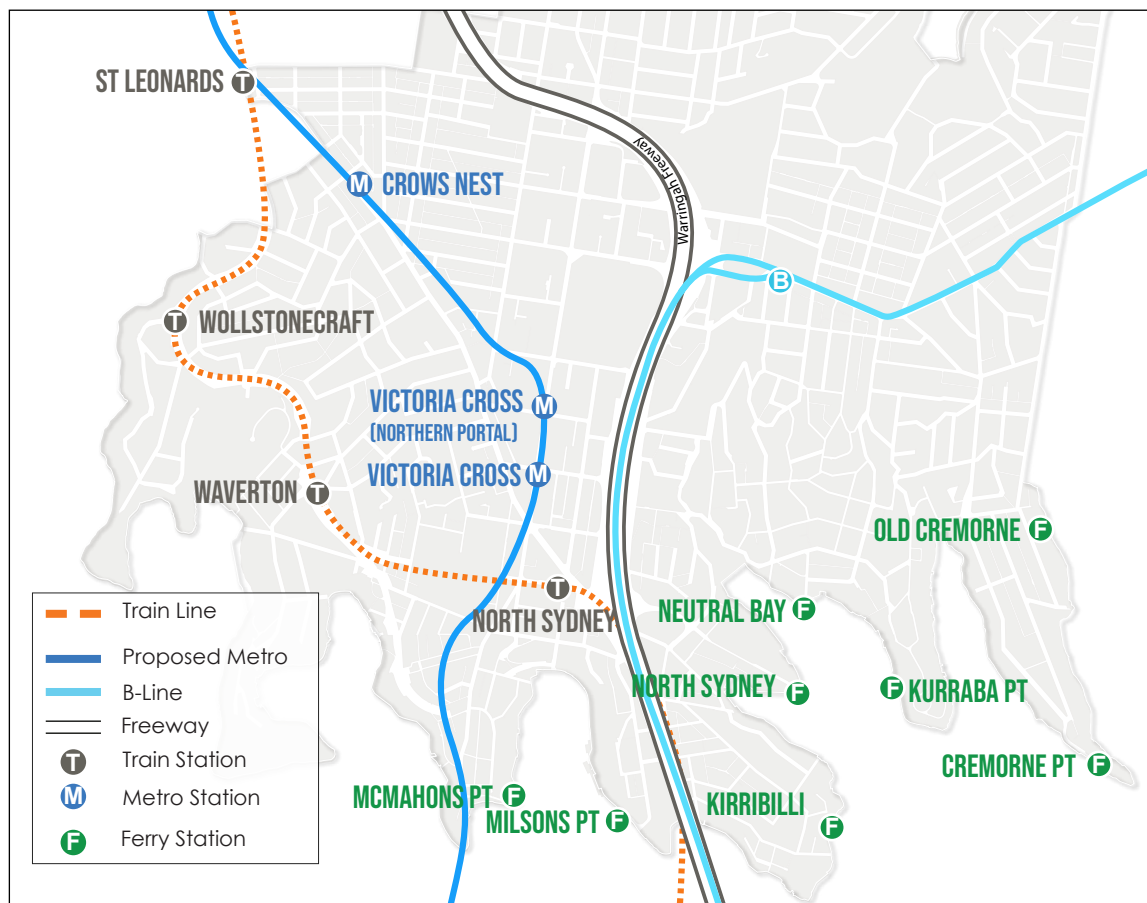
The introduction of the Metro to North Sydney and the new stations opening at Victoria Cross and Crows Nest in 2024 provide increased accessibility and opportunities for jobs, open space, infrastructure and dwellings.

North Sydney LGA's central location means that North Sydney's transport infrastructure not only accommodates the travel demands of its 72,150 residents and 70,890 workers, it also accommodates more than half a million through trips per day to and from destinations across Greater Sydney. By 2036, North Sydney is expected to grow to 91,650 people with similar levels of jobs growth. Through-trips will also grow to reflect the 1.7 million people expected to live in Sydney by 2036. Balancing

future metropolitan wide travel demand against North Sydney amenity and community transport needs will be an ongoing challenge.



FIGURE 8 TRANSPORT INFRASTRUCTURE WITHIN NORTH SYDNEY



Note: Map does not include active transport routes and bus services (with the exception of the B-Line).

OPEN SPACE

Council maintains a network of some 200 open space areas covering 150 hectares, ranging from foreshore parks, natural bushland, sportsgrounds, playgrounds, street closures and civic spaces. However, there is relatively low levels of open space provision per capita, due to the relatively high residential densities.

The distribution of open space throughout North Sydney is also relatively uneven, with most open space located on the foreshores. These reserves are disadvantaged by topography, which limits the provision of level open spaces suitable for playing fields. Whilst North Sydney has about 12% of the North Sydney Regional Organisation of Councils (NSROC) population, it provides only 4% of the total playing fields.

North Sydney has approximately 43 hectares of bushland, supporting 129 native fauna species and 344 native flora species. Most of this bushland is located on the foreshores of Middle Harbour and Port Jackson, and contain a range of significant natural and cultural heritage sites.

**North Sydney Regional Organisation of Councils and includes Councils of Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, Ryde and Willoughby*

OPEN SPACE (2016)



150
HA OF OPEN SPACE



12%
OF THE NSROC POPULATION



13
PLAYING FIELDS



4%
**OF TOTAL NSROC
PLAYING FIELDS**

Source: NSROC, 2017, NSROC – Regional Sportsground Strategy Review



1.4 HOUSING VISION

The Housing Vision for North Sydney sets out the community's priorities and aspirations for housing, captured through extensive community engagement and clearly identified in the CSP (Outcome 3.4). This vision is further informed by the planning and policy context, understanding of our local area and evidence base analysis and are discussed in more detail in Section 3.

Our Vision for North Sydney as identified in the CSP is:

“Shaping a progressive, vibrant and diverse North Sydney Community”.

This vision is to be achieved through a series of directions with desired outcomes.

Direction 3: Our future planning sets desired outcome 3.4:

“North Sydney is distinctive with a sense of place and quality design”.

To achieve this desired outcome and consequently 'Our Vision', it is essential that the Housing Vision embrace the following:

- Maintain contemporary statutory and strategic planning instruments;
- Strengthen community participation in land use planning;
- Manage the impact of North Sydney's mandated growth including within the St Leonards Priority Precinct;
- Improve the urban design, amenity and quality of North Sydney's public domain including laneways;
- Use a place-based planning approach to achieve design excellence and management of places as they change;
- Protect and promote North Sydney's built heritage including significant architecture, objects, places and landscapes; and
- Advocate for affordable housing.



NORTH SYDNEY LOCAL HOUSING VISION IS:

“Carefully managed expected levels of growth in population through planning for housing in North Sydney which is supported by good access to infrastructure, services and amenity; provides housing diversity and affordability choices and respects the unique character of our built and natural environment to ensure that North Sydney continues to enjoy high levels of amenity and liveability.”



North Sydney's Local Housing Strategy Vision has been informed by a range of population statistics, existing and proposed Council and State Government strategies.



HOUSING OBJECTIVES

The Housing Vision is to be achieved through the long-term goals, the 'Objectives' for housing in North Sydney LGA. The LHS objectives, set out alignment with regional and district plan requirements, deliver on community and stakeholder priorities and are informed by the evidence analysed in Section 2.

THE LOCAL HOUSING STRATEGY OBJECTIVES ARE:

1. **Achieve the directions, objectives and actions identified in A Metropolis of Three Cities (GSC, 2018) and the North District Plan (GSC, 2018).**
2. **Delivery of 0-5 and 6-10 year housing supply targets and identify capacity to contribute to the District's 20 year strategic housing target.**
3. **Inform housing diversity and affordability issues in North Sydney.**
4. **Identify the right locations for mandated housing growth, including an understanding of areas that are unsuitable for significant change in the short to medium term and support the role of centres.**
5. **Coordinate growth with the planning and delivery of local and State infrastructure and planned precincts.**
6. **Manage residential development growth to ensure that ad hoc Planning Proposals are rejected if not in line with Council's strategic framework to manage growth.**





SECTION 2





THE EVIDENCE

METHODOLOGY

This evidence base provides analysis of housing demand and supply in the North Sydney LGA to assess whether there is a housing supply gap that needs to be addressed in this Local Housing Strategy.

The data collected to inform this analysis is sourced from the Australian Bureau of Statistics (ABS), NSW Government datasets (prepared by the Department of Planning, Industry and Environment (DPIE), Family and Community Services (FACS), the Real Estate Institute of Australia (REIA), Profile.ID the population experts, and academic publications. These datasets are reviewed and updated on a regular basis and are based on broad surveys across NSW and Australia. This allows for comparison of trends over time and against other LGAs, the North District, Greater Sydney and NSW averages.

Refer to the reference list for data sources and notes on datasets and assumptions. No detailed financial feasibility or detailed precinct analysis has been conducted to inform this LGA-wide strategy, however, detailed analysis may be conducted by Council, if required, as part of planning studies for focused areas at a later date. The information presented was the best available at the time of preparation of this evidence base.

2.1 DEMOGRAPHIC OVERVIEW

This section analyses demographic data to identify changes and trends within North Sydney LGA in order to understand the future housing needs of North Sydney LGA.

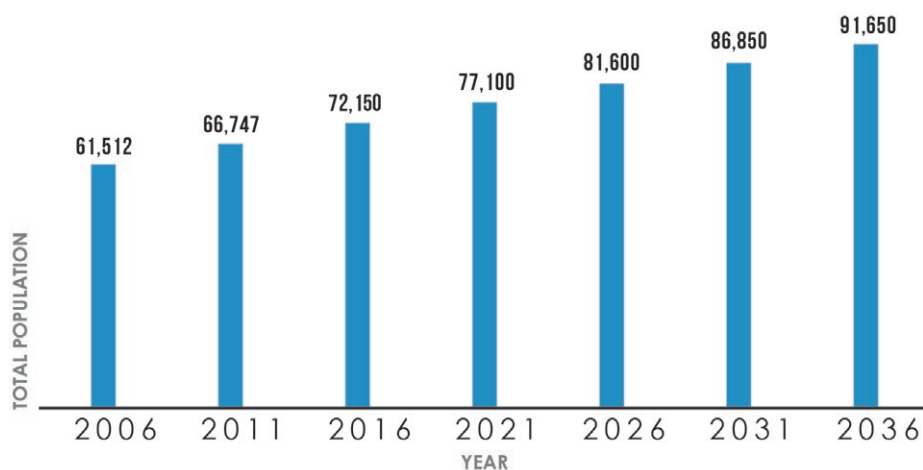
POPULATION

By 2036 approximately 19,500 more residents will call North Sydney LGA home. This represents a 21% increase on the current residential population over the next 20 years.

This is consistent with the wider North District growth rate, where the total residential population is expected to increase by 25% by 2036.

Compared to the last 10 years, the rate of population growth across North Sydney LGA is projected to slow over the next 20 years.

FIGURE 9 HISTORIC AND PROJECTED POPULATION GROWTH, NORTH SYDNEY LGA



Source: ABS 2016 Census and DPIE, 2016 NSW State and Local Government Area Population Projections

17%
increase in
residents over past
10 years,
2006-2016

12%
increase in
residents in next
10 years,
2016-2026

11%
increase in
residents the
following 10 years,
2026-2036

- The residential population in the North Sydney LGA grew by almost 17% (10,638 people) over the past ten years (between 2006 and 2016).
- In comparison, the population is projected to grow by 12% (9,450 people) in the next ten years (to 2026).
- The population is projected to grow 11% (10,050 people) in the next 11 to 20 years (between 2026 and 2036).

AGE

The majority of the population living in North Sydney LGA are categorised as 'young workforce' and 'parents and home builders', aged between 25 and 49 years old.

'Young workforce' and 'parents and home builders' represent 50% (35,900 people) of the total population in North Sydney LGA, compared to 34% (346,950 people) in the North District and 38% (1,778,600 people) across Greater Sydney.

The population in North Sydney LGA is also ageing. The number of people aged 60 to 84 years old over the next 20 years is projected to increase by almost 50% (6,200 people).

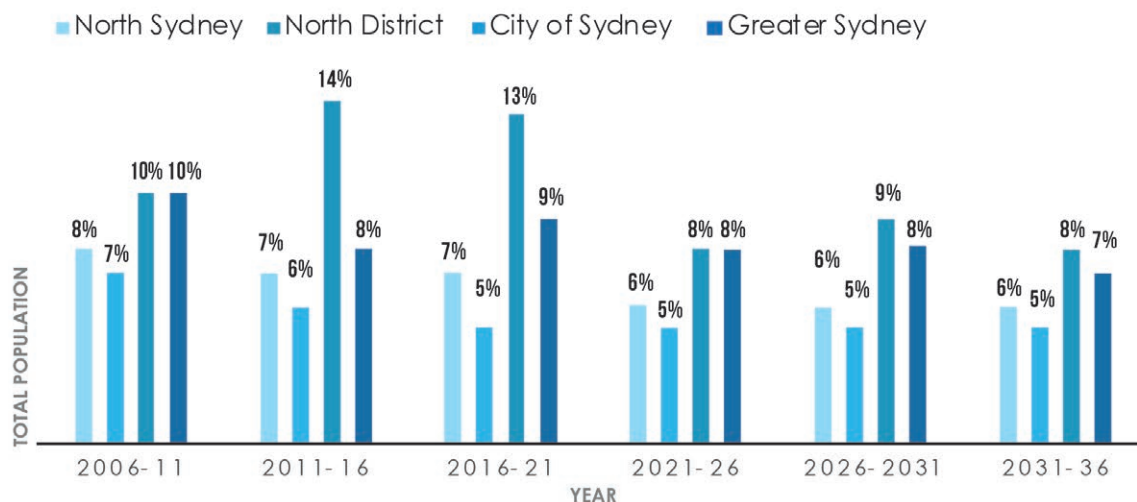
Over the next 20 years, the number of children, under the age of 15 years, is projected to increase from 8,500 children in 2016 to 10,500 children in 2036 (a 23.5% increase).

However despite this growth in number of older persons and children, 'young workforce' and 'parents and home builders' will continue to represent the greatest proportion of the North Sydney LGA population.

The increasing number of older persons and children may be a result of more people choosing to stay living in North Sydney LGA as they have children, as their children grow up, and they get older.

North Sydney LGA is projected to experience a **slightly higher rate of growth in the next five years** when compared to the North District, though the rate of population growth in North Sydney LGA is and will remain lower in comparison to the City of Sydney.

FIGURE 10 COMPARISON OF POPULATION GROWTH ACROSS SYDNEY



Source: ABS 2016 Census and DPIE, 2016 NSW State and Local Government Area Population Projections



Some key groups within the population age structure of North Sydney LGA include:

- 'Children' – 0 to 15 years old
- 'Young workforce' – 25 to 34 years old
- 'Parents and homebuilders' – 35 to 49 years old
- 'Older persons' – 60 years older and older

Source: .ID the population experts

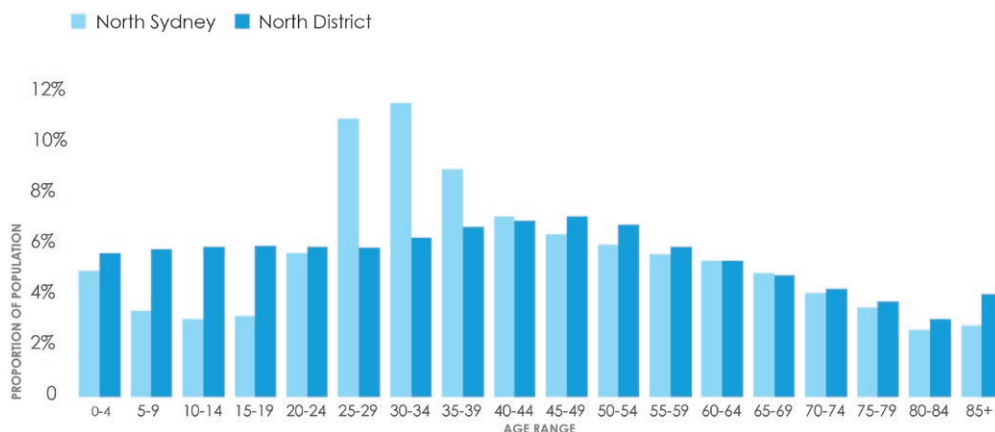
MIGRATION

North Sydney LGA has a relatively transient population. This means there is a greater likelihood of people moving in and out of the LGA over time, a characteristic which is more typical of inner-city suburbs. The same patterns emerge for both North Sydney LGA and City of Sydney LGA where young workforce groups are attracted to live in the LGA.

Information on migration is available for the 2001 and 2006 Census periods. Between 2006 and 2011 there was a net increase of 945 residents in the North Sydney LGA.

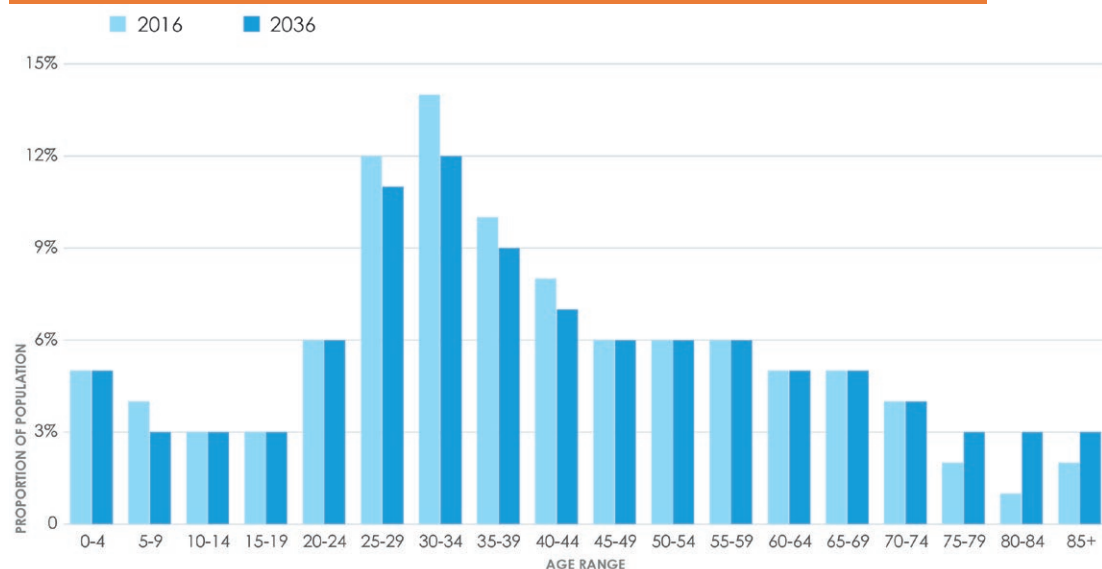
During this period a net increase of 1,812 people aged between 25 and 29 years moved into North Sydney LGA.

FIGURE 11 2036 AGE STRUCTURE COMPARISON



Source: DPIE, 2016 NSW State and Local Government Area Population Projections

FIGURE 12 AGE GROUP BREAKDOWN CURRENT AND FUTURE, NORTH SYDNEY LGA



Source: DPIE, 2016 NSW State and Local Government Area Population Projections



DRIVERS FOR HOUSING NEEDS

The demographics in North Sydney LGA are being influenced by broader global and city-wide shifts, shaping the need for housing in the future.

This is a summary of the high-level drivers and considerations for housing need, based on research on drivers of change, the future of cities and creating cities for everyone.



Population growth and migration

Migration of predominately young people and home builders to Sydney will fuel the growth in population as these groups establish families.

Sydney will have a population of 8 million people by 2040, which will be twice the rate of growth in London. Population and economic growth is driven by growth in Asia.

Cultural diversity will stimulate a more diverse preference for housing.



Liveability

Liveability has become essential to Sydney's future economy as it competes on a global scale to attract and retain talent.

Suburbs in inner Sydney, especially with access to Sydney Harbour and views, close proximity to work and access to hubs with cafes and restaurants, shops, and entertainment are significant lifestyle drawcards.

Keeping these lifestyles available and attainable is important.



Smaller homes, more shared spaces

Sydney's constrained spatial environment increasingly requires a more compact approach to living and recreation. This requires an increase in multi-unit housing and smaller private spaces. This will increase the need for high quality and accessible shared community spaces.



Housing affordability and tenure

Sydneysiders are increasingly experiencing 'housing stress'. Housing stress is defined as when a household is paying 30% or more of its income on rent or mortgage

Higher housing costs, economic, and cultural factors, are influencing a shift towards renting. People are trading dwelling size and preference for home ownership of housing for improved amenity and greater flexibility in location and lifestyle.



Changing family structures

Family structures and lifestyle preferences shape the housing needs throughout the different stages of life.

Smaller family sizes are resulting in smaller households.

Increasing trends towards delayed marriage and double-graduate / double-income households can lead to couples having children later in life or choosing not to have children.



Increase in lone person households

Existing and increasing trends of lone person households create demand for smaller dwellings located in close proximity to public spaces and centres which provide opportunities for social interaction.



Ageing communities

Communities all across Australia are experiencing an ageing population. Greater consideration is needed to support older persons to age in place, including appropriate housing design, size and location.



EMPLOYMENT

North Sydney LGA is an important part of the Eastern Economic Corridor and significantly contributes to the broader economy of Greater Sydney.

A large proportion of people working in North Sydney (22,598 people, 31% of working residents) either live in North Sydney LGA or close-by in adjoining LGAs.

The top industries for employment of residents living in North Sydney LGA are closely aligned with the types of jobs located within North Sydney LGA. Jobs in North Sydney LGA are predominately professional and knowledge based jobs (professional, scientific and technical services, and finance and insurance services).

The new Sydney Metro will improve connectivity to and through North Sydney LGA. This is anticipated to support established industries and create further opportunities for jobs growth particularly in the North Sydney CBD and around St Leonards and Crows Nest for the finance and insurance services, health care and social assistance, and retail industries.

Service based jobs, particularly jobs in cafes and restaurants, are very important in the North Sydney LGA. Employees in these industries are important to both workers and residents and support the local economies in centres such as Crows Nest and Neutral Bay.

