

4 November 2022

David Evans PSM
General Manager
Maitland City Council
PO Box 220
Maitland NSW 2320

By email: info@maitland.nsw.gov.au

Dear David,

RE: Draft Maitland Local Housing Strategy

The Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development in NSW. Our more than 450 member companies span all facets of the industry from developers, consultants, local government, and state agencies and we are proud to count Maitland City Council (Council) as a valued member. UDIA advocates for the creation of Liveable, Affordable and Connected Smart Cities.

UDIA welcomes this opportunity to comment on Maitland's draft Local Housing Strategy (draft LHS) which is on public exhibition from 27 September to 28 October 2022.

UDIA appreciates that the draft LHS demonstrates there is a significant shortfall in anticipated housing supply, versus future demand in the Maitland local government area (LGA). This is consistent with UDIA members' shared experience in the local market, where sustained high demand continues to drive ongoing rapid sales and enquiries.

The draft LHS seeks to outline how Maitland will fill the projected gap in housing. While UDIA is generally supportive of the approach proposed by Council, we have several recommendations to strengthen the LHS.

To assist in efficient planning and more certainty, UDIA urges Council to finalise a LHS that can be endorsed by the Department of Planning and Environment (DPE). UDIA understands that the draft LHS is responding to the Greater Newcastle Metropolitan Plan 2036, which in 2018 actioned councils to prepare a local housing strategy within two years. Under the DPE Local Housing Strategy Guideline (Guideline), DPE endorsement of a LHS requires that it is prepared in consultation with state agencies, industry, and the community.

To assist Council in demonstrating that its LHS has been prepared in consultation with industry, UDIA makes the following recommendations, which are justified in the remainder of our submission:

Recommendations

1. **Maps** – The Maitland Local Strategic Planning Statement (LSPS) Structure Plan Map (LSPS p.24) should be inserted into the Local Housing Strategy and relevant categories (e.g., Planned Investigation) should be defined to achieve alignment with DPE's Local Housing Strategy Guideline.
2. **Residential Supply Table** – To clearly understand what land is 'development ready', allow for annual monitoring and achieve consistency with the Local Housing Strategy Guideline, the Residential Supply Table (p.30) should be categorised into each major land holding and then further categorised into the planning supply Tiers utilised by the Hunter UDP Committee, incorporating a planning contingency in the supply pipeline.

3. **Identify Land for Investigation** – Land adjoining existing settlements located above the Flood Planning Area should be identified for ‘Future Greenfield Investigation’. Locations within 800m of existing railway stations above the Flood Planning Area should be identified for ‘Future Urban Intensification Investigation’. This will make it more transparent to the community and industry where future growth could occur.
4. **Sustainability Criteria** – The Sustainability Criteria (p.53) should be amended to clearly define the additional information that should accompany a planning proposal and allow sites to be considered if they can demonstrate no additional cost to government, or where government is agreeable to incurring costs.

Mapping

The Local Housing Strategy Guideline (2018) states that Section 3 of housing strategies ‘should include maps of the proposed housing growth’ (p.24), however the draft LHS does not contain maps of proposed housing growth.

In the absence of these maps, due to the terminology utilised (e.g., Investigation Area), it is assumed that the draft LHS is reliant on the Structure Plan Map contained within the Maitland Local Strategic Planning Statement (LSPS). Without the inclusion of this Structure Plan Map in the LHS, the following statements of the draft LHS are without context:

- ‘Progressive development of planned and future investigation areas identified in the LSPS and this strategy’ (p.44).
- ‘Council will not support any premature investigations or proposals for rezoning or designating land for future residential use, beyond those already identified in the Strategy.’ (p.53)
- ‘Continue investigations into land identified for future greenfield housing’ (p.70).

Recommendation #1 – The Maitland Local Strategic Planning Statement (LSPS) Structure Plan Map (LSPS p.24) should be inserted into the Local Housing Strategy and relevant categories (e.g., Planned Investigation) should be defined to achieve alignment with DPE’s Local Housing Strategy Guideline.

Residential Supply Table

The Local Housing Strategy Guideline (2018) states that Section 2 of housing strategies should identify ‘the potential number of dwellings that could result from approved land release areas’ (p.27) and that the capacity of existing land use controls can be informed by input from the local industry (p.9).

The Residential Supply Table contained within the draft LHS (p.30) identifies a remaining capacity of 14,064 dwellings derived from the Eastern, Central and Western Precincts. However, these Precinct level calculations are not detailed enough to allow for transparent annual monitoring, which has flow-on effects for the then timely identification of further land.