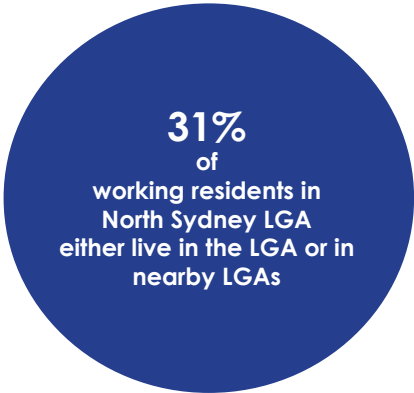


TABLE 1 TOP INDUSTRIES OF EMPLOYMENT, NORTH SYDNEY LGA RESIDENTS AND WORKERS

Source: DPIE North Sydney Community Profile

TOP INDUSTRIES OF EMPLOYMENT FOR NORTH SYDNEY LGA RESIDENTS [% OF EMPLOYED PERSONS LIVING IN NORTH SYDNEY LGA]	TOP INDUSTRIES OF EMPLOYMENT LOCATED IN NORTH SYDNEY LGA [% OF PEOPLE WORKING IN NORTH SYDNEY LGA]
Professional, Technical (22%)	Professional, Technical (30%)
Finance and Insurance (14%)	Finance and Insurance (12%)
Health Care and Social Assistance (10%)	Media (7%)
Education and Training (8%)	Health Care and Social Assistance (7%)
Retail Trade (6%)	Education and Training (6%)



KEY WORKERS

Key worker jobs are jobs that are vital to servicing a population, such as nursing and health, teaching and emergency services.

Key workers are typically paid low to moderate incomes. Key workers can be constrained by where they can afford to live especially in places such as North Sydney LGA where housing is expensive.

The majority of key workers living in North Sydney LGA work within the North District and neighbouring Eastern City District (Figure 6). Similarly, key workers working in North Sydney LGA also live predominately in the North and Eastern City Districts.

Population growth in North Sydney LGA attracts the need for more key workers in health, education, emergency services, retail and trade.

Discussion on housing affordability for key workers and mechanisms to address these issues are presented in Section 3.

FIGURE 13 KEY WORKERS



1,348 teachers



747 nurses and health workers



5 ambulance officers and paramedics



172 police

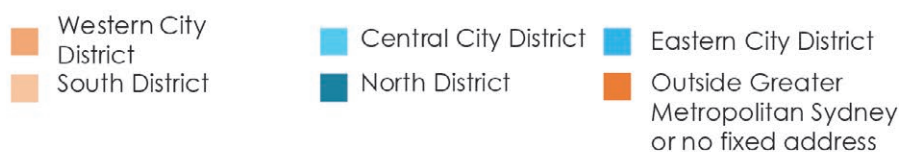
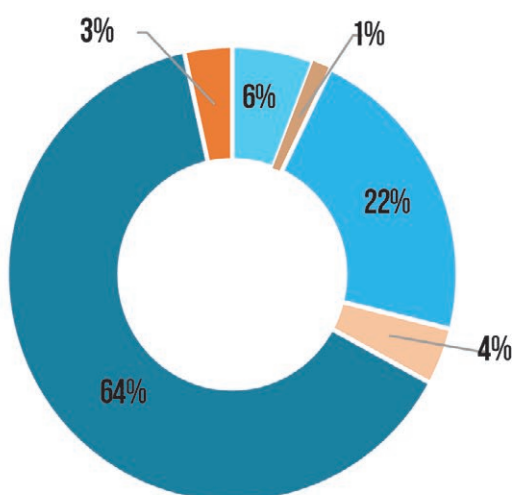


49 fire and emergency workers

2,330
key workers
call North Sydney
home

Source: ABS 2016 Census, Table builder – industries of employment, location of residence, location of work

FIGURE 14 LOCATIONS OF WORK FOR KEY WORKERS LIVING IN NORTH SYDNEY LGA



Source: ABS 2016 Census, Table builder – industries of employment, location of residence, location of work
Analysis was conducted for LGA destinations for work. The information has been aggregated to Districts in this chart.



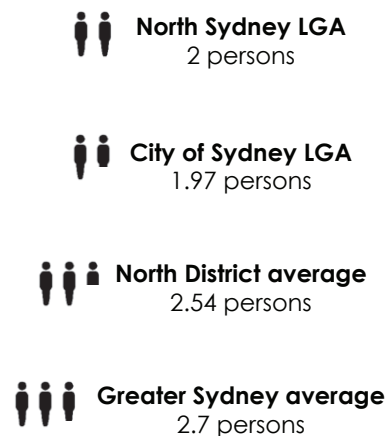
HOUSEHOLD SIZE

North Sydney has consistently had a smaller average household size over the past decade when compared to the average for Greater Sydney and NSW.

The size of households are typical of inner city areas close to large CBDs. Inner city areas have higher density development and the size of dwellings are typically smaller. Household sizes in the North Sydney LGA are very similar to those seen in the City of Sydney.

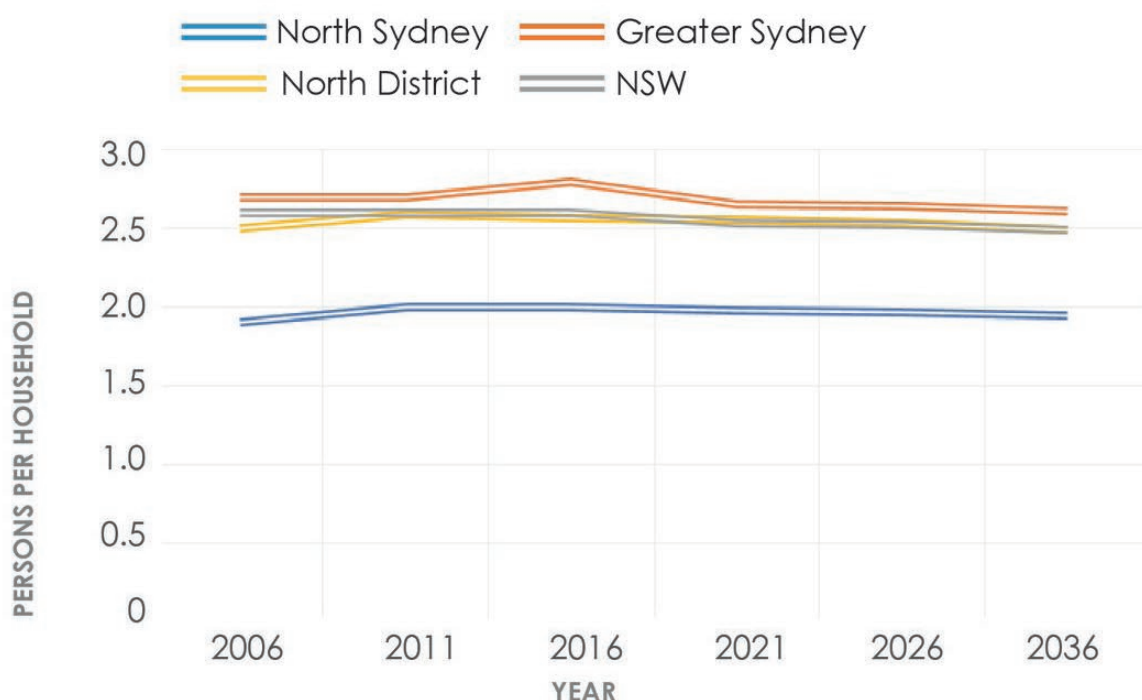
This trend is likely to continue in the future. The household size in North Sydney is projected to decrease to 1.9 persons per household by 2036.

FIGURE 16 CURRENT HOUSEHOLD SIZE BY LGA



Source: DPIE, 2016 NSW State and Local Government Area Household and Implied Dwelling Requirements

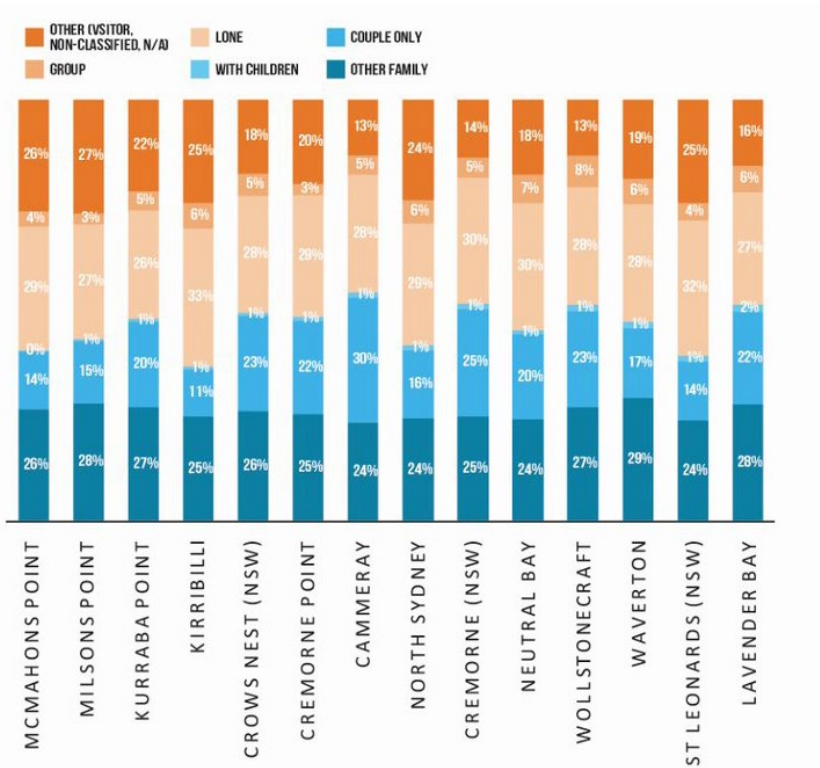
FIGURE 15 AVERAGE HOUSEHOLD SIZE OVER TIME



Source: ABS 2006 Census, DPIE, 2016 NSW State and Local Government Area Household and Implied Dwelling Requirements



FIGURE 17 LOCATION OF DIFFERENT HOUSEHOLDS BY SUBURB IN THE NORTH SYDNEY LGA



Source: ABS 2016 Census Table Builder – Dwelling Structure at SA1

FIGURE 18 SUBURBS IN NORTH SYDNEY LGA

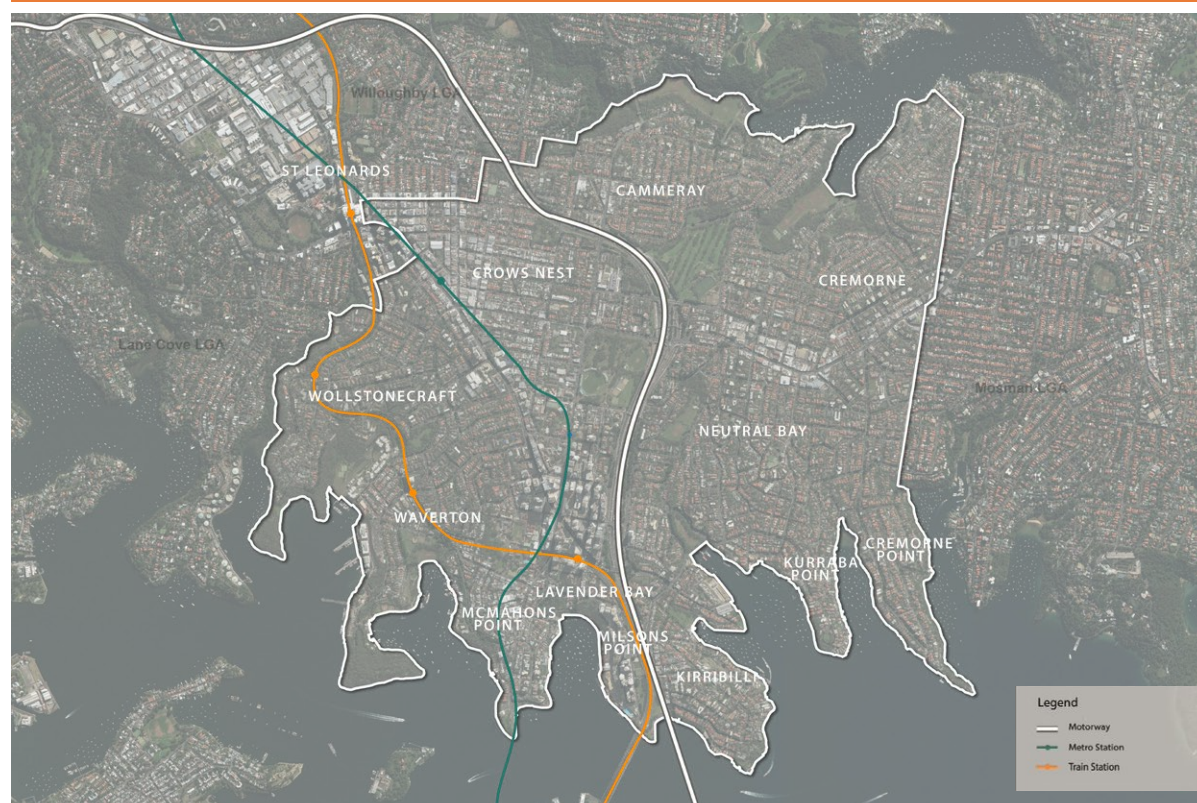
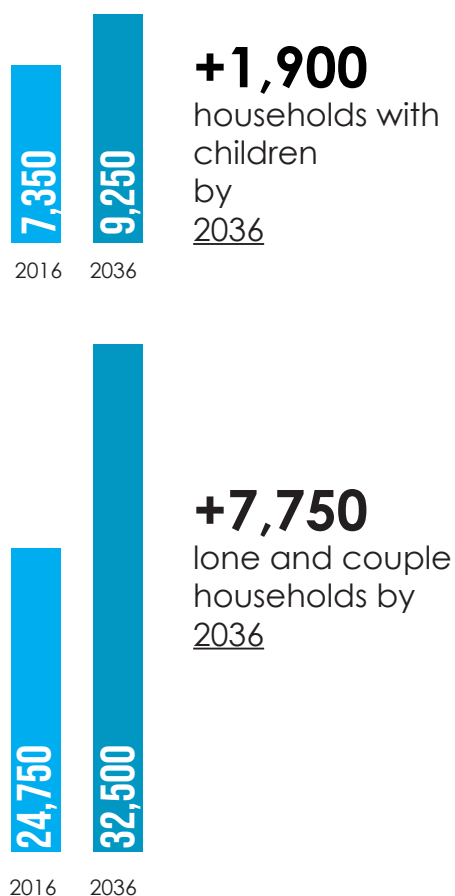


FIGURE 19 CHANGE IN HOUSEHOLDS (2016-2036)



Source: DPIE, 2016 NSW State and Local Government Area Household and Implied Dwelling Requirements

HOUSEHOLD COMPOSITION

Two out of three households in North Sydney are either lone or couple only households.

This is a similar split of households to the City of Sydney and reflective of the high number of 'young workforce' and 'parents and home builders' that live in the area that do not have children.

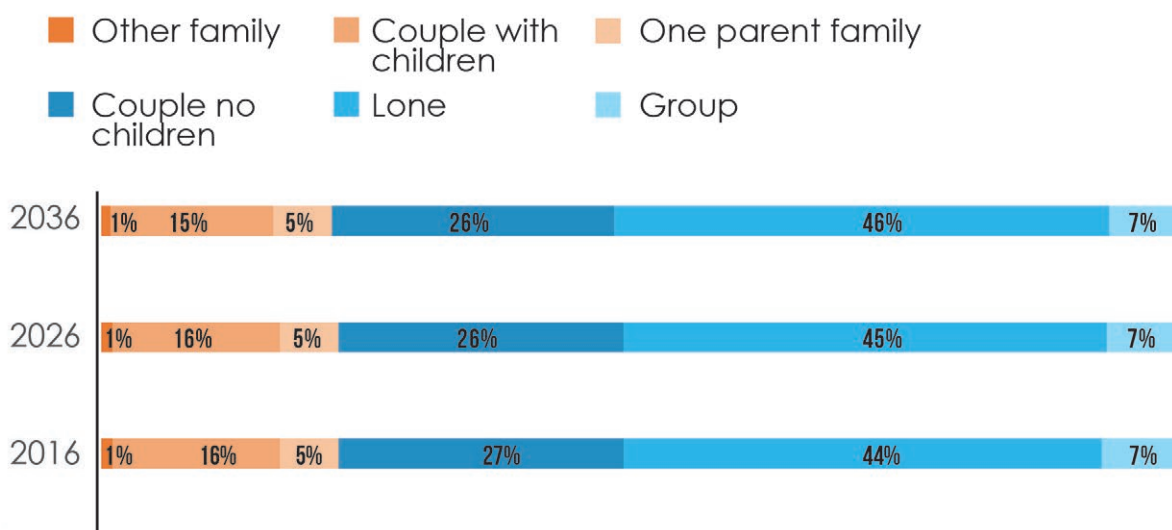
North Sydney has a much higher proportion of lone person households (30%) in comparison to the average for Greater Sydney (23%, 389,150 lone households) and the North District (21%, 70,250 lone households).

Over the past 10 years the proportion of households with children has increased slightly with a small growth in the number of families living in North Sydney.

The proportion of households that are couples with children are still much smaller in North Sydney (18%, 5,910 households) when compared to the average for Greater Sydney (37%, 607,343 households), which has remained stable with little change over the past decade.

The split of different households in North Sydney is projected to remain consistent over the next 20 years.

FIGURE 20 HISTORIC AND PROJECTED HOUSEHOLD COMPOSITION



Source: DPIE, 2016 NSW State and Local Government Area Household and Implied Dwelling Requirements

TENURE

North Sydney LGA has a higher proportion of renters (45%) than the Greater Sydney average (28%). This trend has remained unchanged over the past decade.

The number of owner-occupiers, outright owners and those with a mortgage, is lower in North Sydney LGA (43%) when compared to Greater Sydney (60%) and the North District (59%). The higher proportion of renters in the North Sydney LGA is similar to the City of Sydney LGA.

Approximately 1.6% of households (582 households as at June 2017) in North Sydney LGA are renting social housing, either a property managed by the NSW Government or community housing provider (FACS Housing Toolkit).

HOUSEHOLD INCOME

There is an increasing disparity between high and low income households in North Sydney LGA.

Household incomes in North Sydney are relatively high, which is also typical of neighbouring LGAs in the North District. Historically, North Sydney has had a higher median household income when compared to Greater Sydney. This gap has lessened over the past decade.

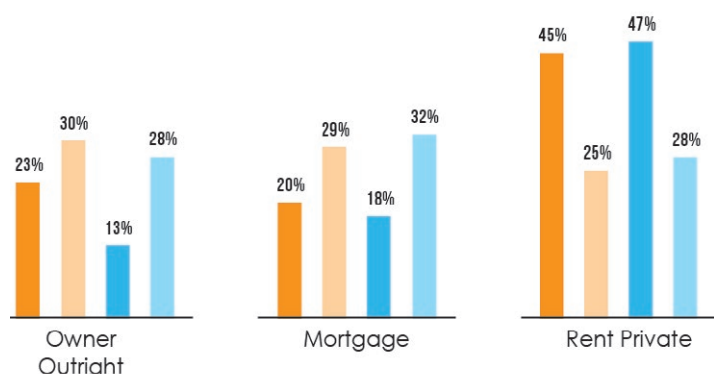
Despite North Sydney LGA having high household incomes, very low or low income households earn under \$1,500 per week (FACS, 2019).

The proportion of very low and low income households has grown slightly over the past decade, whilst the proportion of high income households have remained steady.

The median household income for North Sydney is \$2,356 per week, which is similar to the median for the North District. In 2016 the median household income for Greater Sydney was \$874 per week.

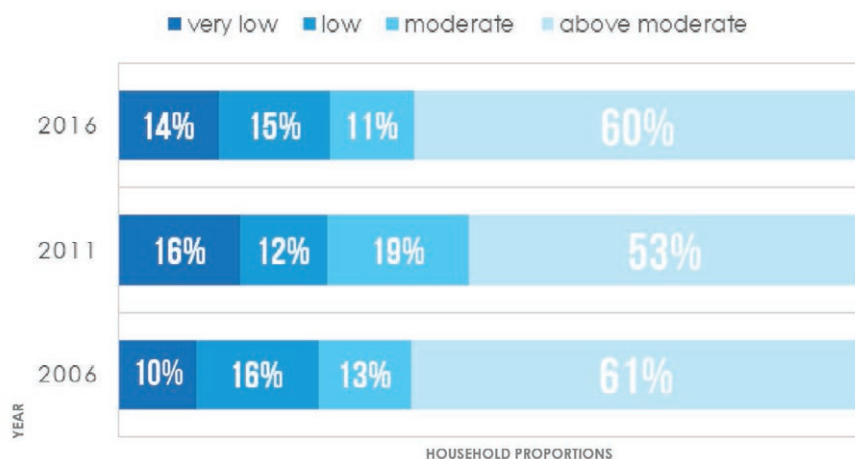
FIGURE 21 HOUSEHOLD TENURE LGA COMPARISON

■ North Sydney ■ North District ■ City of Sydney ■ Greater Sydney



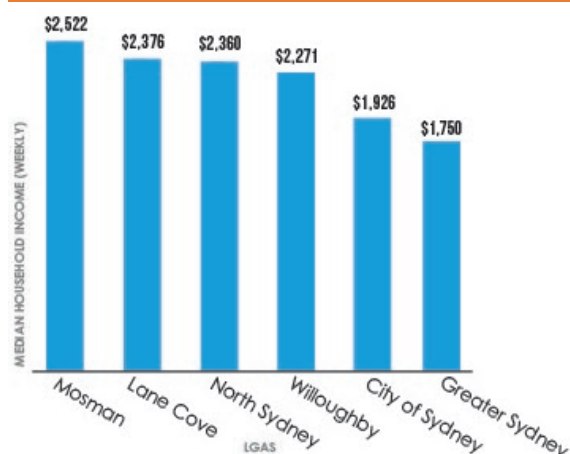
Source: ABS Census 2016

FIGURE 22 HOUSEHOLD INCOME CHANGE, NORTH SYDNEY LGA



Source: Calculations based on ABS Census 2016

FIGURE 23 MEDIAN HOUSEHOLD INCOME LGA COMPARISON



Source: ABS Census 2016
Comparison of median household income for LGAs immediately adjacent to North Sydney LGA, which have similar community profiles and housing markets. Median household income is calculated by LGA, otherwise averages are calculated for Greater Sydney and NSW.

RENTAL AND MORTGAGE STRESS

For many households there is a gap between what people earn and what they can afford to rent and buy. This gap is evident for very low and low income households where there are limited housing options available to them.

FACs conducts analysis to understand the number of households in each LGA experiencing housing stress.

Currently a total of 6,252 households (17%) experience housing stress in North Sydney LGA (FACs 2019).

A total of 1,908 very low income and low income households, that are renting, are experiencing rental stress. This equates to 97% of all very low income households (974 households) and 92% of low income households (934 households).

The majority of households experiencing rental stress are moderate income households (1,314 households, 41% of households in rental stress).

Of the owner-occupier households, there are 77% of very low income households (266 households), and 60% of low income (162 households) experiencing mortgage stress. Approximately 40% of moderate income owner-occupier households (266 households) are experiencing mortgage stress).

Just under half (49%) of above moderate households that earn more than \$2,000 per week are also experiencing mortgage stress (768 households).