UDIA recommends that the Residential Supply Table be further categorised to each major land holding to provide the necessary transparency.

An example of how this could be completed is provided by the table in Figure 2 below for the Central Precinct. UDIA has estimated these lot supply numbers by evaluating existing development consents and concept subdivision plans submitted with planning proposals. Where this information could not be obtained, a rate

of 10 dwellings per ha was applied to land zoned R1, and 2 dwellings per ha for land zoned R5, consistent with current experience.

We note that the Lower Hunter Urban Development Program (UDP) Committee will be seeking this level of detail as it performs its functions to manage the region's housing supply pipeline. The Hunter UDP Committee is expected to use the analysis breakdown shown in Figure 1. In planning for supply, the UDP Committee is expected to apply a contingency (i.e., additional dwellings) in the earlier pipeline to account for the likely reduction in yield as sites progress through the planning stages (draft *Hunter Regional Plan 2041* version 6, p. 54). For efficiency and consistency, Maitland's LHS should align with the approach outlined in the *Hunter Regional Plan 2041* and the UDP Committee's categorisation of the pipeline.

Figures 1-4 below together demonstrate how this information could be usefully presented. UDIA recommends this type of presentation to allow for transparency and measurement:

- **Figure 1: Supply Pipeline Categorisation Tiers.** This image is copied from p. 14 of the final draft *Hunter Regional Plan 2041* (version 6) shared by DPE and viewed by Council and UDIA in mid-October 2022.
- **Figure 2: Table of projected supply for the Central Precinct.** Similar tables should be included for all precincts.
- **Figure 3: Map of the projected supply for the Central Precinct.** Similar maps should be included for all precincts.
- **Figure4: Graph of projected supply for the Central Precinct.** Similar graphs should be included for all precincts.

Figure 1 – UDP Committee Supply Pipeline Categorisation Tiers (v6 draft *Hunter Regional Plan 2041*, p14)

Supply Pipeline Benchmarks				
Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
0-5 Years Zoned	6-10 Years Zoned	11-15 Years Zoned	16-20 Years Future Investigation	20+ Years Potential Future Investigation
Subdivision approved with biodiversity offsets, and enabling infrastructure funding resolved	Biodiversity offsets resolved		Identified in an endorsed local strategy	Not identified in an endorsed local strategy

Figure 2 – Table of Projected Supply for the Central Precinct

#	Major Land Holding	Tier 1 0-5 years (2027)	Tier 2 6-10 years (2032)	Tier 3 11-15 years (2037)	Tier 4 16-20 years (2042)				
R1 – General Residential									
1	391 & 405 Cessnock Rd (Walker)	46							
2	411 Cessnock Rd (Walker)	26							
3	Cartwright, Kiah & Ryan's Rd	282							
4	457 & 463 Cessnock Rd (MAVID)	154							
5	Gillieston Grove (Bathla)	63							
6	Gillieston West (Hydro)	542							
7	Gillieston East (Walker)	238							
8	41, 63 & 109 Ryan's Rd	90*							
9	25 Gillieston Rd & 29 North View St	80*							
10	4, 18, 40 & 56 Gillieston Rd	220*							
11	166 Cessnock Rd				100*				
R5 – Large Lot Residential									
13	Reflection Dr		18 [#]						
14	290 Louth Park Rd		34 [#]						
15	538 Louth Park Rd		74 [#]						
Total Existing Capacity: 20-Year New Dwelling Supply		1,967							
Shortfall Analysis									
Total 20-Year New Dwelling Requirement		8,400^{&}							
TOTAL 20-YEAR NEW DWELLING SHORTFALL		- 6,433^{&}							
Planning Tiers Analysis		Tier 1	Tier 2 ⁺	Tier 3 ⁺	Tier 4 ⁺				
5-Year Planning Tier Requirement ⁺		2,100	2,520	2,520	2,520				
Existing Supply in Each 5-Year Planning Tier		508	1,359	0	100				
Shortfall in Each 5-Year Planning Tier⁺		- 1,592	- 1,161	- 2,520	- 2,420				
Total Shortfall with Planning Contingency⁺		- 7,693 in the planning pipeline							
* Estimation based on 10 dwellings per ha (R1-General Residential)									
# Estimation based on 2 dwellings per ha (R5- Large Lot Residential)									
+ 20% contingency included in Tiers 2, 3 and 4 to account for yield reduction during planning process, consistent with draft Hunter Regional Plan 2041. NOTE: UDIA BELIEVES THE CONTINGENCY RATE SHOULD BE HIGHER.									
& Estimation based on projected annual need of 420 new dwellings per year for the Central Precinct									