TABLE 2: NUMBER OF HOUSEHOLDS BY INCOME LEVEL

Source: Calculations based on FACS Housing Toolkit

HOUSEHOLD INCOME BREAKDOWN (NORTH SYDNEY LGA HOUSEHOLDS)	INCOME THRESHOLD (FOR 2016 CENSUS)
1,383 (4 %) Very low income households – renters and owner-occupiers	< \$799 per week
1,284 (4 %) Low income households – renters and owner-occupiers	\$800 to \$1,499 per week
2,450 (7 %) Moderate income households – renters and owner-occupiers	\$1,500 to \$1,999 per week
30,783 (86 %) Above moderate income households – renters and owner-occupiers	> \$2,000 per week

'Very low income households' earn household incomes below 50% of the Census median income

'Low income households' earn household incomes between 50% to 80% of the Census median income

'Moderate income households' earn household incomes between 80% to 120% of the Census median income

Source: FACS, 2019

'Housing stress' is defined as when a household contributes more than 30% of household income towards housing, either as rent payments or mortgage repayments.

'Mortgage stress' is when a household contributes more than 30% of household income towards mortgage repayments.

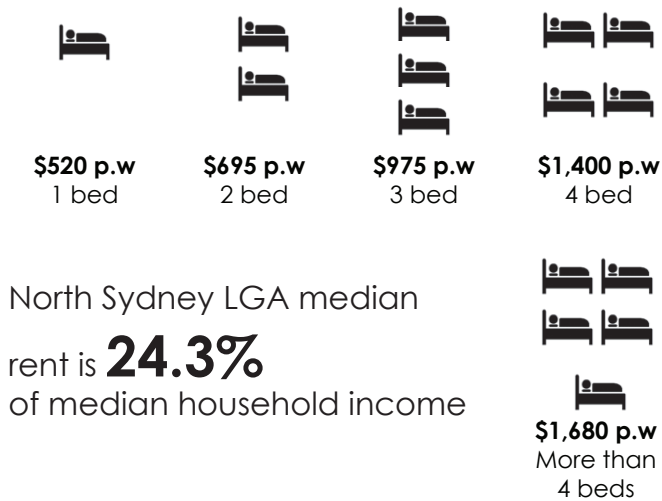
'Rental stress' is when a household contributes more than 30% of household income towards rent.

Housing stress has the greatest impacts on households that are at the bottom 40% of Australia's income distribution.

Source: FACS, 2019; AHURI, 2018.

Housing stress will have the greatest impact on the 1,383 very low income households in North Sydney LGA that are experiencing rental and mortgage stress. These households are earning below 50% of the Census median income and therefore more at risk of not having enough to pay for necessities such as food, heating, education and medical costs when a significant proportion of household income is spent on housing.

MEDIAN RENTS

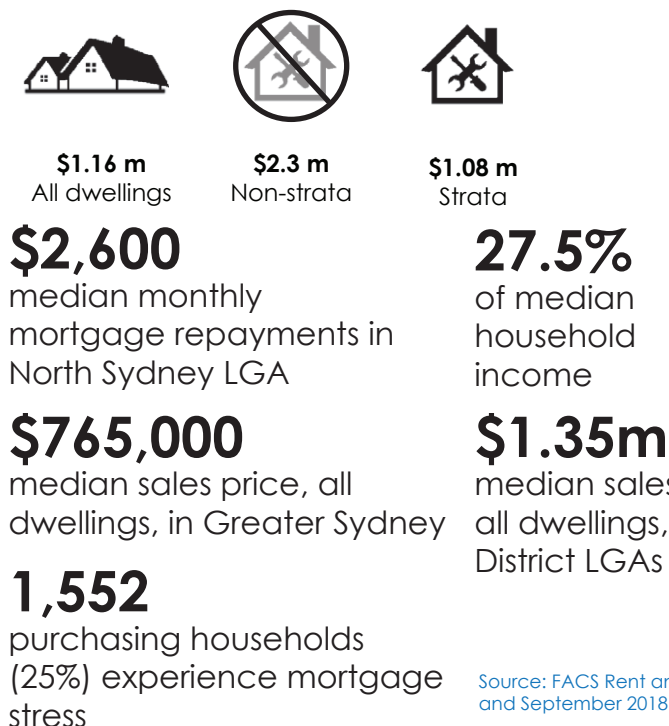


North Sydney LGA median rent is **24.3%** of median household income

4,530 rental households (30%) experience rental stress

\$575 median weekly rent in North Sydney LGA	\$480 median weekly rent in Greater Sydney	\$630 median weekly rent in North District LGAs
--	--	---

MEDIAN SALES



HOUSING AFFORDABILITY

Many external factors impact on the affordability of housing. These include broader economic performance, systems of taxation and availability of credit, as well as housing policy, supply and diversity.

In North Sydney LGA, house and rental prices are high compared to the median rents and sales for Greater Sydney and other inner city ring suburbs. This impacts all households.

Lifestyle attractors available in North Sydney LGA, including the proximity to Sydney CBD, Sydney Harbour, good public transport connections, historical local character areas, and tree-lined streets, make the LGA a highly desirable place to live.

The high demand for housing in close proximity to high value jobs in Sydney CBD and the wider Eastern Economic Corridor is driving up the price of homes in North Sydney LGA. These factors will make it more difficult for key workers, lower income and moderate income households to live in North Sydney LGA where access and proximity to their jobs and other opportunities in the Harbour City and Eastern Economic Corridor are good.

This is not unique to North Sydney LGA. This is also the experience in other capital cities around Australia, Hong Kong, Singapore, London and New York, as housing affordability becomes a greater challenge in the context of increasing wealth and significant population growth in cities.

Mechanisms to address the needs of key workers and lower income households are explored in Section 3.

100%
of key workers living in North Sydney would be in housing stress, based on average key worker base salaries

Source: FACS Rent and Sales Reports, December 2018 quarter (rents) and September 2018 quarter (sales)



KEY DEMOGRAPHIC CONSIDERATIONS FOR HOUSING IN NORTH SYDNEY

Affordability – Availability of housing for households of all income levels, particularly affordable housing for very low, low income, and key worker households

Smaller households – Significant proportion of lone and couple only households may desire smaller dwellings that suit their family and lifestyle needs

Ageing population – Increasing number of older people aged 60 years and over will be living in North Sydney LGA and seek to age in place

Families with children – Families with children increasingly staying in North Sydney LGA will require larger dwellings and access to community facilities and open space

2.2 HOUSING DEMAND

This section analyses the demand for new housing to identify the type and level of housing needed to support the North Sydney LGA.

UNDERLYING DEMAND

Underlying demand is the theoretical need for housing based on population projections and past trends in household formation.

The population projection for North Sydney LGA is an additional 19,500 people to 2036. In line with this projected growth it is expected that North Sydney LGA will require an additional 11,450 dwellings by 2036 (DPIE implied dwelling requirements).

EFFECTIVE DEMAND

Factors such as consumer and investor sentiment, interest rates, and affordability constraints can affect the size, type and location of housing people want and what they are willing to pay for it.

Effective demand for housing in North Sydney LGA may be much lower than underlying demand due to the relatively high cost of housing when compared to the Greater Sydney average.

When affordability pressures affect how much people can pay for housing, people will make substitutions for their preferences, such as purchasing a house with fewer bedrooms in order to be closer to public transport. People may also be driven to rent rather than buy.

A common substitution made is in household formation. People can choose to delay creating their own household, such as the 'young workforce' age groups staying at home with their parents for longer. Otherwise people will form different household patterns than experienced in the past, such as more multi-generational living and share house arrangements. This can reduce the number of households that are formed and therefore the number of dwellings needed.

The demographic indicators presented provide an understanding of the size and types of housing that different households in North Sydney LGA require and indicate the price for housing they are willing to pay.

A **'Population projection'** indicates the size and age-sex structure of the future population. DPIE prepares projections based on assumptions about future fertility, mortality and migration that are derived from a range of government datasets.

'Implied dwelling requirements' indicate the likely number of dwellings needed to accommodate future population-driven demand. DPIE prepares implied dwelling requirements based on household projections, which are based on assumptions on demographic trends and living arrangements.

The **'Housing forecast supply'** indicates how many additional dwellings are likely to be built in the future. This is based on existing planning controls and economic conditions, and information from councils and State Government on potential changes to planning controls in the future.

The **'0 to 5 year housing target'** of 3,000 additional dwellings (for North Sydney LGA, 2016 to 2021) is set by the Greater Sydney Commission in the North District Plan. This target is based on North District dwelling needs and generally reflects historic housing approvals and construction activity achieved in North Sydney LGA.

The **'6 to 10 year housing supply'** indicates the dwellings likely to be delivered in the next 6 to 10 years (2022 to 2026). The forecast is based on known capacity within existing zoned land and development projects that are currently in planning and supported by North Sydney Council. The forecast reflects historic housing completions in North Sydney LGA.

Source: DPIE; Greater Sydney Commission

HOUSING RENT AND SALES

Median rent and sale prices of dwellings in North Sydney LGA have increased over time, in line with the median for Greater Sydney and Inner Ring LGAs of Greater Sydney. Dwellings in North Sydney LGA are more expensive than the Greater Sydney median, with 50% of sales above \$1.17 million for both strata and non-strata dwellings, in the September 2018 quarter. For strata dwellings, 50% of sales were above \$1.07 million.

As identified in the demographic indicators, there is a significantly greater proportion of renters in North Sydney compared to owner-occupiers. This trend is increasing in Inner Ring Sydney LGAs. However across Greater Sydney, the number of households renting is dropping, indicated by the reduction in number of new rental bonds lodged (FACS Rents Reports).

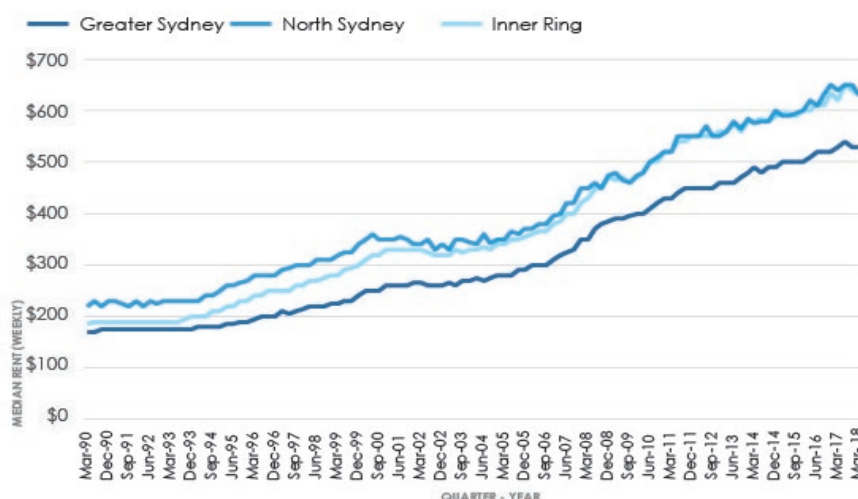
In the September 2018 quarter 1,673 new rental bonds were lodged for rental properties in North Sydney LGA, compared to 234 purchases. Unlike with purchasers, compared to the September 2017 quarter, there has been an increase of new rental bonds lodged (total of 7% across all property types).

More households are also seeking to rent, particularly houses with more bedrooms, as the price to purchase becomes increasingly expensive (16% of new rental bonds lodged were for properties with 3 or more bedrooms).

The greatest increase is for rental dwellings with 4 or more bedrooms, with an increase of 51.9% for the September 2018 quarter over the previous 12 months and 81.8% increase for the December 2018 quarter over the previous 12 months. The overwhelming majority of properties leased remain flats/units (1,412 of 1,673 properties, 84%).

A greater number of dwellings sold in the September

FIGURE 24 CHANGE IN MEDIAN RENTS OVER TIME



Source: FACS Rent and Sales Reports, Rent – GMR Trend 1990-2017. Inner Ring Sydney refers to LGAs: Ashfield, Botany Bay, Lane Cove, Leichhardt, Marrickville, Mosman, North Sydney, Randwick, Sydney, Waverley, Woollahra



2018 quarter in North Sydney LGA are strata dwellings (234 out of 276, 85%), compared to non-strata dwellings (42 out of 276, 15%).

The median sale price for non-strata dwellings has increased at a greater rate than strata dwellings. This may be due to scarcity of non-strata dwellings as most new dwellings in North Sydney LGA are strata dwellings.

There has been a general trend in decreasing sales across all markets. Housing prices in Sydney dropped 16% since June 2017. This can lead to a slow down in new housing supply. Other factors such as lending restrictions can affect demand for housing, shown by the number of sales and turnover of housing stock, as people find it more difficult to secure finance to buy new homes.

The number of sales in North Sydney LGA in the September 2018 quarter decreased by 28% compared to a year ago.

North Sydney LGA experienced a smaller decrease compared to the average for Inner Ring LGAs of Sydney and the average for Greater Sydney, a 39% and 43% decrease, respectively, over the same period.

Middle and Outer Ring LGAs experienced the greatest decrease in number of sales comparing the September 2017 and September 2018 quarters.

In this context, demand for rental properties is likely to remain high in North Sydney LGA.

AFFORDABLE HOUSING NEEDS ANALYSIS

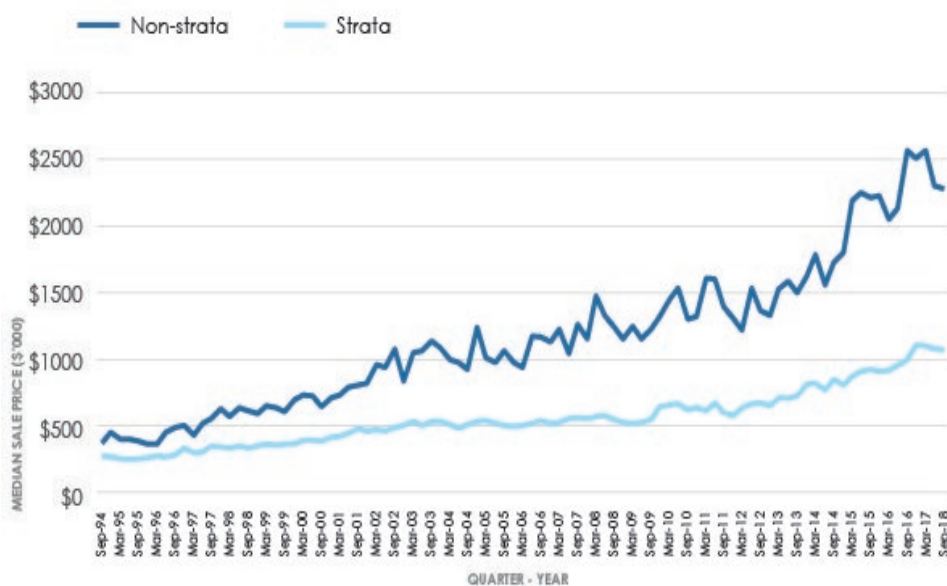
The number of very low, low income, and moderate income households in North Sydney LGA that cannot afford the majority of rental housing on the market and the increasing proportion of households experiencing rental stress, generates a need for more social and affordable housing provision. In particular, growing demand from lone person households in North Sydney LGA will place more pressure on the demand for affordable and social housing in the future.

Social housing is rental housing provided by not-for-profit, non-government or government organisations to assist people who are unable to access suitable accommodation in the private rental market. Social housing includes public, Aboriginal and community housing, as well as other services and products.

Affordable housing is housing that is provided at a discount to market rent. These properties are likely to have been developed with assistance and planning incentives from the NSW and/or Commonwealth Governments, or cross subsidy from the sale of private dwellings. Affordable housing may be owned by private developers, private organisations, local governments or community housing providers, but is usually managed by not-for-profit community housing providers

Source: Future Directions for Social Housing in NSW, NSW Government

FIGURE 25 MEDIAN SALES (\$'000) FOR STRATA AND NON- STRATA PROPERTIES, NORTH SYDNEY LGA



Source: FACS Rent and Sales Reports, Sales – GMR Trend 1991-2017



Social housing

FACS and the Aboriginal Housing Office (AHO) own and manage public housing properties and community housing providers (not-for-profit and non-government registered community housing organisations) manage community housing properties.

Current social housing stock does not meet the demand across NSW, with 48,337 applicants on the housing register waiting to be accommodated.

The NSW Government acknowledges that the amount of unmet demand and anticipated growth in demand in the future will require implementation of broader strategies for more social housing supply, more opportunities, support and incentives (Future Directions for Social Housing in NSW, 2016, NSW Government). This needs collaboration with the private sector, not-for-profit sector, and all levels of government to implement.

Across the North District there are currently 4,998 public housing dwellings, 13 AHO dwellings, and 1,258 community housing dwellings that are managed by community housing providers. Across the portfolio in the North District, the majority of dwellings are units (4,725 dwellings, 75%). One in four dwellings are either villas (265 dwellings, 4%), townhouses (616 dwellings, 10%), or cottages (664 dwellings, 11%) (as at 30 June 2018, FACS Statistics).

In the North District, 1.4% of households were either in public housing or Aboriginal Housing (AHO) in 2016-17. This is less than the NSW average where 3.7% of households are in public and AHO housing.

The majority of social housing dwellings in the North District are small. Almost half of dwellings are one bedroom dwellings (3,081 dwellings, 49%). There are 1,950 (31%) two bedroom dwellings, 1,062 (17%) three bedroom dwellings, and 177 (3%) four bedroom dwellings (as at 30 June 2018, FACS Statistics).

Public housing is housing managed by the NSW Family and Community Services (FACS).

Aboriginal housing is housing specifically for Aboriginal people. These properties are managed by FACS (Aboriginal Housing Office) or community housing providers, including Aboriginal community housing providers.

Community housing is housing managed by community housing providers, including not-for-profit and non-government registered community housing organisations.

A cottage is a dwelling that is freestanding and usually on its own, separately titled, block of land.

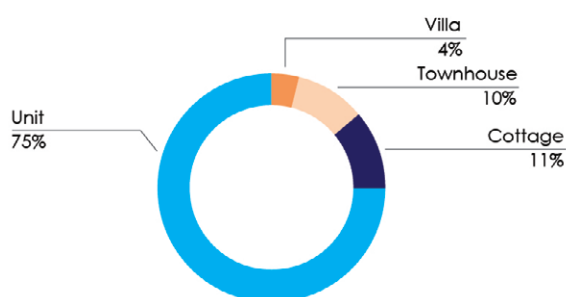
A villa is one of two or more attached properties, each with its own entrance and usually private open space. May share common facilities such as driveways and garbage areas.

A townhouse is one of two or more attached properties, two storeys and not more than three storeys high. Each dwelling has its own entrance and its own private open space. May share common facilities such as driveways and garbage areas.

A unit is a self-contained dwelling within a multi-storey building containing more than one dwelling. Usually, units share a common entrance, stairway (or lift), and common open space.

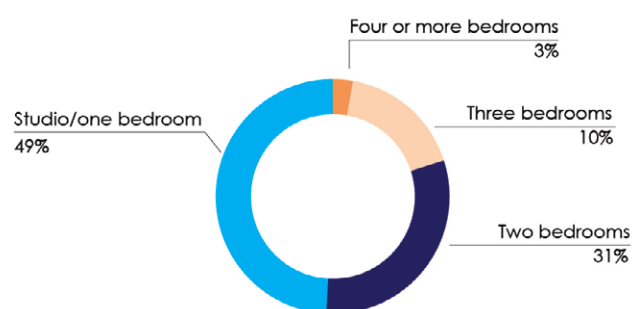
Source: Family and Community Services (FACS)

FIGURE 26 SOCIAL HOUSING DWELLING TYPES, NORTH DISTRICT



Source: FACS Statistics 2019

FIGURE 27 SOCIAL HOUSING DWELLING SIZES, NORTH DISTRICT



Source: FACS Statistics 2019



There are currently 1,942 social housing applicants for the North District listed on the NSW Housing Register (as at 30 June 2017, FACS Statistics).

There will be a growing shortfall of small dwellings (studio and one-bedroom dwellings) social housing stock in the North District considering 1,173 lone person households currently on the waitlist and the growing number of lone person households projected for the North Sydney LGA by 2036.

The expected waiting time for properties of all sizes in the North District is 5 to 10 years. This is a shorter wait period when compared with other areas in Sydney. In particular, demand for larger social housing properties for families with children is lower in the North District at 20% (402 households) when compared with 35% (13,740 households) for Greater Sydney as a whole.

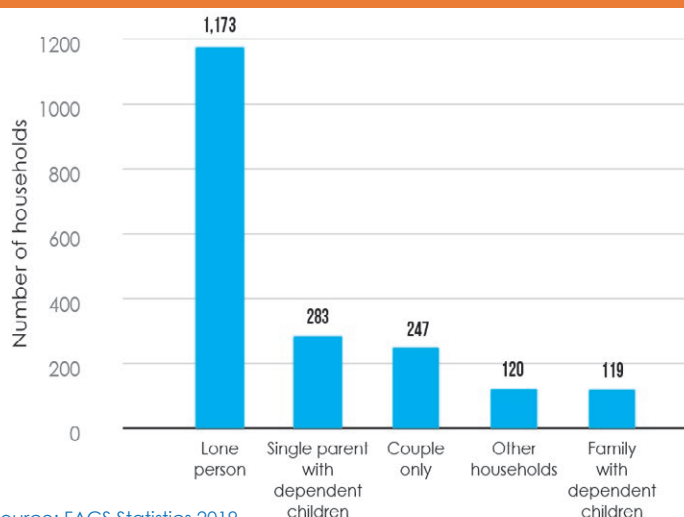
Affordable housing

In North Sydney LGA an estimated 2,400 affordable bed spaces in boarding houses were lost between 1984 and 2013. This was due to the redevelopment of sites across the LGA. Until the introduction of the State Environmental Planning Policy (Affordable Rental Housing) 2009, Council worked towards replacement of affordable bed spaces lost through affordable housing contributions collected under the Council's Local Infrastructure Plan.

A total of 1,908 very low income and low income households are experiencing rental stress, which is almost all lower income households. All key workers living in North Sydney would be in housing stress considering average key worker base salaries and median rents in North Sydney LGA.

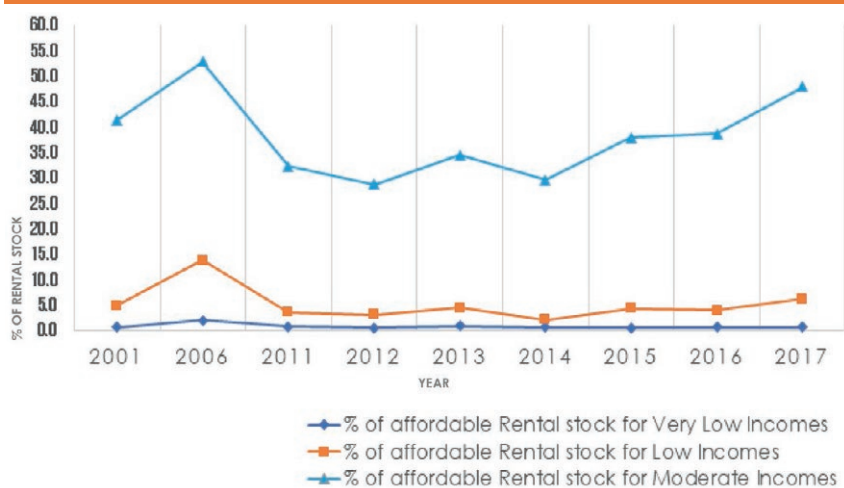
Mechanisms to address the needs of key workers and lower income households are explored in Section 3.

FIGURE 28 SOCIAL HOUSING WAIT LIST APPLICANTS, NORTH DISTRICT



Source: FACS Statistics 2019

FIGURE 29 PERCENTAGE OF AFFORDABLE RENTAL STOCK BY HOUSEHOLD INCOME, NORTH SYDNEY LGA



Source: Link Housing report, data derived from NSW Local Government Housing Kit database



HOUSING PREFERENCES

This section is an analysis of how different households currently live in North Sydney LGA and other relevant research on the changing needs of different household types.

The Grattan Institute Study 'The Housing We'd Choose' looked at housing preferences. The study highlighted that households across Melbourne and Sydney would prefer large dwellings to small dwellings; detached and semi-detached houses to apartments; and living closer to the centre of the city rather than further away. In reality the availability of supply of housing and the cost of housing cause people to make substitutions to these preferences.

The North Sydney Community Strategic Plan 2018-2028 identifies that diversity as well as affordability of housing is important to the community.

In North Sydney LGA there is significantly more high-rise multi-unit dwellings available (64% dwellings in flats and apartments higher than three storeys, in 2016) and proportionally fewer detached dwellings. This trend will continue in the future as land for housing development is constrained by availability, cost and relatively high existing densities in North Sydney LGA.

In North Sydney LGA the majority of households live in high density dwellings. This is consistent across all household types.

Two thirds of families with no children, and three quarters of lone person households live in high density dwellings. Couples with children are most likely to live in a separate house (25% of households), however the greatest proportion (41% of households) live in high density dwellings.

The supply of housing is presented in more detail in Section 2.3, and analysis on the housing supply gap is in Section 2.5.1.

Separate house

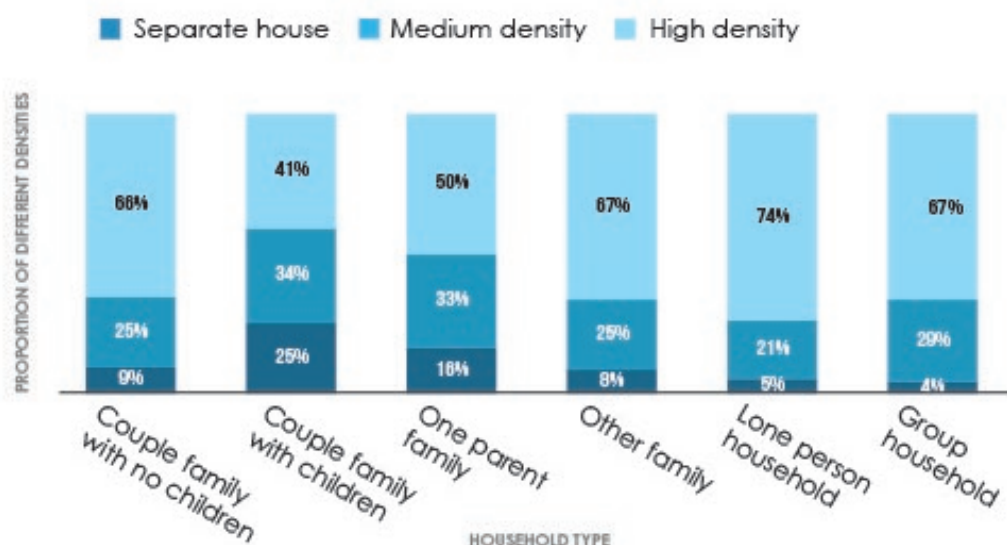
is a single detached house

Medium density is a semi-detached house, terrace, or townhouse, or one to two storey apartment block

High density is a three storey or higher apartment block

Source: .ID the population experts

FIGURE 30 DENSITY BY HOUSEHOLD COMPOSITION, NORTH SYDNEY LGA



Source: ABS 2016 Census Table Builder – Dwelling Structure at SA1

LONE AND COUPLE HOUSEHOLDS



24,750 households (in 2016)
Additional 7,750 households by 2036

Preferred locations: Generally within centres, close to amenities and activity, don't mind more built up areas.



Preferred dwellings: Can be multi-unit dwellings as these are found in centres. Can trade off large spaces for smaller spaces if close to amenities

Number of bedrooms: 1 to 2 bedrooms

What is important: Location

FAMILIES WITH CHILDREN



7,350 households (in 2016)
Additional 1,900 households by 2036

Preferred locations: Generally outside centres as this is where most detached houses can be found. However families with children are also living in new multi-unit developments close to centres.

Preferred dwellings: Preference for detached and semi-detached, though increasingly families are also living in multi-unit apartment blocks.

Number of bedrooms: 2 to 4 bedrooms

What is important: Access to parks and open space, services, and amenity.

OLDER PERSONS



13,500 persons (in 2016)
Additional 7,650 households by 2036

Preferred locations: Easy access to services and centres. Places with amenity such as green space and views are important.

Preferred dwellings: Some people may choose to down-size, though living space is important

Number of bedrooms: 1 to 2 bedrooms

What is important: Local character, ability to age in place. The NSW Ageing Strategy 2016-2020 identifies Priority 3: Housing choices to provide older people in NSW with the ability to live in affordable, accessible, adaptable and stable housing. This requires providing a range of suitable and adaptable homes.

KEY WORKERS



2,330 key worker residents (in 2016)
1,674 key worker jobs in North Sydney LGA

Preferred locations: Accessible to work (North Sydney and surrounding districts)

Preferred dwellings: Depends on size of household

Number of bedrooms: Depends on size of household

What is important: Finding affordable housing close to work. Rent and purchase price of housing needs to be affordable based on household income, and there is choice of housing available. Security of housing is also important.

VERY LOW AND LOW INCOME HOUSEHOLDS



1,343 very low income households (in 2016)
1,284 low income households (in 2016)

Preferred locations: Easy access to services and centres. Close to amenities and transport services.

Preferred dwellings: Depends on size of household

Number of bedrooms: Depends on size of household

What is important: Rent and purchase price of housing needs to be affordable based on household income, and there is choice of housing available. Security of housing is also important.

LOW INCOME RENTERS AND SOCIAL HOUSING



1,173 lone households waiting for social housing accommodation (as at June 2017)

247 couple only households waiting for social housing accommodation (as at June 2017)

402 families with dependent children waiting for social housing accommodation (as at June 2017)

Preferred locations: Easy access to services and centres. Close to amenities and transport services.

Preferred dwellings: Depends on size of household

Number of bedrooms: Depends on size of household. More lone households require smaller 1 to 2 bedroom dwellings

What is important: Ability to secure suitable housing in a timely manner within the North District.

2.3 HOUSING SUPPLY

This section analyses the supply of housing, the capacity and feasibility of the existing planning controls, and other sources of new housing.

DWELLING TYPES

North Sydney has predominately high density housing. This has grown over the past 5 years and is expected to continue with a large number of multi-unit developments in the development pipeline for delivery over the next 5 years.

There is variation in the type of housing available in different suburbs of North Sydney LGA (Figure 24).

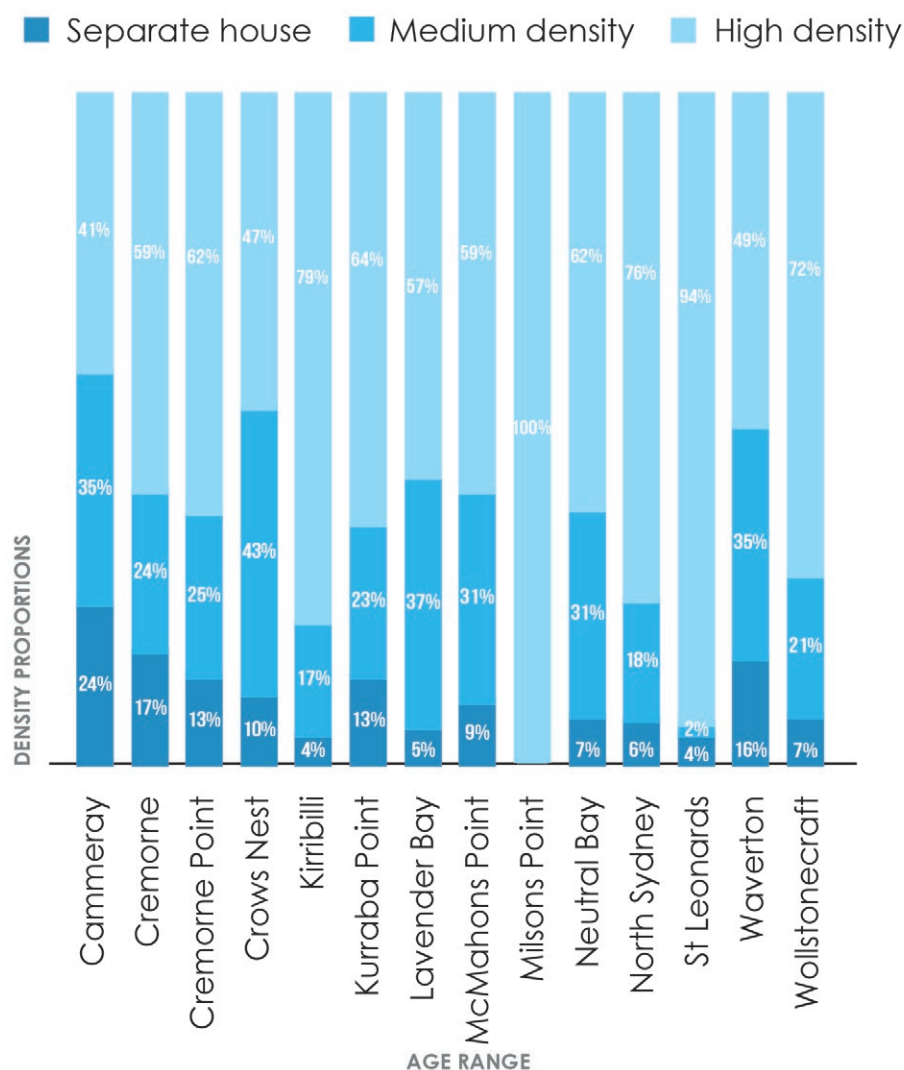
RESIDENTIAL DENSITIES

The residential density in North Sydney LGA is significantly higher than in other LGAs in the North District. The higher proportion of multi-unit dwellings and lower proportion of separate detached houses in North Sydney LGA reflects this. North Sydney LGA is therefore more similar in profile to the City of Sydney than other North District LGAs.

Due to the small lot sizes and the reduced availability of land for further development, it is likely that future development will be in the form of medium and high density multi-unit developments.

Some suburbs in North Sydney LGA have a higher proportion of high density dwellings (Figure 24). A number of suburbs have important heritage conservation areas that influence the density of new development that can occur.

FIGURE 31 DENSITY SPLIT, NORTH SYDNEY SUBURBS



Source: ABS 2016 Census Table Builder – Dwelling Structure at SA1

OCCUPANCY RATES

North Sydney LGA had the highest proportion of unoccupied dwellings at the time of the 2016 Census, when compared to neighbouring LGAs.

Over 11% of the total dwelling stock in North Sydney LGA was unoccupied at the 2016 Census. However, the occupancy rate across these LGAs are comparable. Both Mosman LGA and the City of Sydney LGA had 10% of dwellings unoccupied Lane Cove LGA and Willoughby LGA had 9% and 8% of dwelling unoccupied respectively.

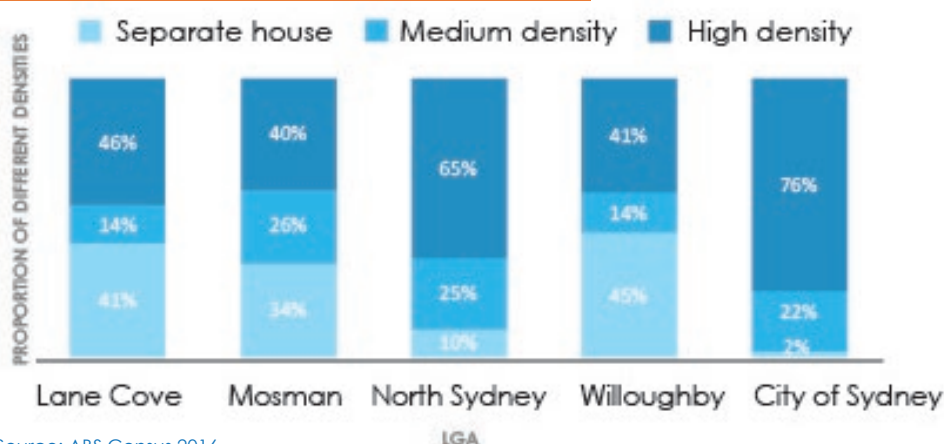
The marginally higher percentage of unoccupied dwellings in North Sydney LGA is reflective of the high number of multi-unit completions. Dwellings in recently completed apartment buildings are often unoccupied due to the delay from when a building is completed and when people start moving in.

RENTAL VACANCY RATES

Rental vacancy rates for Inner Ring Sydney rose slightly in 2018, from 2.2% in April 2018 to December 2018.

March 2019 saw vacancy rates jump to 3.7% from 2.9% the previous month. Increasing vacancy rates indicate lower effective demand for housing and higher supply.

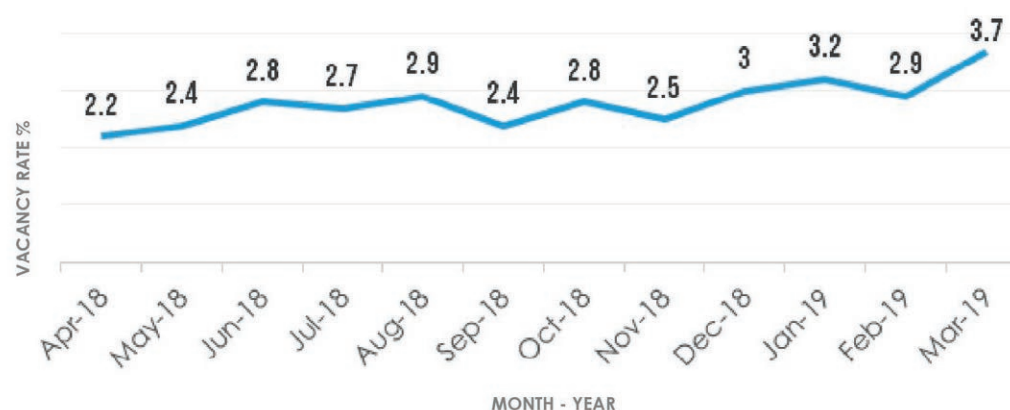
FIGURE 32 DENSITY SPLIT, NEIGHBOURING LGAs



Source: ABS Census 2016

Comparison of density split for LGAs immediately adjacent to North Sydney LGA, which have similar community profiles and housing markets.

FIGURE 33 RENTAL VACANCY RATE, INNER RING SYDNEY



Source: REIA NSW Vacancy Rate Survey Results, March 2019. Inner Ring Sydney refers to LGAs: Bayside, Inner West, Lane Cove, Mosman, North Sydney, Randwick, City of Sydney, Waverley, Woollahra. Surveys on rental vacancies are conducted monthly. Data is presented for inner, middle, and outer rings of Greater Sydney to reflect the different housing markets across these rings.

CURRENT AND PLANNED HOUSING

There are currently 39,950 dwellings in North Sydney LGA. Over the past 6 years, an average of 471 dwellings have been completed each year in North Sydney LGA.

A total of 746 dwellings were completed in North Sydney LGA in the 2017/18 financial year.

Compared to neighbouring LGAs, only the City of Sydney and Lane Cove LGA have had a greater number of dwelling completions than North Sydney LGA, considering the number of dwellings added as a proportion of the number of existing dwellings.

Neighbouring LGAs also have a high proportion of multi-unit dwelling completions over the past five years.

The number of multi-unit dwellings completed has been significantly higher over recent years. This aligns with the trend across Australian capital cities where almost 60% of new dwellings delivered have been apartments, townhouses, and other medium density dwellings.

Multi-unit approval and completions far surpass that for detached dwellings.

The 5-year housing supply forecast prepared by DPIE reflects the residential development pipeline from projects under construction and progressing through the development approval process.

'Dwelling approvals' are development applications for dwellings that have been approved.

'Dwelling completions' are dwellings that have actually been constructed. The latter is a better measure of the number of dwellings that can be occupied.

A similar number of new housing is forecasted to be delivered over the next 5 years, with 2,700 additional dwellings forecast to be delivered by 2022/23.

A number of different locations around North Sydney LGA can support delivery of new housing. These include areas currently zoned for residential development, planning controls that encourage housing development and areas currently under investigation and planning by State and Local Government to allow for more development.

CAPACITY OF EXISTING LAND USE CONTROLS PLANNING PROPOSALS

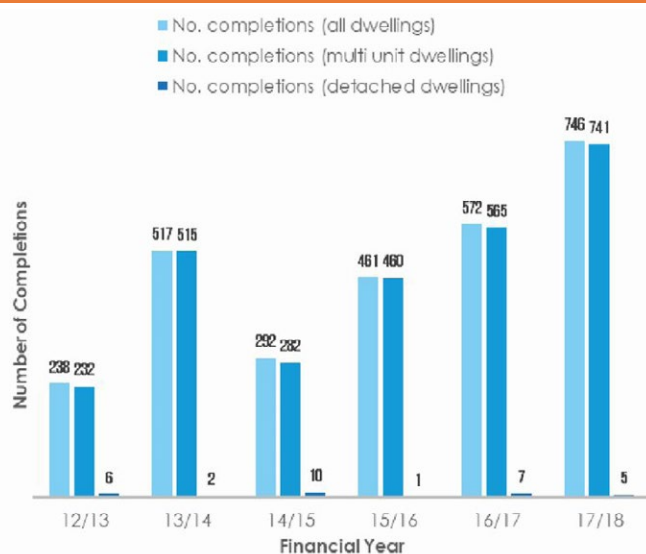
Current active planning proposals that support delivery of additional residential development, in accordance with Council's strategic planning, will contribute to the future supply of housing.

2,700
dwellings
forecasted to be
delivered 2018/19
to 2023/24

2,826 dwellings
were completed over the past
six years (2012/13 to 2018/19).

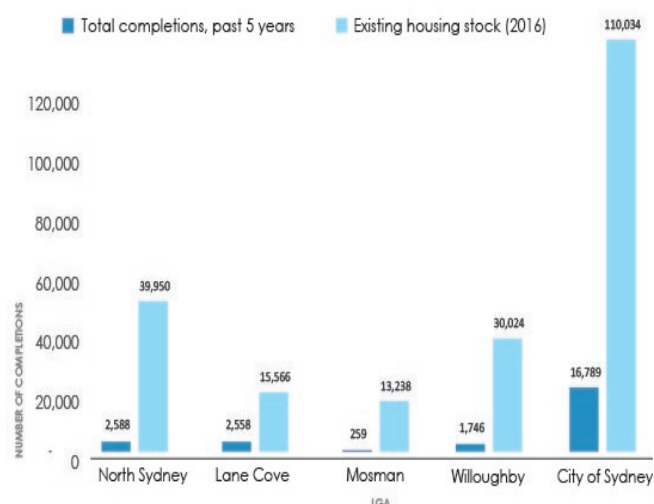
This is an average **1.2%**
increase in the number of
dwellings each year.

FIGURE 34 HOUSING COMPLETIONS, NORTH SYDNEY LGA



Source: DPIE Metropolitan Housing Monitor, 2018

FIGURE 35 COMPLETIONS LGA COMPARISON



Source: DPIE Metropolitan Housing Monitor, 2018
Comparison of dwelling completions for LGAs immediately adjacent to North Sydney LGA, which have similar community profiles and housing markets.



An additional 652 dwellings are expected to be delivered as part of Council-supported planning proposals. These will all be multi-unit dwellings in strategic locations close to North Sydney CBD and the St Leonards Crows Nest Planned Precinct.

LOCAL PLACE-BASED PLANNING STUDIES

Military Road Corridor – Council is currently carrying out a planning study on the Military Road Corridor. The Planning Study will determine the future form and function of the corridor, including Neutral Bay's role. Additional residential density, whilst not the key driver of this work, may be an outcome of the study once completed.

Ward Street Masterplan – The Ward Street Precinct is located directly adjacent to the new Victoria Cross Metro Station. In 2020, Council will regain control of the car park on the precinct site, which takes up the majority of the site. The planning study will identify opportunities for increased employment opportunities and improved public domain outcomes to activate the North Sydney centre in light of the new Metro Station.

St Leonards Crows Nest Precinct – A new Metro Station will open at Crows Nest in 2024, which will further catalyse growth and development in a precinct already serving major strategic employment and innovation purposes. Council prepared a planning study to examine opportunities to increase employment and housing capacity in the area whilst delivering high-quality public domain upgrades and services needed to support these opportunities. Council also prepared the Crows Nest Placemaking and Principles Study to establish design principles to guide future development.

North Sydney CBD – Council undertook a comprehensive review of the North Sydney CBD, which is Sydney's third largest CBD. Through a series of studies, the Review identified key strategies and policies that are necessary to ensure North Sydney's role in the economic productivity of Sydney and NSW is retained and strengthened.

Northern CBD Planning Study – Council is currently carrying out a planning study in the Northern CBD area to carefully assess and manage development pressure that may arise from the arrival of the Metro rail station in 2024. The study seeks, amongst other objectives, to explore the capacity of the Northern CBD precinct to manage development expectations particularly to ensure a strategic approach to manage Planning Proposals.

EXISTING USE RIGHTS

Currently the North Sydney Local Environmental Plan 2013 (NSLEP 2013) allows for existing residential flat buildings in medium to low density residential zones generally constructed prior 1989 to be redeveloped under existing use right provisions beyond the bulk and scale of what is envisaged for these zones under the NSLEP 2013.

A small number of additional dwellings have been created through the redevelopment of existing residential flat buildings under the existing use rights provision since NSLEP 2013 came into effect. However, continued exploitation has the effect of eroding the desired future character of some areas due to no restrictions on a redeveloped built form.

AFFORDABLE HOUSING

North Sydney Council formerly levied affordable housing contributions under its local infrastructure contributions plan to provide for the replacement of bed spaces lost through redevelopment, through joint ventures with State Government.