Figure 3 – Map of Projected Supply for the Central Precinct

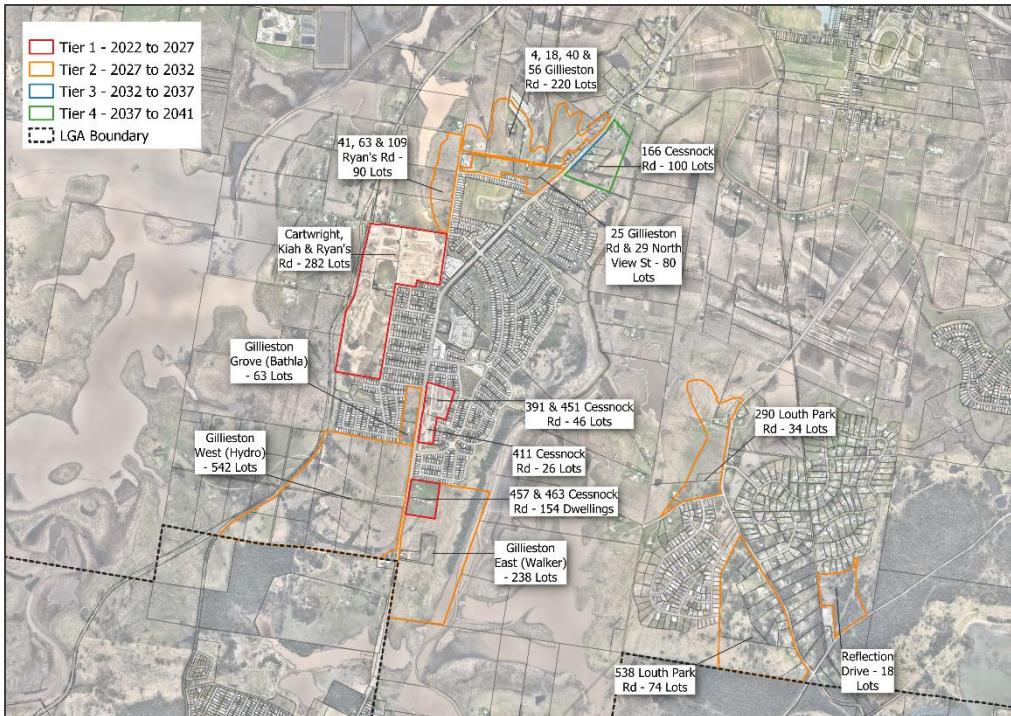
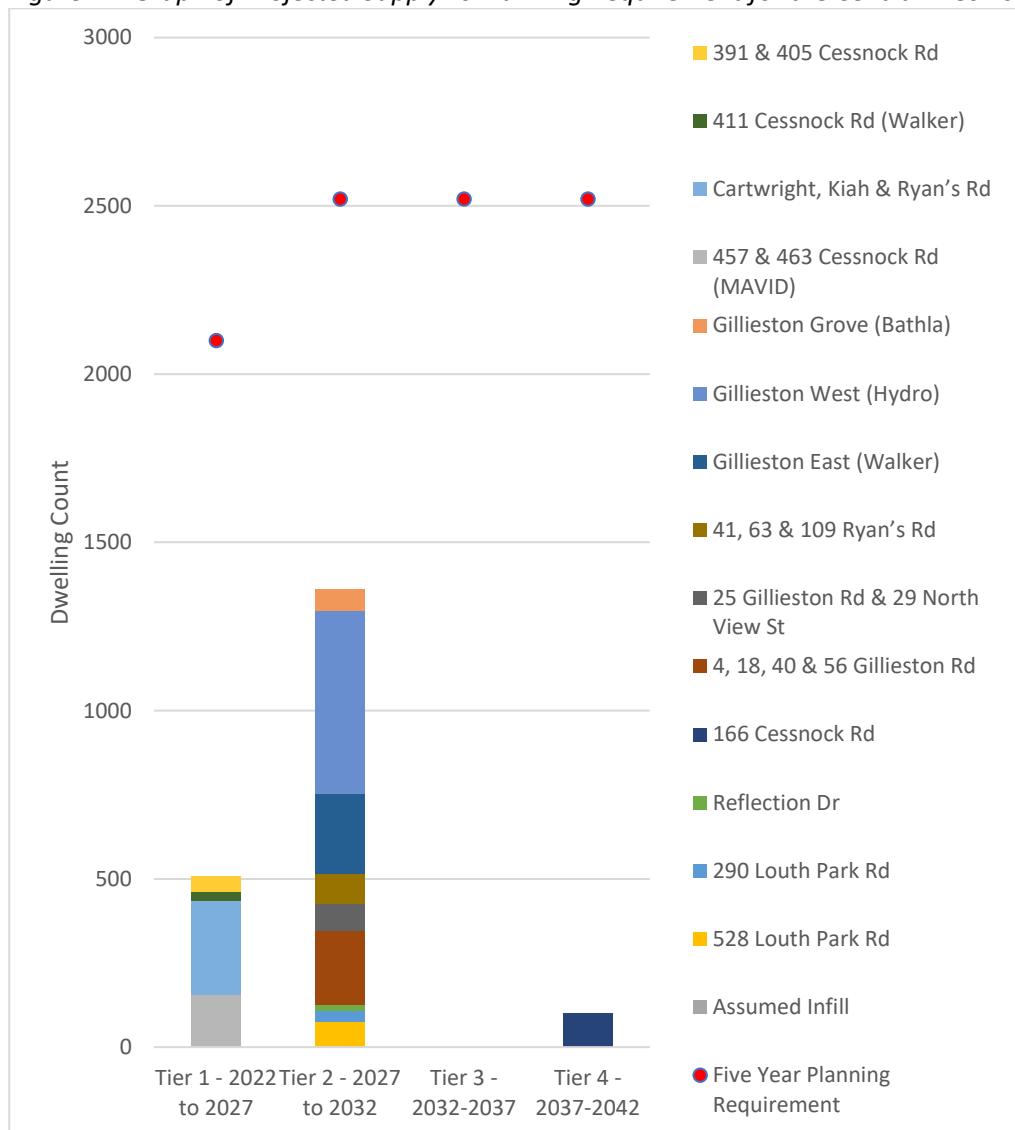