The objective was to contribute to the acquisition of 16 affordable bed spaces in North Sydney LGA. Council has \$8.06 million allocated toward its affordable housing fund to be used to contribute to the acquisition of 16 affordable bed spaces.

Six new bedrooms have been created in North Sydney and seven bedrooms have been refurbished in Wollstonecraft so far at a cost of \$1.27 million. A small number of affordable bed spaces will be delivered through this mechanism by North Sydney Council in partnership with community housing providers.

North Sydney Council already partially or fully owns 26 properties comprised of two boarding houses and 41 multi-unit dwellings and houses for affordable rental housing. These properties are managed by Link Housing Pty Ltd. However, this approach to deliver affordable housing the LGA was thwarted with the introduction of the Affordable Rental Housing SEPP. Whilst the SEPP still enable the levying of contributions for affordable housing it is not guaranteed that it will be delivered in the LGA



STATE GOVERNMENT LED PLANNING

ST LEONARDS CROWS NEST 2036 DRAFT PLAN

The DPIE is leading planning for the St Leonards Crows Nest Planned Precinct. Considerable growth and redevelopment is anticipated to occur stimulated by the construction of Crows Nest station for the new Sydney Metro.

The DPIE prepared *Draft St Leonards and Crows Nest 2036 Plan (Draft 2036 Plan)* supports development of up to 7,525 additional dwellings across the whole St Leonards Crows Nest Planned Precinct to 2036. Market Feasibility analysis suggests that of these, only up to 6,800 additional dwellings can be delivered in the Planned Precinct over the next 20 years. Current proposals for the over station development at Crows Nest Metro Station seeks to deliver 350 additional dwellings by 2024.

Additional residential development in St Leonards and Crows Nest will be in the form of multi-unit dwellings

The *Draft 2036 Plan* is still subject to change before finalisation. Urban design studies will test whether the commercial and residential development in the *Draft 2036 Plan* can be realised, and further planning for infrastructure is needed to make sure services are commensurate to growth. Council has requested that a greater level of collaboration occur between the three Councils and DPIE to finalise the *Draft 2036 Plan*. This includes some elements of the built form, infrastructure and its financing and management of impacts.

LOW RISE MEDIUM DENSITY HOUSING CODE

The NSW Government's Low Rise Medium Density Housing Code commenced on 6 July 2018. The Code aims to provide more housing diversity by allowing specific residential development to be carried out under a fast-tracked complying development approval on land zoned R1 General Residential, R2 Low Density Residential, R3 Medium Density Residential and RU5 Village.

In North Sydney LGA, only one additional dwelling has been delivered under the Low Rise Medium Density Housing Code since it came into operation. Lot sizes across the LGA are typically too small and constrained by heritage and conservation restrictions to enable development under the Code. Significant future additional housing supply is not anticipated to be created as a result of the Code.



STATE ENVIRONMENTAL PLANNING POLICY (AFFORDABLE RENTAL HOUSING) 2009

The aim of this SEPP is to facilitate the retention and increased supply and diversity of affordable rental and social housing in NSW. Since the SEPP came into effect in 2009, very little new housing has been delivered through this policy in North Sydney LGA and has largely consisted of secondary dwellings and boarding houses. The high cost of land in North Sydney LGA generally outweighs any advantage of delivering affordable rental housing under the SEPP.

2.4 LAND USE OPPORTUNITIES AND CONSTRAINTS

This section identifies opportunities and constraints that are relevant to delivery of new housing in North Sydney LGA.

METHODOLOGY

A review of land use opportunities and constraints across North Sydney LGA has informed preparation of this evidence base and identification of the areas with development capacity, in Section 2.5.2.

Currently the NSLEP 2013 allows development of residential accommodation in the R2 Low Density Residential, R3 Medium Density Residential, R4 High Density Residential, E4 Environmental Living zones, B1 Commercial Core, B4 Mixed Use, and IN2 Industrial. The North Sydney Development Control Plan 2013 (NSDCP 2013) provides additional design guidance and controls for development to support delivery of a diverse range of housing types. Land currently zoned for residential development has capacity for additional development.

Identification of new appropriate locations for housing will need to consider the strategic directions set out in the North Sydney Community Strategic Plan 2018-2028, particularly the first three directions.

Community Strategic Plan Direction 1: Our Living Environment

Areas identified for environmental protection, particularly along the Sydney Harbour foreshore and vegetation with environmental significance, and land constrained due to risk of natural hazards such as flooding, and bushfire should not change and need to be protected from additional residential development.

Community Strategic Plan Direction 2: Our Built Infrastructure

New housing development should align with significant investments on infrastructure, such as the Sydney Metro, and be planned in a coordinated way alongside infrastructure delivery.

The provision of local infrastructure, community facilities and open space are key considerations when planning for growth.

Sites already under investigation and coordinated planning, including Council endorsed planning study areas should be prioritised for new housing development.

Community Strategic Plan Direction 3: Our Future Planning

The commercial centres in North Sydney are important for the broader economy of Greater Sydney. These centres need to be protected for business and retail activities and maintaining a lower mix of residential development in key centres is important so as to not erode their commercial viability.

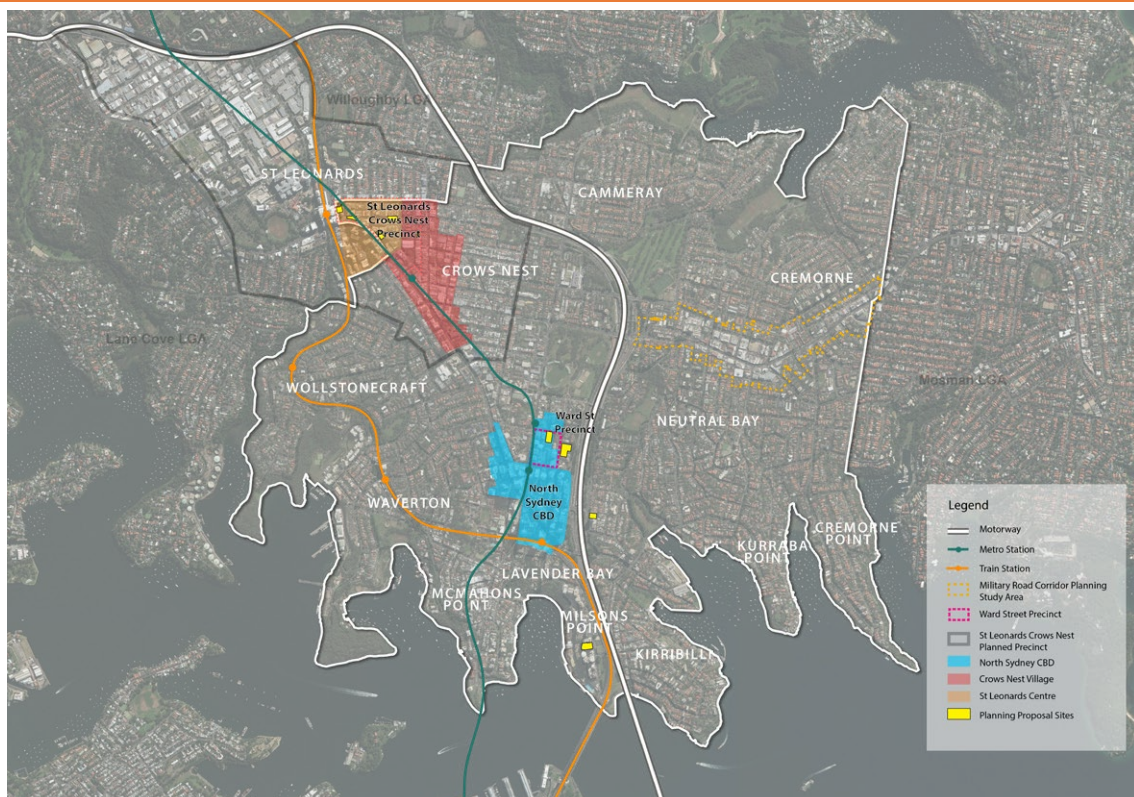
Heritage and local character are important to the residents of North Sydney LGA. Heritage attributes typically contribute to local character and the identity of many neighbourhoods. Heritage items and heritage conservation areas need to be protected and are predominantly unsuitable for new additional housing growth. The impacts of new residential development on heritage items and conservation areas also need to be carefully managed.

Constraints mapping to exclude sensitive areas and to locate opportunity areas with residential development potential was undertaken, to identify areas with development capacity. Further discussion of this process and the outcomes of this analysis is in Section 2.5.2.

FIGURE 36 PRIORITIES



FIGURE 37 NORTH SYDNEY LGA OVERVIEW



KEY OPPORTUNITIES



Sydney Metro CBD and South West –
New stations at Victoria Cross and Crows Nest



CBD and the Eastern Economic Corridor –
Good connections and short travel times to jobs and other opportunities



Harbour location and distinct local character –
Creates an attractive and unique urban environment



Health and education –
Close to major health and education institutions



Viability of commercial centres –
Balance between commercial and residential floorspace



Heritage items and conservation areas –
Important for local character and sense of place



Constrained supply of land –
Redevelopment and consolidation for new housing



Open space –
Maintain quality and access to open space



Existing amenity and neighbourhood character –
Makes a neighbourhood distinctive and is the identity of the place



Character and heritage

Character and heritage is an important element of what makes North Sydney LGA unique. The NSLEP 2013 and NSDCP 2013 contain controls to protect Aboriginal and non-Aboriginal heritage items and heritage conservation areas.

Council studies and plans, such as the Crows Nest Placemaking and Principles Study, Military Road Corridor Planning Study, Northern CBD Planning Study, Ward Street Masterplan and the DPIE's *Draft St Leonards Crows Nest 2036 Plan*, seek to protect and enhance local character.

Open space and recreation

Distribution of open space throughout North Sydney LGA is relatively uneven. Council's Recreation Needs Study (2015) identifies strategies to require new developments to have access to open and recreation spaces and to pursue new open space and recreation opportunities in the St Leonards to Crows Nest Pacific Highway Corridor and in areas currently without open space within 300 metres of residential development – in Cremorne along the Military Road corridor and Kirribilli.

Pressure on demand for open space and recreation facilities will be greater as the population grows and residential densities increase.

Council is working to find opportunities for more open space provision to meet resident needs. Existing high density development and the cost and availability of land make this very challenging to deliver for a growing population. Increasingly new spaces will need to be created as part of new development.

Projects such as the Hume Street Park Public Domain Strategy, Ward Street Masterplan, and Military Road Corridor Planning Study, demonstrate how this challenge can be approached with planning and coordination.

Transport

North Sydney LGA is one of the most well-connected LGAs in Sydney with good proximity to jobs and opportunities within the LGA, Sydney CBD and across the Eastern Economic Corridor. Maintaining and improving connectivity is important as the LGA grows and will be enhanced with the commencement of the Sydney Metro in 2024.

The North Sydney Transport Strategy (2017) guides Council's transport planning and management operations. The Strategy focusses on planning and coordinating land use alongside transport infrastructure and advocates for land use outcomes that supports a walkable and well connected LGA. This includes encouraging density and diversity in areas that are well connected by public transport.

Collaboration

Collaboration with the DPIE, State infrastructure agencies, and neighbouring Councils, will be important to making sure infrastructure is delivered at the right time to support growth.

Ongoing planning and collaboration with the DPIE will be critical for the St Leonards Crows Nest Planned Precinct considering the scale of growth and change that is envisaged for the area with the construction of the Sydney Metro.

It is also important that Council continues to work with developers to negotiate local infrastructure delivery that maximises community benefits from new development. Infrastructure delivered through local contributions and voluntary planning agreements is vital for the communities where new development is built.



2.5 ANALYSIS OF THE EVIDENCE BASE

This section analyses the data presented in the previous sections to determine what the current housing need is, where the gaps are and where the gaps are likely to be in the future.

This section has two parts: housing supply gaps and identifying areas with development capacity.

2.5.1 HOUSING SUPPLY GAPS

There is a housing supply gap if the projected housing need for North Sydney LGA is higher than the forecast housing supply.

NUMBER OF DWELLINGS

Table 3 identifies the 'implied' dwelling targets prepared by the DPIE, and the projected number of dwellings to be delivered

This shows no housing supply gap in North Sydney LGA. The projected housing need in North Sydney LGA is 11,450 dwellings by 2036 (DPIE implied dwelling requirements). The forecast housing supply is 11,870 dwellings by 2036.

There is capacity for an estimated additional 2,695 dwellings that can be delivered beyond 2036 without any changes to current planning controls, apart from proposed changes envisaged by DPIE in the *Draft St Leonards and Crows Nest 2036 Plan*.

In 2017/18, 746 dwellings have been completed as approved across North Sydney LGA, as at September 2018 (DPIE housing monitor).

Therefore a total of 11,124 dwellings are required to be delivered between 2018 and 2036.

North Sydney LGA is close to meeting its 5-year housing supply target (2016 to 2021) of 3,000 dwellings. In this period, 2,906 dwellings are forecasted to be delivered. This includes the number of dwellings that have been completed to date and in the residential development pipeline. More dwellings are forecasted to be delivered than the projected need for 2,750 dwellings.

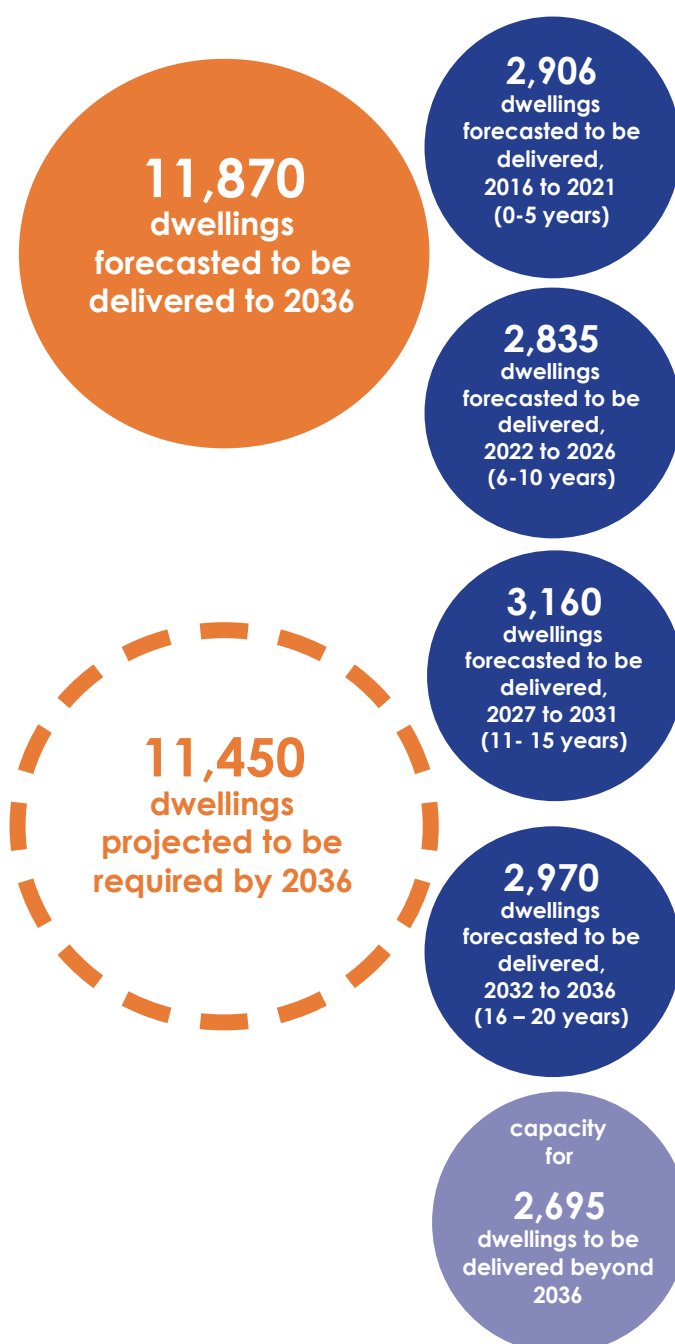
Between 2018/19 to 2021/23, 2,700 dwellings are forecasted to be delivered through the residential development pipeline. This takes into account current residential developments that are either under construction or approved as well as likely future development under current zoning and planning controls (DPIE Housing Supply Forecast, 2019).

In the next 6 to 10 years (between 2022 and 2026), 2,835 dwellings are forecasted to be delivered. This is more than the projected need for 2,700 dwellings.

In the next 11 to 20 years (2027 to 2036) there is capacity for 6,129 dwellings to be delivered. This includes:

- 3,939 dwellings within existing capacity of current residential zoned land across the LGA
- 2,190 dwellings through urban renewal in the St Leonards Crows Nest Planned Precinct, as outlined in *Draft St Leonards and Crows Nest 2036 Plan*.

More dwellings are forecasted to be delivered between 2027 to 2036 than the projected need for 6,000 dwellings.



Beyond 2036, there is capacity for 2,695 dwellings within existing capacity of current residential zoned land and through urban renewal in the St Leonards Crows Nest Planned Precinct.

Additional housing supply could be identified in future with Council's ongoing planning work, such as the current Military Road Corridor Planning Study, and

through the finalisation of the *Draft St Leonards Crows Nest 2036 Plan*. Initial market feasibility testing conducted by SGS Planning and Economics identifies the potential for further housing to be delivered beyond 2036 in the St Leonards Crows Nest Planned Precinct.

TABLE 3: HOUSING SUPPLY

TIMEFRAME	HOUSING SUPPLY	NUMBER OF DWELLINGS FORECAST IN NSLHS	PROJECTED HOUSING NEED (DPIE IMPLIED DWELLING REQUIREMENTS)
2016 to 2021 (0-5 years)	Dwellings completed (2017/18)	746 dwellings	
	Housing supply forecast (2018/19 to 2021/22)	2,160 dwellings	
	2016 to 2021 subtotal	2,906 dwellings	2,750 dwellings
2022 to 2026 (6-10 years)	Housing supply forecast (2022/23)	540 dwellings	
	Current active planning proposals	652 dwellings	
	Capacity in existing zones	1,043 dwellings	
	St Leonards Crows Nest Planned Precinct (including the Crows Nest Over Station Development)	600 dwellings	
	2022 to 2026 subtotal	2,835 dwellings	2,700 dwellings
2027 to 2031 (11-15 years)	Capacity in existing zones	1,970 dwellings	
	St Leonards Crows Nest Planned Precinct	1,190 dwellings	
	2027 to 2031 subtotal	3,160 dwellings	3,100 dwellings
2032 to 2036 (16-20 years)	Capacity in existing zones	1,970 dwellings	
	St Leonards Crows Nest Planned Precinct	1,000 dwellings	
	2027 to 2031 subtotal	2,970 dwellings	2,900 dwellings
Beyond 2036 (20+ years)	Capacity in existing zones	1,970 dwellings	
	St Leonards Crows Nest Planned Precinct	725 dwellings	
	Beyond 2036 subtotal	2,695 dwellings	
	2016 to 2036 total	11,870 dwellings	11,450 dwellings
	2016 to 2036 and beyond total	14,565 dwellings	

TIMING

Indicative timeframes for the potential 11,870 additional dwellings in North Sydney LGA, set out in Figure 30, shows the implied dwelling requirements for North Sydney LGA over the next 20 years can be met.

Indicative timeframes have been determined by historic housing completion rates in North Sydney LGA and timeframes for planning and development approvals, as well as development dependencies such as infrastructure and other construction projects that relate to housing developments.

The timing of housing development is dependent on market forces. The Sydney residential market is heading into a downturn before bottoming out. It is likely to be several years before there is a pick up and recovery from 2020 onwards. This is likely to slow down development of new projects as demand for new housing slows with constraints on the lending of money to purchase (JLL, 2019). The reduced delivery of housing between 2022 and 2026 (6-10 year period) reflects the current downturn in the market and expected slowing down of development applications and therefore delay in construction completions over this period.

The timing and quantum of additional housing to be delivered is subject to change due to macro economic, fiscal, and global factors and requires close monitoring, as set out in Section 4.

HOUSING DIVERSITY

Council will require diversity of dwelling sizes and types in new development to maintain a mix of housing stock in the North Sydney LGA that meets needs across different household types.

NSDCP 2013 requires a mix of dwelling sizes and diversity of bedroom mix in new residential development.

1 bedroom dwellings:

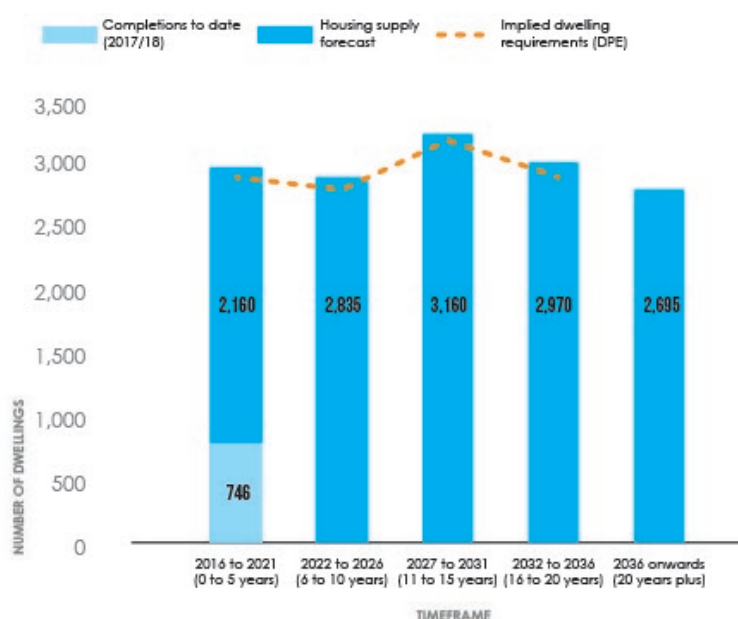
There is a housing supply gap for small dwellings. There are currently 15,300 lone person households living in North Sydney LGA, and this is projected to increase by an additional 5,350 households by 2036. Lone person households predominately live in one and two bedroom dwellings in North Sydney LGA. Currently there are 7,451 studio and one bedroom dwellings in the LGA.

Lone person households may be living in dwellings larger than they need, which also means they may be incurring higher housing costs than required.

Based on the current rate of provision, there is already a shortfall of approximately 7,800 studio and one bedroom dwellings in the LGA. Over the next 20 years if the number of lone person households increase as projected, more small dwellings are needed. Together, an additional 7,750 lone person and couple households are anticipated by 2036. These households require smaller dwellings.

Council will investigate other mechanisms to encourage more smaller dwellings and develop innovative approaches to delivering housing for lone households that achieve greater efficiency and sustainability outcomes.

FIGURE 38 TIMING OF HOUSING SUPPLY



3+ bedroom dwellings:

The current rate of provision of large dwellings meets the number of households of families with children. The NSDCP 2013 requires 10 to 20% of dwellings to have three or more bedrooms in new multi-unit developments.