Figure 4 – Graph of Projected Supply vs Planning Requirement for the Central Precinct



This example's analysis illustrates that the Central Precinct has a remaining supply capacity of 1,967 lots, which is 6,433 lots short of the 8,400 new dwellings required for the Central Precinct to the year 2042.

These numbers are based on the following assumptions:

- The five-year requirement is based on DPE's forecast dwelling requirement of 1,260 dwellings per year for the Maitland LGA (p.31). For simplicity, this was divided equally among the three Maitland Precincts (i.e., Eastern, Central and Western), which results in the Central Precinct requiring 420 dwellings per annum or 2,100 dwellings per five-year period.
- A 20% contingency was added for Tiers 2, 3 and 4 to account for the likely reduction in overall yield as sites are subject to more detailed assessment. This is consistent with the approach taken by DPE in the draft *Hunter Regional Plan 2041* version 6 (p. 54).
- No infill housing is assumed in this example, as Central Precinct housing constructed in Urban Release Areas is less than 50 years old and so it can be generally assumed that it is uneconomical to demolish the existing dwelling and then intensify.

This quantification of 6,433 (77%) dwelling shortfall in the Central Precinct provides the necessary information to trigger a timely decision to identify future investigation areas (e.g., expansion of existing settlement boundaries) and infill locations (i.e., urban intensification).

Contingency Planning

UDIA strongly supports the use of contingency planning to achieve the final required sustainable supply pipeline. The pipeline may be better understood as a funnel. From investigation to rezoning to DA approval to keys in houses, there is attrition at every Tier. Therefore, planning for a 1:1 ratio of supply to forecast dwelling demand will not deliver an adequate final supply. UDIA is pleased that the draft *Hunter Regional Plan 2041* acknowledges this reality (draft version 6, p. 54) and applies a planning contingency to Tiers 2, 3 and 4. For consistency, we have applied the same 20% contingency rate in our supply analysis in Figure 2. However, given our experience, we note that we believe the contingency rate should be even higher in those long-dated Tiers.

UDIA also strongly believes that Tier 1 – development-ready supply – needs to be maintained at twice the number of dwellings needed. This will allow industry to be responsive to conditions and bring forward lots quickly where demand occurs to keep supply at adequate levels and avoid unaffordable price escalation.

DPE has indicated that the final planning contingency rates will be the subject of further research and discussion at the Hunter UDP Committee. UDIA looks forward to working with Council on that issue.