Detached and semi-detached stock:

It is important to maintain the current stock of detached and semi-detached dwellings, given that the majority of dwellings are multi-unit.

Adaptable housing for older person households:

There is an emerging housing supply gap for adaptable housing. An additional 7,650 people aged over 60 years are projected to be living in the North Sydney LGA over the next 20 years. Older persons will need suitable and adaptable housing to allow them to age in place.

The NSDCP 2013 requires a proportion of dwellings in new residential development to be adaptable dwellings. This will support the provision of more adaptable housing for the growing population. A potential 1,753 additional adaptable dwellings can be delivered under current controls. Many people may also adapt their existing dwellings to suit their needs as they age. There will be a shortfall if not enough existing homes in North Sydney LGA can be appropriately adapted.

Council will investigate alternate mechanisms to encourage more seniors living arrangements and continue to provide for adaptable housing.

KEY WORKER HOUSING

There is a housing supply gap for key worker housing in North Sydney LGA. For the 2,330 key workers currently living in the North Sydney LGA, affordability is an issue, particularly for households where a key worker is the primary income earner.

The ability to afford housing at these price points also depends on whether key worker households have children. Dependents will decrease the income available to spend on housing.

For these households, home ownership is unattainable based on the median sale prices in North Sydney LGA (September 2018 quarter) and median salaries of key workers. For households where the primary income earner is a key worker, less than 25% of 1 bedroom dwellings for rent, at \$465 per week, would be affordable.

7,800
more studio and 1
bedroom dwellings
needed
(to 2036)

7,650
more older
persons households
need adaptable
housing
(to 2036)

For dual income key worker households (where two income earners are key workers) affordability in North Sydney LGA increases. For example, dual income key worker households can afford 25% of strata properties for purchase (priced up to \$821,000). Over 25% of rental properties are also affordable (at up to \$1,000 per week) and 50% of 2 bedroom dwellings for rent would be affordable (analysis based on "Key worker housing affordability in Sydney" report findings).

AFFORDABLE HOUSING

For the 999 very low income households (with 974 households experiencing rental stress), only 0.6% of rental properties in North Sydney LGA is affordable (as at September 2017, FACS 2019). For the 1,014 low income households (with 934 households experiencing rental stress), only 6.1% of rental properties is affordable (as at September 2017, FACS 2019).

Altogether there are 1,908 very low and low income households experiencing rental stress, however only 96 rental properties in North Sydney LGA would be affordable to these households (as at September 2017, FACS 2019).

Mechanisms that provide for more affordable housing will assist in reducing this gap. Council's Affordable Housing Strategy aims to increase the amount of affordable rental housing stock in North Sydney LGA and identifies strategies to increase the effectiveness and long-term sustainability of Council's involvement in affordable housing provision. Council will continue to investigate ways to increase affordable housing provision in the LGA.

Section 3 provides more details on affordable housing mechanisms.

MANAGE GROWTH

A careful approach to managing growth is needed to ensure housing supply can be realised to support good growth and liveable environments of high amenity and create sustainable and healthy communities.

2.5.2 IDENTIFYING AREAS WITH DEVELOPMENT CAPACITY

This section identifies areas with development capacity for new housing supply and areas to be conserved across the North Sydney LGA.

These areas have been identified through the analysis of land use opportunities and constraints presented in previous sections and as set out in the methodology.

DEVELOPMENT CAPACITY

North Sydney Council's approach (supported by the current NSLEP 2013 and NSDCP 2013) has been to focus increases in residential density in and around existing centres to take advantage of good access to transport, services, community facilities and employment opportunities. This enables Council to minimise development in sensitive areas such as along the foreshore, on land adjoining bushland, and in heritage and environmental conservation areas.

This approach is key to maintaining the local character of precincts across North Sydney LGA and to support a more sustainable and viable pattern of growth.

North Sydney Council will continue this approach to manage the growth of residential development.

LAND USE PLANNING APPROACH

The three land use planning approaches for the delivery of additional housing supply in North Sydney over the next 20 years are:

1. Manage growth in St Leonards Crows Nest Planned Precinct
2. Continue to rely on existing capacity within residential zoned land LGA-wide
3. Continue place-based planning with detailed consultation to seek the best planning outcomes

PRINCIPLES FOR LOCATION OF RESIDENTIAL DEVELOPMENT

Local character and heritage – Protect areas with local heritage values and encourage design of new development that contributes to local character

North Sydney CBD and commercial centres – Maintain a significant level of commercial and retail floorspace in the CBD and commercial centres to support the economic viability of these centres

Good connectivity – Focus residential density in areas with good access to transport, centres with community services and facilities and employment opportunities, and open space

Protect sensitive areas – Locate residential development away from sensitive areas such as along the foreshore, land adjoining bushland, and environmental conservation areas. Intensify development in areas already permitting multi-unit development

Avoid constrained areas – Avoid locating new residential development in areas that are constrained by flooding risk, geotechnical risk, and where existing strata development may reduce the likelihood of redevelopment.

1. MANAGE GROWTH IN ST LEONARDS CROWS NEST PLANNED PRECINCT

FIGURE 39 ST LEONARDS CROWS NEST PLANNED PRECINCT



The *Draft St Leonards and Crows Nest 2036 Plan*, prepared by DPIE, identifies planning controls to support the delivery of a potential additional 3,515 dwellings within the parts of the precinct located in the North Sydney LGA.

Potential additional dwellings:

7,525 dwellings (entire planned precinct)
3,515 dwellings (North Sydney LGA)

Building typologies: Predominately multi-unit apartment blocks in mixed use buildings, mid to high rise

Development timeframe: next 6 to 20+ years

Current existing dwellings: 2,316 dwellings (North Sydney LGA)

Current land use zones permitting residential development: B1 Neighbourhood Centre, B4 Mixed Use, R4 High Density Residential, R3 Medium Density Residential

Proposed changes to land use zones: Amendment to height, FSR and set-back controls for mixed use buildings along the Pacific Highway to allow for greater density development in close proximity to the new Crows Nest Metro Station

Catalysts: Delivery of the Crows Nest metro station and operation of the Sydney Metro in 2024

Mechanisms to manage growth:

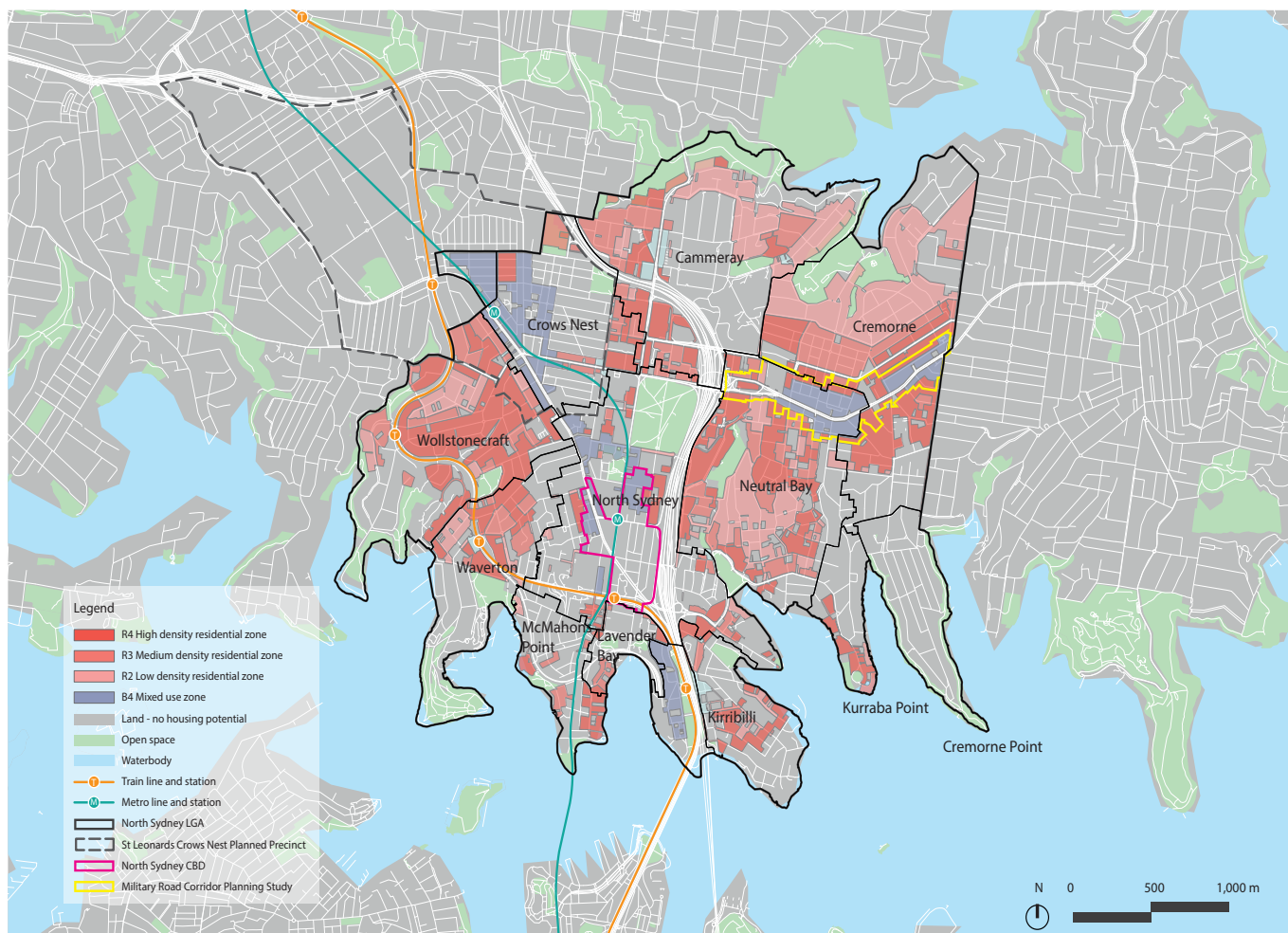
- Collaborate with DPIE to finalise the Draft St Leonards and Crows Nest 2036 Plan
- Protect commercial and retail floorspace by encouraging fully commercial development where possible and implementing minimum non-residential floor space ratios for mixed use developments in accordance with *NSLEP 2013*
- Continue to pursue local contributions from developers and negotiate voluntary planning agreements for provision of local infrastructure as part of development to support better community outcomes
- Seek opportunities to provide more open space and community spaces
- Encourage design that protects and enhances local character
- Prepare a development phasing plan with DPIE to coordinate planning for growth with infrastructure delivery

Local character:

- Protect the fine grain retail and pedestrian-friendly street network along Willoughby Road and in Crows Nest Village
- Retain and protect heritage conservation areas and heritage items
- Focus intensification of development in St Leonards Centre and along the Pacific Highway connecting the Crows Nest Metro Station and St Leonards Station
- Encourage human scale development that relates to the street at ground floor for taller development along the Pacific Highway

2. CONTINUE TO RELY ON EXISTING CAPACITY WITHIN RESIDENTIAL ZONED LAND LGA-WIDE

FIGURE 40 EXISTING CAPACITY WITHIN RESIDENTIAL ZONED LAND



There is potential for additional housing development within the capacity of current zoning and planning controls across residential land in the North Sydney LGA.

Potential additional dwellings: 6,952 dwellings (LGA wide)

Future dwelling types: Low-rise (under six storeys) apartment blocks and mid to high rise (under 20 storeys) apartment blocks along major transport corridors and in centres

Development timeframe: Next 20+ years

Current existing dwellings: 39,950 dwellings (LGA wide)

Current land use zones permitting residential development: B1 Neighbourhood Centre, B4 Mixed Use, R2 Low Density Residential, R3 Medium Density Residential, R4 High Density Residential, E4 Environmental Living, IN2 Light Industrial

Proposed changes to land use zones: Permit residential flat buildings in the R3 zone

Catalysts: This is 'business as usual' development that current planning controls permit. Additional development activity, such as in the St Leonards Crows Nest Planned Precinct, in North Sydney CBD, and along the Military Road Corridor may stimulate residential development in areas surrounding these precincts.



Constraints mapping was undertaken to confirm the appropriate locations for increasing residential density. The following areas are not appropriate for residential development:

- environmentally sensitive land
- land that is flood risk
- heritage items and heritage conservation areas
- open space and land designated for infrastructure
- commercial centres
- land that is not zoned for residential development

What remains is land zoned predominately B4 Mixed Use, R4 High Density Residential, and R3 Medium Density Residential, which the DPIE's Housing Mapping and Scenario Tool shows has potential for additional housing.

In addition to housing, new development in the B4 Mixed Use zone will also need to provide floorspace for commercial and retail activities. NSLEP 2013 requires minimum non-residential floor space for a number of sites zoned B4 within centres. Providing a mix of residential, commercial and retail activities in new development on these sites is important for the viability and vibrancy of centres across North Sydney LGA.

Mechanisms to manage growth:

- Maintain commercial and retail floorspace by implementing minimum non-residential floor space ratios for mixed use developments in accordance with NSLEP 2013
- Focus on encouraging good design outcomes for new development to manage the impacts of redevelopment and renewal in existing areas and maintain local character
- Monitor growth and coordinate planning and delivery of infrastructure
- Identify opportunities for further open space provision and enhancements to improve access to open space
- Provide dwelling mix in NSDCP 2013, Part B, to ensure dwelling diversity meets demand

Local character:

The NSDCP 2013, Part C, contains Area Character Statements for neighbourhoods that have distinct characteristics. These Area Character Statements set out desired future outcomes for these neighbourhoods and provisions for new development to help protect and maintain local character.



3. CONTINUE COUNCIL'S APPROACH OF PLACE-BASED PLANNING WITH DETAILED CONSULTATION TO SEEK THE BEST PLANNING OUTCOMES.

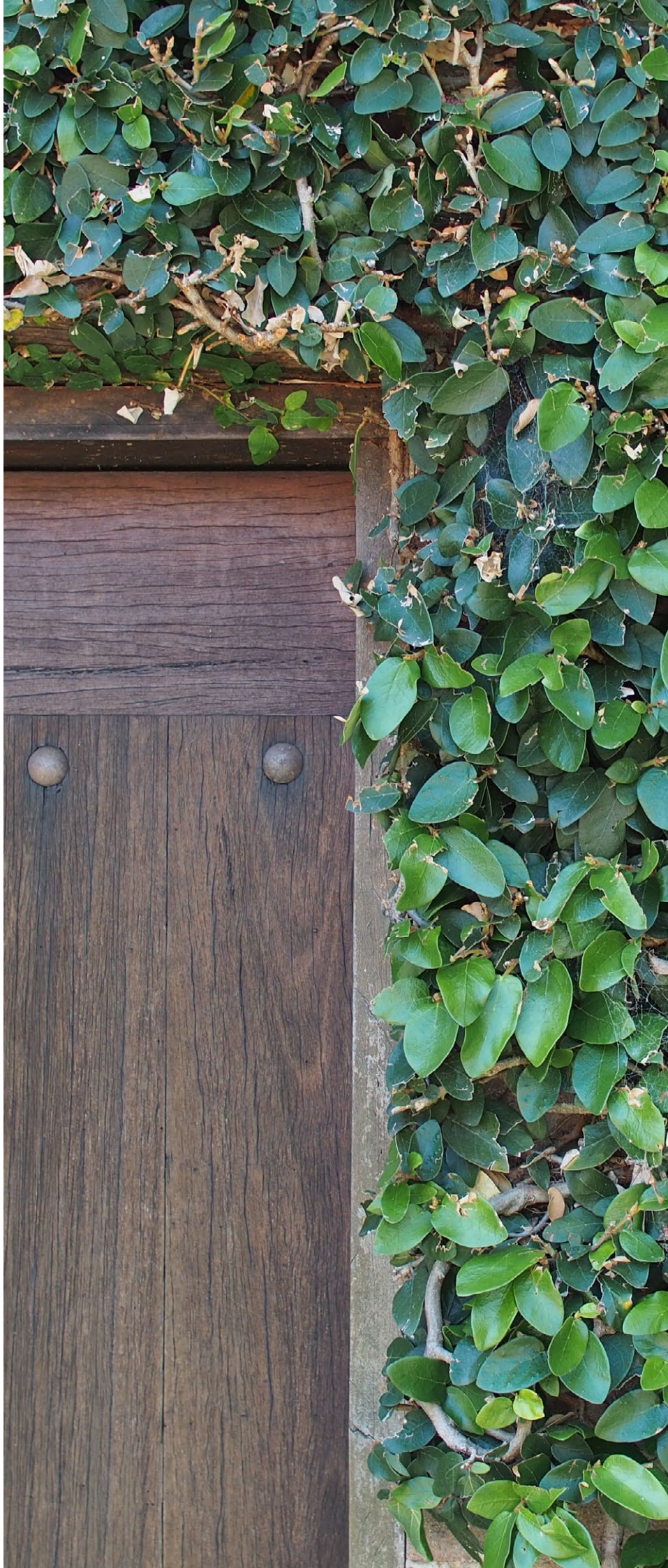
Place-based strategic planning plays a crucial role in delivering housing in the right locations and supporting the role of centres. North Sydney Council has a history of delivering balanced growth through aligning identified community values, environmental attributes, public and active transport connectivity and local infrastructure improvements.

Planning Studies focusing on these values and including detailed consultation seek the best planning outcomes. Planning Studies in the Military Road Corridor, Ward Street Masterplan, North Sydney CBD and Northern CBD Planning Study continue this approach.





3NDITION





THE PRIORITIES

NORTH SYDNEY'S HOUSING VISION:

'Carefully managed expected levels of growth in population through planning for housing in North Sydney which is supported by good access to infrastructure, services and amenity; provides housing diversity and affordability choices and respects the unique character of our built and natural environment to ensure that North Sydney continues to enjoy high levels of amenity and liveability'.

NORTH SYDNEY'S HOUSING OBJECTIVES:

1. Achieve the directions, objectives and actions identified in A Metropolis of Three Cities (GSC, 2018) and the North District Plan (GSC, 2018).
2. Delivery of 0-5 and 6-10 year housing supply targets and identify capacity to contribute to the District's 20 year strategic housing target.
3. Inform housing diversity and affordability issues in North Sydney LGA.
4. Identify the right locations for mandated housing growth, including an understanding of areas that are unsuitable for significant change in the short to medium term and support the role of centres.
5. Coordinate growth with the planning and delivery of local and State infrastructure and planned precincts.
6. Manage residential development growth to ensure that ad hoc Planning Proposals are rejected if not in line with Council's strategic framework to manage growth.





3.1 THE LOCAL HOUSING STRATEGY OBJECTIVES

OBJECTIVE 1:

Achieve the directions, objectives and actions identified in A Metropolis of Three Cities (GSC, 2018) and the North District Plan (GSC, 2018).

As detailed in Section 1, the *EP&A Act 1979* provides for plans at the Regional and District level which need to be adhered to at a local level. The directions, objectives and actions of the *North District Plan*, mandate North Sydney Council to prepare a Local Housing Strategy to demonstrate delivery of the 0-5 and 6-10 year housing supply targets and capacity to contribute to the longer term 20-year strategic housing target for the district. The Plans also require a sufficient affordable housing needs analysis to inform housing affordability issues and the GSC's affordable rental housing target scheme.

The preparation of the North Sydney Local Housing Strategy is fundamental in achieving the directions, objectives and actions of the Regional and District Plan.

The NSLHS meets all the relevant requirements of the Regional and District Plan by demonstrating that Council can deliver and contribute to the housing targets for the LGA and the District.

Importantly, the NSLHS does not identify a housing supply gap as anticipated housing supply meets and slightly exceeds projected housing needs in North Sydney LGA.

OBJECTIVE 2:

Delivery of 0-5 and 6-10 year housing supply targets and identify capacity to contribute to the District's 20-year strategic housing target.

The NSLHS has identified:

- The North District Plan 0-5 year housing target of 3000 dwellings by 2021 is largely met by the delivery of 2906 dwellings which exceeds the projected need of 2,750 dwellings and DPIE's implied dwellings requirements.
- A 6-10 year forecasted housing supply of 2,809 dwellings, for 2022-2026 slightly exceeds the projected need of 2700 dwellings and DPIE's implied dwelling requirements.
- Capacity to contribute to the North District Plan's 20-year housing target of delivering 92,000 homes in the North District by identifying a 11-20 year forecasted housing supply of 6,043 dwellings meeting a projected housing need of 6000 dwellings and DPIE's implied dwelling targets, in line with historical supply.

Details of the land use planning approach and mechanisms for the delivery of housing supply are set out in Sections 3.2 and 3.3.

Section 2 of the NSLHS, has identified housing supply gaps in housing diversity and affordability in North Sydney LGA which is discussed further under Objective 3.



OBJECTIVE 3:

Inform housing diversity and affordability issues in North Sydney.

This Local Housing Strategy includes an affordable housing needs analysis and sets out the 'next steps' for how affordable housing is to be addressed. The affordable housing needs analysis will inform the State Government on implementation arrangements for the preparation of an Affordable Rental Housing Target Scheme as required by Action 18 of the *North District Plan*.

Understanding housing affordability and affordable housing needs in North Sydney is important. One of the key challenges and opportunities outlined in North Sydney's CSP 2018-2028 (CSP) is to ensure that a portion of the housing stock is affordable and diverse. The CSP recognises that affordability of local housing in North Sydney as a key issue.

Housing affordability places a strain on households, prevents low- and moderate-income earners from entering the property market and may lead to displacement of the younger population contributing to an ageing demographic.

Our future planning, aims for, 'many types of housing..., meeting the differing needs of individuals and families, including being affordable'. Consequently, in addition to recognising housing affordability as a key challenge, the CSP has a clear strategy (Strategy 3.4.7) to, 'Advocate for affordable housing'.

Understanding and addressing housing affordability issues in North Sydney assists with local infrastructure and services delivery, social and community diversity and helps support the economic role and social and community diversity of North Sydney.

The NSLHS, in Section 2, has identified a clear housing supply gap for key worker housing and affordable housing for the very low- and low-income households. It also identified the need to maintain / manage a diverse dwelling mix to meet identified demand and facilitate affordable choices whilst also provisioning for housing to meet the needs of seniors and people with disabilities.

Mechanisms to support the delivery of housing diversity, affordability and affordable housing are set out in Section 3.3.

OBJECTIVE 4:

Identify the right locations for mandated housing growth, including an understanding of areas that are unsuitable for significant change in the short to medium term and support the role of centres.

Whilst the NSLHS is an opportunity to align with Region and District Plans and identify the 6-10 year housing supply target, more importantly, it is also a strategic plan for housing in North Sydney which responds to local needs by identifying the right locations for more housing.

North Sydney's long-term approach for delivering housing supply to meet demand has been to concentrate housing growth in and around existing centres, close to public transport, infrastructure, services and areas of employment.

Consequently, it seeks to minimise housing growth in areas constrained by heritage, topographical risk and environmental significance and which are relatively isolated from public transport, services and facilities.

Place-based strategic planning plays a crucial role in delivering housing in the right locations and supporting the role of centres. This approach is fundamental to North Sydney which has a history of aligning growth with identified community values, environmental attributes, public and active transport connectivity and local infrastructure improvements.

The extensive level of Council led planning studies and more recently by the State Government undertaken in the St Leonards / Crows Nest area, provide the foundations towards delivering well managed residential growth and these principles need to be carried forward into the finalisation of the *Draft St Leonards and Crows Nest 2036 Plan*. Planning Studies into the Military Road Corridor, Ward Street Masterplan, Northern CBD Planning Study and North Sydney CBD continue this approach of place-based planning with detailed consultation to seek the best planning outcomes.

Continuing this approach and further mechanisms to support Objective 4 are detailed in Section 3.3.



OBJECTIVE 5:

Coordinate growth with the planning and delivery of local and State infrastructure and planned precincts.

Council commenced a suite of comprehensive planning studies in the St Leonards / Crows Nest area in 2010 to examine opportunities to increase housing and employment capacity in the area whilst ensuring the delivery of a high public domain and infrastructure improvements to support community needs. The planning studies provided a robust place-based strategic approach to growth in the area and extensive community engagement.

Since the announcement of the Sydney Metro at Crows Nest and the State-led St Leonards Crows Nest Planned Precinct, Council has worked with the DPIE and neighbouring councils (Lane Cove and Willoughby) to seek a well-managed, collaborative approach to growth in the Planned Precinct and ensure that the extensive planning studies adopted by North Sydney Council be incorporated. Overall, a significant degree of this work has been included in the *Draft St Leonards and Crows Nest 2036 Plan*, most notably the approach to built form, employment, landscape proposal as well as support for the proposed arts centre.

Objective 5 of the NSLHS, sets the strategic housing objective of achieving coordinated growth with the managed and phased delivery of the housing in the planned precinct. This objective is in accordance with the Regional and District Plans and seeks positive planning outcomes in the Planned Precinct. This is in alignment with Council's adopted planning studies and agreed position (as set out in a submission to DPIE on the 8th February 2019) to direct the finalisation of the *Draft St Leonards and Crows Nest 2036 Draft Plan*.

The land use planning approach and mechanisms to deliver this objective are set out in Section 3.2 and 3.3.

OBJECTIVE 6:

Manage residential development growth to ensure that ad hoc Planning Proposals are rejected if not in line with Council's strategic framework to manage growth.

North Sydney Council has a strong tradition of carefully managing change, growth and increased densities through place-based strategic planning to achieve good planning outcomes. Facilitating growth via ad hoc Planning Proposals is short sighted, lacks transparency and runs contrary to this approach.

As Planning Proposals are considered in isolation and often of a significant scale, their approval and subsequent implementation can have fundamental impacts on the character and sustainability of an area. The assessment of Planning Proposals fails to consider the redevelopment of a wider precinct and can dictate how the future of a location may develop without the benefit of considering wider impacts.

The NSLHS and overarching LSPS form the strategic framework and direction for managing housing growth within the LGA. In precincts, place-based planning studies provide the fine grain planning that accords with identified community values, environmental attributes, transport connectivity, accessibility characteristics, strong built form and public realm outcomes, underpinned by genuine community and stakeholder consultation. Ad hoc Planning Proposals that are not in accordance with the strategic direction of the LSPS and NSLHS and run contrary to planning studies adopted should be rejected.

Mechanisms to deliver this objective are set out in Section 3.3.



3.2 LAND USE PLANNING APPROACH

This section includes maps of the proposed land use planning approach to deliver additional housing to meet the objectives set out in Section 3.1. The evidence base and analysis in Section 2 has informed the land use planning approach of the North Sydney Local Housing Strategy which is

1.

Continue Council's long-term housing approach of concentrating residential density in and around existing centres and relying on the existing capacity of current land use planning controls.

2.

Managing housing delivery in the
St Leonards Crows Nest Planned Precinct

3.

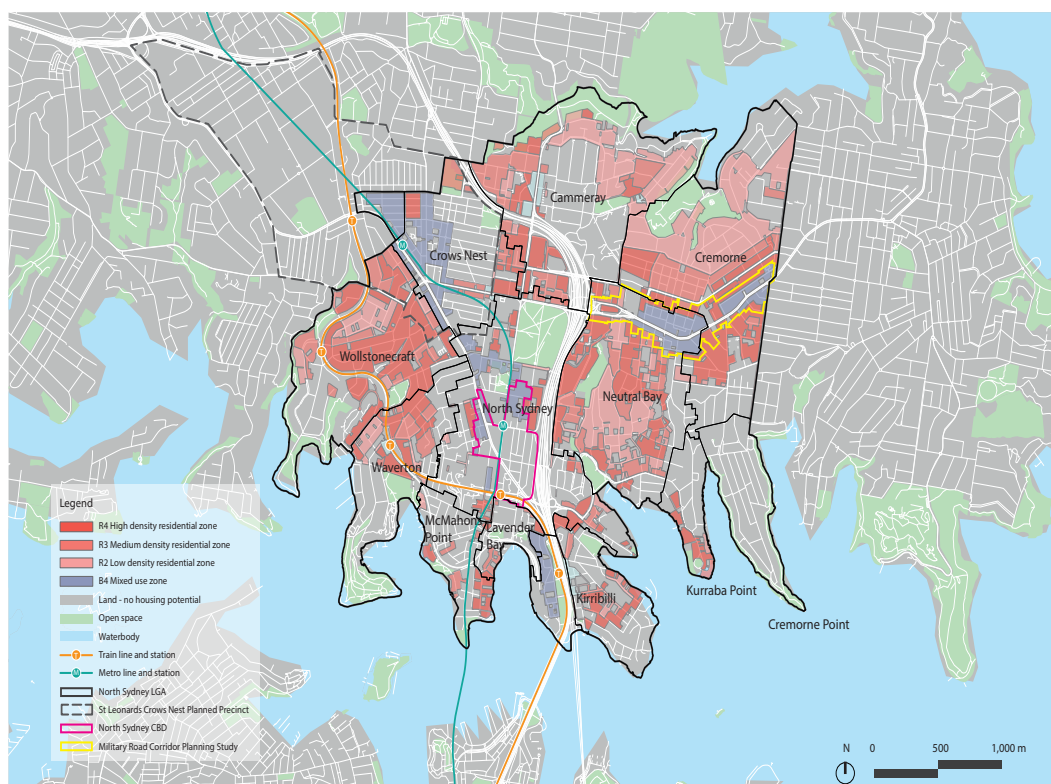
Continue Council's approach of place-based planning with detailed consultation to seek the best planning outcomes

PLANNING APPROACH 1:

Continue Council's long-term housing approach of concentrating residential density in and around existing centres and relying on the existing capacity of current land use planning controls.

There is additional housing capacity under the existing zoning and planning controls across residential land in the North Sydney LGA excluding land that is constrained, as detailed in Section 2.5.2.

Land predominately zoned B4 Mixed Use, R4 High Density Residential and R3 Medium Density Residential has potential to accommodate additional housing.



Potential additional dwellings: 6,952 dwellings (LGA wide)

Building typologies: Low-rise (under six storeys) apartment blocks and mid to high rise (under 20 storeys) apartment blocks along major transport corridors and in centres

Current residential land use zones: B1 Neighbourhood Centre, B4 Mixed Use, R4 High Density Residential, R3 Medium Density Residential, R2 Low Density Residential, E4 Environmental Living, IN2 Light Industrial

Proposed changes to land use zones: Permit Residential Flat Buildings in the R3 zone

Mechanisms to manage growth: Set out in Section 3.3

PLANNING APPROACH 2:

Manage housing delivery in the St Leonards Crows Nest Planned Precinct

The Draft St Leonards and Crows Nest 2036 Plan identifies delivery of up to an additional 3,515 dwellings within the North Sydney LGA part of the precinct.



Potential additional dwellings:

7,525 dwellings (entire planned precinct)

3,515 dwellings (North Sydney LGA)

Building typologies:

Predominately multi-unit apartment blocks in mixed use buildings, mid to high rise

Current residential land use zones:

B1 Neighbourhood Centre, B4 Mixed Use, R4 High Density Residential, R3 Medium Density Residential, R2 Low Density Residential

Proposed changes to land use zones:

Amendment to height, FSR and set-back controls for mixed use buildings along the Pacific Highway to allow for greater density development in close proximity to the new Crows Nest Metro Station in accordance with the final 2036 Plan, as agreed with Council

Mechanisms to manage growth:

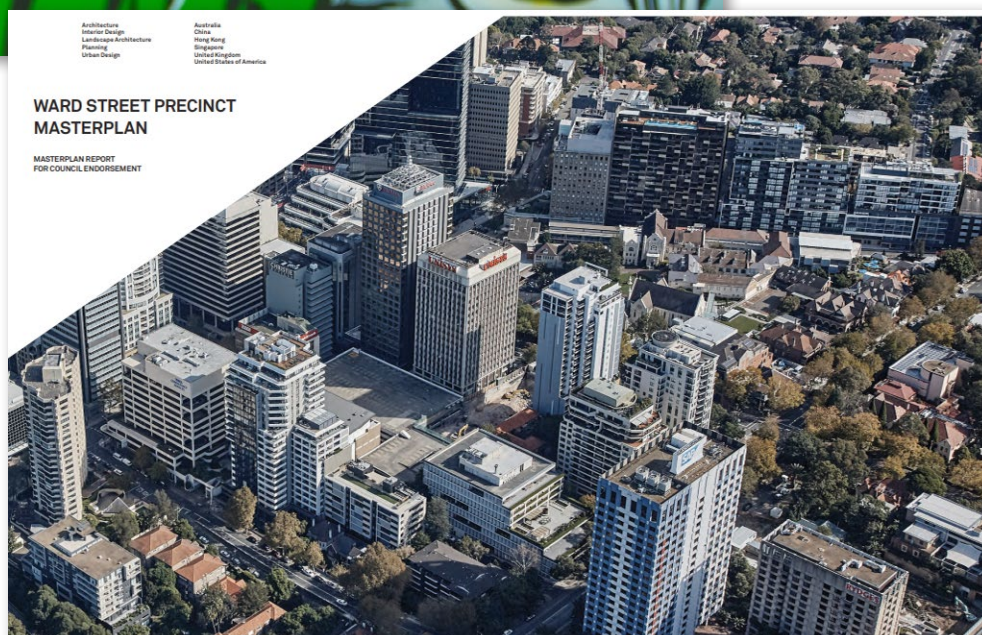
Set out in Section 3.3

PLANNING APPROACH 3:

Continue Council's approach of place-based planning with detailed consultation to seek the best planning outcomes

Place-based strategic planning plays a crucial role in delivering housing in the right locations and supporting the role of centres. North Sydney Council has a history of delivering balanced growth through aligning identified community values, environmental attributes, public and active transport connectivity and local infrastructure improvements.

Planning Studies focusing on these values and including detailed consultation seek the best planning outcomes. Planning Studies in the Military Road Corridor, Ward Street Masterplan, Northern CBD Planning Study and North Sydney CBD continue this approach.



3.3 MECHANISMS TO DELIVER THE LOCAL HOUSING STRATEGY OBJECTIVES

This section describes the most appropriate mechanisms to deliver and implement the NSLHS. Mechanisms to deliver housing growth includes both planning and non-planning options. Actions to implement the mechanisms are contained within the Implementation and Delivery Plan in Section 4 of the NSLHS.

PLANNING MECHANISMS

STATE ENVIRONMENTAL PLANNING POLICIES

SEPP 65 and the accompanying Apartment Design Guide

- Continue to implement SEPP 65 and the accompanying *Apartment Design Guide* in Council's approach to the design and assessments of apartments. The NSLHS land use planning approach includes building typologies predominately made up of multi-unit dwellings where this SEPP applies (Action A1).

SEPP (Affordable Rental Housing) 2009

- Continue to implement *SEPP (Affordable Rental Housing) 2009* to deliver affordable rental housing accepting that due to the high cost of land constraints, as set out in Section 2, the delivery of housing under this SEPP largely consists of secondary dwellings and a limited number of boarding houses/units. (A2)

SEPP (Housing for Seniors or People with a disability) 2004 (Seniors Housing SEPP)

The NSLHS identifies that there will be an additional 6,200 older person households (aged over 60) by 2036. The NSW Ageing Strategy 2016-2020 identifies Priority 3: Housing choices to provide older people in NSW with the ability to live in affordable, accessible, adaptable and stable housing. This requires providing a range of suitable and adaptable homes. The Seniors Housing SEPP is a mechanism for delivering housing for Seniors or People with a disability in the LGA.

- Continue to implement Seniors Housing SEPP for the delivery of housing for Seniors or People with disabilities LGA wide. In May 2019, Council resolved to seek an exemption from the temporary amendment clause to exclude Heritage Conservation Areas from the application of the SEPP. This clause ceases to apply after July 2020, but given the identified need for senior housing in the LGA and existing controls to protect HCA's, an earlier exemption was requested and granted as an amendment to the SEPP (A3).



SEPP 70

Affordable Housing Contributions Schemes (AHCS) enables conditions to be imposed on development consents requiring the dedication of or monetary contribution for the provision of affordable housing. Despite all LGAs now being included in SEPP 70, this does not mean that North Sydney Council can automatically impose conditions on development consent for affordable housing.

Section 7.32(3)(b) of the EP&A Act states that any condition imposed on a development consent must be authorised by an LEP and must be in accordance with an affordable housing contribution scheme for dedications or contributions set out in, or adopted by, the LEP.

The NSLHS provides the comprehensive evidence base to inform the preparation of an affordable housing contribution schemes. The Affordable housing supply gap identified in the NSLHS assists in informing Council on its decision of whether to develop an affordable housing contribution scheme and if an affordable housing contribution scheme and rate is viable. However, to ensure a consistent approach across metropolitan Sydney, it is essential that the GSC and DPIE firstly implement consistent regional Affordable Rental Housing Targets, implementation arrangements and mechanisms to deliver the Affordable Rental Housing Targets.

- Once the GSC and DPIE finalise consistent Affordable Rental Housing Targets Including implementation arrangement and mechanisms, investigate commencing an Affordable Housing Contributions Scheme (AHCS) informed by the NSLHS Affordable Needs Analysis and the identification of a housing supply gap between the current needs and supply of rental accommodation for very low, low, and moderate-income households (A4).
- Preferred affordable housing locations, as required by Action 11 of the North District Plan would need to be investigated during the AHCS process. Housing should be in close proximity to mass public transport and services, as very low, low- and moderate-income households generally have lower levels of access to private vehicles. In addition, affordable housing should not be limited in variety with the application of a mix of dwelling sizes (A4).





NORTH SYDNEY LOCAL ENVIRONMENTAL PLAN (NSLEP) 2013

- Deliver housing growth through existing capacity within existing residential zoned land in the NSLEP LGA wide (A5).
- Reject ad hoc Planning Proposals to amend the NSLEP that are not in line with Council's strategic framework and associated strategic planning studies (A6).
- Maintain, protect and enable commercial and retail floorspace by implementing the minimum non-residential floor space ratios for mixed use developments (A7).
- Ensure that housing growth delivered through the existing residential zoned land encourages good design outcomes for new development by implementing place-based planning study outcomes and DCP controls to manage the impacts of redevelopment, renewal in existing areas and maintain local character (A8).
- Ensure that housing growth within the existing residential zoned land is monitored to coordinate planning and the delivery of infrastructure through Local Infrastructure Contribution Plans and Voluntary Planning Agreements (VPA's) (A9).
- Ensure that housing growth within the existing residential zoned land identifies and levy opportunities for further open space provision and enhancements to improve access to open space via VPA's or alternative funding mechanisms (A9).
- Amend the NSLEP to allow Residential Flat Buildings in the R3 zone to address existing use rights issues. Manage impacts through existing use rights application by minimising increases in density away from transport and services (A10).
- Amend the NSLEP in accordance with an *Affordable Housing Contributions Scheme* (AHCS), if applicable (A11).
- Planning Proposals to amend the NSLEP that are not in line with the finalised *St Leonards and Crows Nest 2036 Plan*, as agreed in collaboration with Council, will be rejected (A6).
- Planning Proposals to amend the NSLEP to implement the outcomes of the finalised *St Leonards and Crows Nest 2036 Plan*, need to adhere to an agreed development phasing plan to ensure managed housing delivery in the Planned Precinct (A12).
- Council led Planning Proposals to amend the NSLEP in accordance with the finalised *St Leonards and Crows Nest 2036 Plan*, as agreed in collaboration with Council, are to be informed by further urban design analysis, include refined controls to those presented in the *Draft St Leonards and Crows Nest 2036 Plan* and encourage good design outcomes for new development to manage the impacts of redevelopment, renewal in existing areas and maintain / enhance local character (A12 and A15).

NORTH SYDNEY DEVELOPMENT CONTROL PLAN (NSDCP)

- Review / update NSDCP to incorporate the outcomes of the NSLHS, other related strategic planning studies and amendments to the NSLEP particularly regarding (A13):
 - Ensuring that housing supply is meeting demand with an appropriate diversity of dwelling types in new residential developments and that NSDCP controls are reviewed / updated following the outcomes of the NSLHS and related strategic planning studies and (A13);
 - Area Character Statements, contained in Part C, appropriately updated following the outcomes of related strategic planning studies to help protect and maintain distinct local character (A13);
- Amendments to the NSDCP to implement the outcomes of the finalised *St Leonards and Crows Nest 2036 Plan* should ensure inclusion of Council's solar protections, achievable solar height plane controls, and encourage good design outcomes for new development to manage the impacts of redevelopment, renewal in existing areas and maintain / enhance local character (A13 and A15).

LOCAL INFRASTRUCTURE CONTRIBUTIONS FRAMEWORK

- Continue to review the Local Infrastructure Contributions Framework to assist with the funding of new public services, infrastructure and amenities to support growth (A14).



CONTINUE TO NEGOTIATE ON VOLUNTARY PLANNING AGREEMENTS (VPA)

VPAs are a mechanism that allows planning authorities and developers to work together to deliver innovative infrastructure outcomes alongside development proposals. They typically cater for infrastructure not originally envisaged under a Council's local infrastructure contribution plan. A VPA may include the provision of the infrastructure or monetary contributions toward it, including affordable housing, depending upon the agreement. However, VPA's can only apply to planning proposals or development applications submitted.

The intent of the St Leonards Crows Nest Planned Precinct planning vision notionally lies with Council. The *Draft St Leonards and Crows Nest 2036 Plan* introduces a Special Infrastructure Contribution (SIC). A SIC is a levy paid by developers to share the cost of delivering key pieces of State and regional infrastructure. The Special Infrastructure Contribution, and area to which it applies is determined by the Minister but as yet, does not include provisioning for affordable housing.

A VPA may be difficult to negotiate if a SIC levy is required (unless subject to viability testing), due to the ability to pay both contributions on top of other local infrastructure contributions.

- Ensure housing growth within existing residential zoned land continues to identify and levy contributions to coordinate planning and the delivery of infrastructure through Local Infrastructure Contributions Plan and Voluntary Planning Agreements (VPA's) (A9).
- Planning Proposals to amend the NSLEP to implement the outcomes of the finalised *St Leonards and Crows Nest 2036 Plan*, as agreed in collaboration with Council, need to include appropriate funding mechanism to levy contributions for local infrastructure identified in the *Draft 2036 Plan* and other projects be delivered (A9 and A15).



NON-PLANNING MECHANISMS

COLLABORATION

- Collaborate closely with DPIE to finalise the *St Leonards and Crows Nest 2036 Plan* to ensure that the Planned Precinct delivered is well-managed and place-based, drawing on the extensive planning studies adopted by Council. This would inform planning proposals that better align with the strategic direction of the LGA and are fully supported by accompanying plans and studies (A15).
- Work with DPIE to fine tune the built form and land use controls in the agreed finalised *St Leonards and Crows Nest 2036 Plan* (A15).
- Prepare a development phasing plan with DPIE to coordinate planning for growth with infrastructure delivery in the Planned Precinct. The plan would identify key sites in need of renewal in the short to medium-term and longer-term opportunities. This would inform a phased approach to planning proposals that better aligns development capacity with infrastructure delivery (A9 and A16).
- Work with DPIE to inform further urban design analysis that must be undertaken to inform the finalised *St Leonards and Crows Nest 2036 Plan* and subsequent amendments to the NSLEP. If required, Council to recommend different controls to those presented in the *Draft 2036 Plan* based on that analysis (A15).
- Work with DPIE to fine tune the built form and land use controls in the *Draft 2036 Plan* (A15).
- Continue working with DPIE to ensure Council's solar protections and achievable solar height plane controls are adopted in the finalised *St Leonards and Crows Nest 2036 Plan* to deliver growth that is in accordance with the Local Character Statement (DPIE, 2018) and Crows Nest Placemaking & Principles Study (2016) (A15).
- Work with DPIE to ensure that contributions for local infrastructure identified in the finalised *St Leonards and Crows Nest 2036 Plan* and other projects can be delivered via voluntary planning agreements, through amendments to the SIC or by other funding mechanisms to provision for local infrastructure to support better community outcomes (A9 and A15).
- Work with DPIE to seek opportunities to provide more open space and community spaces be identified in the finalised *St Leonards and Crows Nest 2036 Plan* that can be delivered via voluntary planning agreements, through amendments to the SIC or by other funding mechanisms (A9 and A15).
- Continue to collaborate with neighbouring LGA's to manage the phased delivery of *St Leonards Crows Nest Planned Precinct* (A17).
- Advocate that Planning Proposals to amend the NSLEP can only progress to a Pre-Gateway review process if they are in line with the strategic framework, the finalised *St Leonards and Crows Nest 2036 Plan* and have Council's support (A6).



NORTH SYDNEY COUNCIL'S PLANS AND POLICIES

- Continue to update the North Sydney Affordable Housing Policy (A18).
- Investigate whether there are any other opportunities for developing innovative approaches to delivering housing for lone households (A19).

WORKING IN PARTNERSHIP WITH INDUSTRY AND OTHER ORGANISATIONS

- Continue to work with Community Housing Providers for the delivery of Affordable Housing (A20).
- Advocate for market changes to rental conditions to provide greater security and stability for rental households (A21).
- Investigate and advocate for changes to tenancy terms and lengths of terms to provide great stability for households within the rental market (A21).



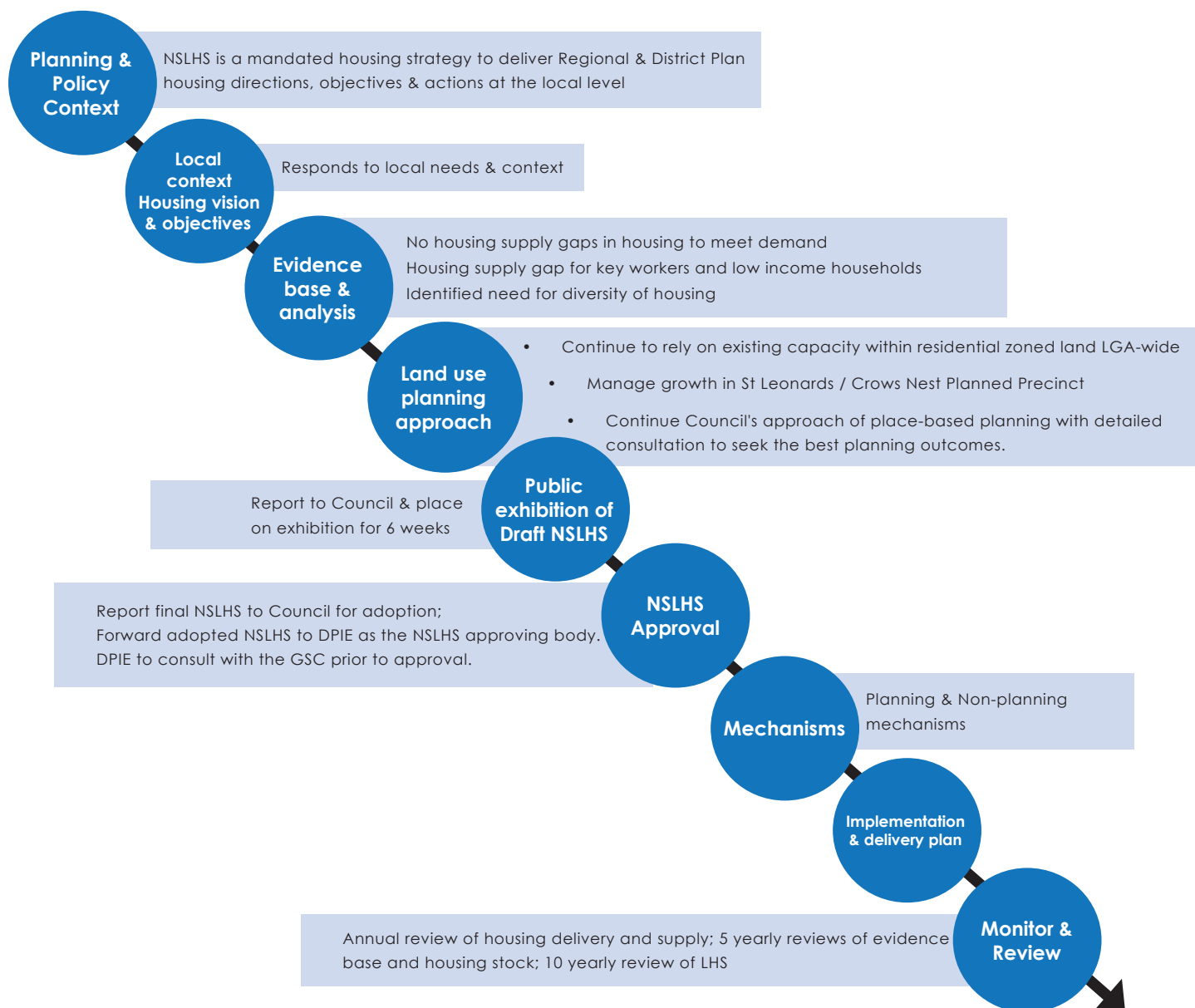
3.4 EVALUATION OF THE OPTIONS

The selected mechanisms set out in Section 3.3 are the most appropriate options to achieve stated NSLHS objectives and stakeholder priorities in Section 3, 3.1 and are to be delivered in a timely manner, in accordance with the implementation and delivery plan in Section 4.

All mechanisms have also been assessed with consideration of cost, resources and triple bottom line factors of social, environmental and economic impacts.



FIGURE 41 NSLHS ROADMAP



AVAILABLE



A low-angle photograph looking up at a brick building. A white downspout runs vertically down the side of the brick wall. To the right, a blue-tiled roof is visible. In the foreground, the branches of a tree with clusters of small purple flowers are silhouetted against the sky. The word "ACTIONS" is overlaid in large, bold, blue capital letters on the left side of the image.

ACTIONS

4.1 IMPLEMENTATION AND DELIVERY PLAN

The Implementation & Delivery Plan identifies actions required to deliver housing supply as identified in the NSLHS and in accordance with the NSLHS objectives. The plan includes and is set out in order of the delivery mechanisms identified in section 3.3. It details:

- Actions required to deliver the housing supply through mechanisms identified;
- Responsible stakeholders for each action;
- Start dates for actions (to be reviewed during the annual monitoring process);
- Benefits of each action and its alignment with the stated objectives of the NSLHS;
- Risks and mitigation measures of each action and
- Monitoring indicators for each action.

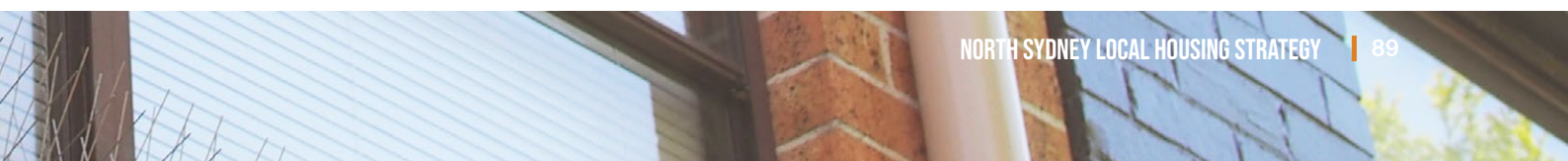
The Implementation & Delivery Plan will be updated and reviewed as part of the annual monitoring and review process.

TABLE 4: IMPLEMENTATION & DELIVERY PLAN

Action	Responsible	Start date	Benefits	Risks and mitigation measures	Monitoring indicators
Action A1					
Continue to implement SEPP 65 and the accompanying Apartment Design Guide	DPIE Council Private sector	On-going	Aligns with Objective 4 and 5	Limited in scope Limited in application	Monitor number of units in the LGA guided by SEPP
Action A2					
Continue to implement SEPP (Affordable Rental Housing) 2009	DPIE Council Community Housing Providers (CHPs) Private sector	On-going	Aligns with Objective 3 Encourage affordable housing delivery	Limited in scope Limited in application	Monitor supply of affordable housing in the LGA encouraged by SEPP
Action A3					
Continue to implement Seniors Housing SEPP	DPIE Council CHPs Private sector	On-going	Aligns with Objective 3 Deliver housing for Seniors or People with disabilities LGA wide.	Limited in scope Extended in application by virtue of removal of exemption clause	Monitor supply of housing for seniors or people with disabilities in the LGA delivered by SEPP
Action A4					
On confirmation of a consistent regional Affordable Housing Target including implementation arrangements and mechanisms by the GSC, investigate commencing an Affordable Housing Contributions Scheme	GSC DPIE Council	Dependant on GSC timeframe	Aligns with Objectives 1, 2 and 3 Deliver affordable housing	Awaiting GSC targets Staff resources and cost Limited in scope Limited in application	Track GSC progress to confirm a consistent regional target, implementation arrangements and mechanisms to deliver the Affordable Rental Housing Targets. Council resolution to commence Track progress and outcomes of AHCS process, if commenced



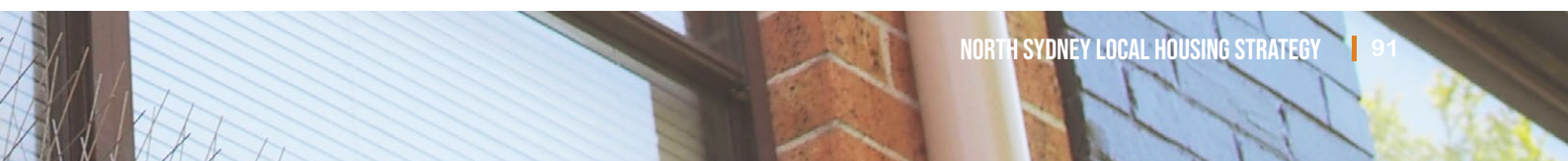
Action	Responsible	Start date	Benefits	Risks and mitigation measures	Monitoring indicators
Action A5					
Continue to deliver housing growth through existing capacity of residential zoned land – Planning Approach 1	Council Private sector CHPs	On-going	Aligns with Objectives 1, 2, 3 and 4	Uptake is subject to external factors Requires annual monitoring of housing delivery	Track development applications (DAs) and construction certificates for additional housing delivery annually in the LGA (including dwelling mix - typology, size and no. of bedrooms) Review collected data and gather additional updated data as part of the 5-year review of the evidence base to identify any potential housing supply gaps
Action A6					
Reject ad hoc Planning Proposals (PPs) that are not in line with Council's strategic framework and associated planning studies	DPIE Local Planning Panel (LPPs) Council Private sector	On-going	Aligns with Objectives 1 and 6	Requires comprehensive assessment of PPs against adopted and endorsed Council strategic framework Staff resources Cost of assessment	Track planning proposal outcomes in the LGA annually Review collected data as part of the 5-year review of the evidence base
Action A7					
Continue to implement the minimum non-residential floor space ratios for mixed use development	Council	On-going	Aligns with Objectives 1, 4 and 5	Limited in application	Track additional commercial and retail floor space achieved in mixed use development by PP's, DA's and construction certificates in the LGA annually
Action A8					
Continue to ensure that housing growth delivered through the existing residential zoned land encourages good design outcomes by implementing place-based planning study outcomes and DCP controls	Council		Aligns with Objectives 4 and 5 Manage the impacts of redevelopment, renewal in existing areas and maintain local character	Staff resources Cost	Monitor built form outcomes of place-based planning studies Monitor built form outcomes in renewal areas Monitor built form outcomes of DCP review



Action	Responsible	Start date	Benefits	Risks and mitigation measures	Monitoring indicators
Action A9					
Ensure housing growth delivered coordinates planning and the delivery of infrastructure through Local Infrastructure Contribution Plans and Voluntary Planning Agreements (VPA's)	Council	On-going	Aligns with Objectives 1, 2, 3, 4 and 5	Staff resources Cost Application of the Special Infrastructure Contributions (SIC), if applicable, in the St Leonards / Crows Nest Planned Precinct	Monitor contributions received via Local Infrastructure Contribution Plans and VPA's in the LGA annually
Action A10					
Amend NSLEP to allow Residential Flat Buildings in the R3 zone to address existing use rights issues	DPIE Council	2019/20	Aligns with Objectives 3 and 4 Address existing use rights issues in accordance with Council recommendations	Staff resources Costs	Council resolution Monitor no. of DA's application received and built form outcomes of approved DA's for RFBs in the R3 zone in the LGA annually
Action A11					
Amend NSLEP to adopt an Affordable Housing Contributions Scheme if applicable	DPIE Council	To be confirmed	Aligns with Objective 2 and 3	Only applicable if the GSC confirm a consistent regional Affordable Housing Target including implementation arrangements and mechanisms by the GSC Limited application Staff resources Cost	Council resolution Monitor supply of affordable housing supply under this provision annually Review affordable housing supply gap at 5-year review of the evidence base
Action A13					
Report to Council to review NSDCP 2013 to align with the outcomes of the NSLHS	Council	To be confirmed	Aligns with Objectives 1, 3, 4 and 5 Encourage housing diversity; good design outcomes and enable the updating of local character statements	Cost Staff Resources	Council resolution Monitor progress of NSDCP 2013 amendment Monitor with outcomes of NSLHS review



Action	Responsible	Start date	Benefits	Risks and mitigation measures	Monitoring indicators
Action A14					
Continue to review the Local Infrastructure Contributions Framework	DPIE Council	On-going	Aligns with Objectives 1, 3 and 4 Assist with the funding of new public services, infrastructure and amenities to support growth	Staff resources Cost Application of the Special Infrastructure Contributions (SIC), if applicable, in the St Leonards / Crows Nest Planned Precinct	Council resolution Monitor progress and outcomes of Framework
Action A15					
Collaborate with DPIE to finalise the St Leonards Crows Nest 2036 Plan (2036 Plan) in accordance with the outcomes of the NSLHS and adopted planning studies	DPIE Council	To be confirmed	Aligns with Objectives 1, 2, 3, 4 and 5 Manage and phase delivery of housing growth in the St Leonards / Crows Nest Planned Precinct	DPIE timeframe to finalise the 2036 Plan needs to allow for effective collaboration with Council Collaborate in accordance with the outcomes of the NSLHS, adopted planning studies and Council's detailed submission to DPE dated 8 February 2019 Staff resources and cost	Monitor and record progress of requested collaboration Monitor progress and outcomes of the finalised 2036 Plan against the details contained with the NSLHS, adopted planning studies and Council's detailed submission to DPE dated 8 February 2019
Action A16					
Collaborate with DPIE to prepare a development phasing plan for the finalised 2036 Plan	DPIE Council	To be confirmed	Aligns with Objectives 1, 2 and 5 Manage and phase delivery of housing growth in the St Leonards / Crows Nest Planned Precinct	DPIE timeframe to finalise the 2036 Plan needs to allow for effective collaboration with the LGA Staff resources Cost	Monitor and record progress of requested collaboration Monitor progress and outcomes of the finalised 2036 Plan
Action A17					
Continue collaborating with neighbouring LGAs to manage the phased delivery of St Leonards / Crows Nest Planned Precinct	DPIE Council Neighbouring LGAs	To be confirmed	Aligns with Objectives 1, 2 and 5	Staff resources Cost DPIE support	Monitor and record progress of requested collaboration Monitor progress and outcomes of the finalised 2036 Plan



Action	Responsible	Start date	Benefits	Risks and mitigation measures	Monitoring indicators
Action A18					
Continue to update the North Sydney Affordable Housing Policy	Council	On-going	Aligns with Objectives 1 and 3	Staff resources Cost	Monitor progress of update reports to Council and Council Resolutions Utilise data gathered in update reports to monitor affordable housing supply annually Include update reports / data and policy approach in 5-year review of the NSLHS evidence base
Action A20					
Continue to work with Community Housing Providers (CHPs) for the delivery of Affordable Housing	Council CHP	To be confirmed	Aligns with Objectives 1 and 3	Staff resources Cost Limited in application	Monitor affordable housing supply in the LGA annually
Action A21					
Advocate for market changes to rental conditions/ tenancy term, inc. term length	Council Private sector	To be confirmed	Aligns with Objectives 1 and 3 Addresses stability for renters in the LGA	Limitations of advocacy	A review of the evidence base at the 5-year review of the NSLHS



4.2 PLANNING PROPOSAL

Upon adoption of the NSLHS, a Planning Proposal will be prepared to implement the recommendations of this document.

4.3 MONITORING AND REVIEWS

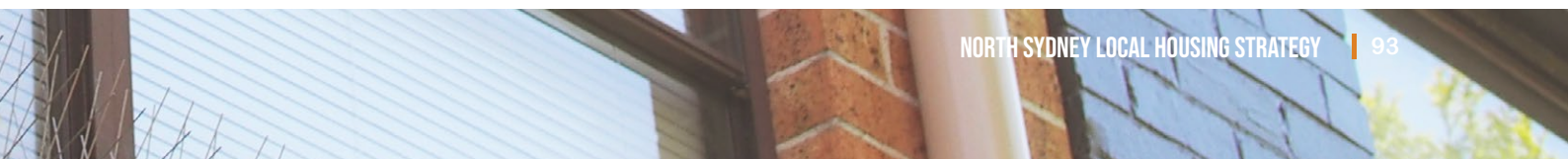
The timing and quantum of additional housing to be delivered is subject to change due to global, macro-economic and fiscal factors; future changes in planning policy direction and the outcomes of existing place-based planning studies and the St Leonards / Crows Nest Planned Precinct.

The deliverables in the NSLHS have not been the subject of a financial feasibility analysis and housing delivery may be subject to change which require close monitoring. Housing delivery in the St Leonards / Crows Nest Planned Precinct is subject to change due to State Government finalisation and staging of the *St Leonards and Crows Nest 2036 Plan*.

The NSLHS requires the GSC to confirm a consistent regional Affordable Housing Target, including implementation arrangements and mechanisms to deliver the Affordable Rental Housing Targets, prior to investigating commencing an Affordable Housing Contributions scheme to ensure consistency at a District and Regional scale. Consequently, affordable housing delivery is subject to change due to the policy approach and actions of the GSC.

Emerging State Government policy documents, such as the Medium Density Housing Code, can have a significant impact on housing delivery in an LGA. North Sydney Council currently have a number of place-based planning studies ongoing, which have been detailed in the NSLHS. The outcomes of these and future planning studies may have an impact on housing delivery.

For these reasons, the NSLHS requires close annual monitoring of housing delivery and supply, a robust review of the evidence base within 5 years and a full review of the entire NSLHS within 10 years. The Implementation & Delivery Plan (Table 4) includes monitoring indicators to support the annual monitoring and reviews of the NSLHS.



REFERENCE LIST

The following data sources, external to North Sydney Council's own information, informed the evidence base.

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DATA ASSUMPTIONS

Demographic indicators

The ABS Census for 2006, 2011 were used to establish the historic trends. The ABS Census is a national collection of information on the population.

DPIE NSW State and Local Government Area Population Projections and NSW State and Local Government Area Household and Implied Dwelling Requirements provide projections by LGA for population, age group breakdown, household types, household size and implied dwelling requirements for 2016 and beyond (2016, 2021, 2026, 2031, 2036).

DPIE NSW State and Local Government Area Population Projections and NSW State and Local Government Area Household and Implied Dwelling Requirements are based on assumptions that take into account trends for births, deaths and migration. The count of population, households and dwellings can be different from what is projected due to factors such as migration levels, new technology and social attitudes to different living arrangements.

The DPIE projections are based on the Estimated Resident Populations (ERPs) at 30 June 2011 supplied by the ABS. DPIE projections figures for 2016 are projections and do not align with ABS Census figures for 2016. For example the total number of households in North Sydney LGA in 2016, counted in the ABS 2016 Census, is 32,750 dwellings whereas the DPIE projection for households in North Sydney LGA in 2016 is higher at 35,900 dwellings.

The DPIE projection figures were used for the base year, 2016, in this evidence base as it allows for a clearer comparison of the additional need, aligns with housing need analysis in the North District Plan, and reduces the jump between the 2016 count and the projections beyond 2016.

Comparisons were made with the North Sydney LGA, NSW, Greater Sydney and North District averages. Comparisons were also made with the City of Sydney LGA due to the similarity of household make-up, dwelling density and typology, and tenure with North Sydney LGA. This is due to the scale of CBD and proximity of the two LGAs, though the City of Sydney LGA is located in a different District (Eastern City District).

Population, households and dwellings

Figures on the population, number of households, household size, breakdown of household types, and number of dwellings are sourced from either the ABS Census (for historic trends, 2006 and 2011) or the DPIE projections (for the based year and projections, 2016, 2021, 2026, 2031, 2036). The methodology for determining population, number of households, household size, breakdown of household types, and number of dwellings can differ, and therefore may not align.

In the DPIE projections, for example, in 2016 the number of total households is 35,900 whereas total dwellings is 39,950. Projections for households in 2036 is 46,200 but dwellings are projected to total 51,400

Rents and sales

FACS prepare quarterly reports on rents and sales across NSW, including time series data from 1991 to 2017. Median rents and sales for each quarter is available by LGA, NSW, and also for Greater Sydney, including a breakdown for inner, middle and outer ring Greater Sydney to allow comparison between different housing markets.

Affordable housing needs analysis

FACS conducts analysis on affordable housing needs by LGA and provides a breakdown of household income and analysis of the number of very low, low, and moderate income households, and the number of households experiencing rental and mortgage stress.

This evidence base includes information provided in the FACS Local Government Housing Kit Database to allow for ongoing comparison and monitoring of this data applying assumptions applied by FACS consistently across NSW. FACS information on social housing provision and waiting times for accommodation is provided at a District level.

Housing supply – occupancy rates

Occupancy rates are determined by the ABS Census 2016. This reflects whether a dwelling was occupied or unoccupied at the time of the Census survey. Short term rentals, such as Airbnb and Stayz may also influence how much private housing stock is available for long term rental. Further analysis on the impacts of Airbnb and Stayz is required for more detailed understanding of short term rentals impacts on availability of housing stock.

Historic housing completions

DPIE's Metropolitan Housing Monitor is an annual report of development approval and housing completions activity, by LGA, for Greater Sydney. Housing completions are determined on information collected from Sydney Water.

Housing supply forecasts

DPIE's NSW State and Local Government Area Household and Implied Dwelling Requirements provide housing need projections for each LGA for 2016, 2026, 2031, and 2036. These projections are based on analysis conducted by DPIE on population and household formation projections.

DPIE also prepared a 0-5 year housing supply forecast (2018/19 to 2022/23), by LGA. This housing supply forecast is an estimate of new dwellings that could be built, under current zoning and planning controls, and is based on current trends of residential construction and approval activity.

Planning proposals

The planning proposals included in the housing supply forecasts for North Sydney LGA are current active planning proposals that are approved by North Sydney Council as they contribute to the strategic directions for future growth in the LGA. Planning reports for each proposal provided the estimate of additional dwellings created as a result of rezoning and developments proposed.

Draft St Leonards Crows Nest 2036 Plan

Housing supply forecasts for the St Leonards Crows Nest Planned Precinct are based on information provided in the *Draft St Leonards Crows Nest 2036 Plan*, released by DPIE in October 2018. This draft plan is still subject to change before finalisation. North Sydney Council will continue to work with DPIE to finalise the *Draft 2036 Plan* and monitor and manage any changes to housing supply opportunities.

The total housing supply forecasts to 2036 for the North Sydney LGA part of the St Leonard Crows Nest Planned Precinct is 2,790 dwellings. This includes 350 dwellings that are identified to be delivered as part of the Crows Nest Over Station Development.

Analysis on existing capacity

DPIE's Housing Mapping and Scenario Tool was used to analyse the potential for housing within existing capacity of zoned land and planning controls. This tool provided a calculation of housing potential within the B1 Neighbourhood Centre, B4 Mixed Use, E4 Environmental Living, R2 Low Density Residential, R3 Medium Density Residential, and R4 High Density Residential zones.

The housing potential identified in the tool does not include potential additional dwellings that could be achieved in the redevelopment of residential flat buildings in the R3 Medium Density Residential Zone. The additional potential that could be achieved through existing use rights will need to be monitored and reviewed by Council over time. The housing potential identified in the tool also does not include potential additional dwellings that could be achieved in the IN2 Light Industrial Zone. NSLEP 2013 permits low scale residential in the IN2 Light Industrial Zone, though the potential additional dwellings that could be achieved in this zone would be low.

The housing potential identified in the tool within the B4 Mixed Use zone takes into account the minimum non-residential floorspace that is required for specific sites in commercial centres, under NSLEP 2013.

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