Recommendation #2 – To clearly understand what land is ‘development ready’, allow for annual monitoring and achieve consistency with the Local Housing Strategy Guideline, the Residential Supply Table (p.30) should be categorised into each major land holding and then further categorised into the planning supply Tiers utilised by the Hunter UDP Committee, incorporating a planning contingency in the supply pipeline.

Identify Land for Investigation

The draft Strategy identifies a projected shortfall of 7,000 dwellings for the total Maitland LGA (p.31). When the methodology described above is applied, the shortfall increases to 6,433 dwellings for the Central Precinct alone. What this demonstrates is that the true extent of the total shortfall does not become clear

until the forecast supply is mapped and placed into the planning Tiers (consistent with the *Hunter Regional Plan 2041*).

The Land Capability Analysis (p. 40-41) within the draft LHS identifies that there is still an opportunity for the extension of existing urban areas in locations such as Gillieston Heights, Chisholm, and Lochinvar. For example, if we continue with the analysis of the Central Precinct, the following constraints have informed planning to date at Gillieston Heights:

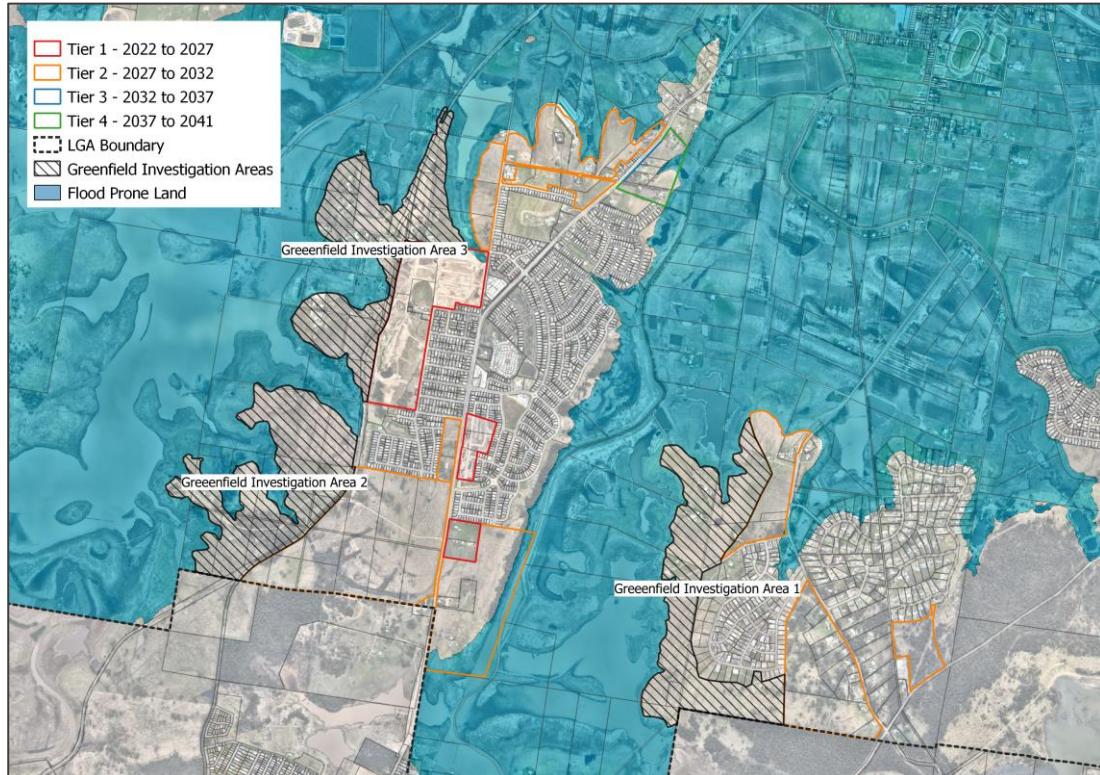
- North – Flood Prone Land,
- East – Flood Prone Land,
- South – Boundary of the Local Government Area, and
- West – South Maitland Railway.

To make the most of existing and future infrastructure investment at Gillieston Heights, it is logical to extend urban investigations to those lands that adjoin existing settlements and are located above the Flood Planning Area. We undertook that exercise for Gillieston Heights and identified three investigation areas with a total area of 201 ha (Figure 5 below). At 10 dwellings per hectare, these areas offer the potential for 2,010 additional dwellings.

The dwellings from these investigation areas would reduce the Central Precinct shortfall to 4,423 dwellings.

The shortfall could then be further reduced by completing the same exercise for other parts of the Central Precinct for greenfield and infill housing. Although the capacity for infill housing within the centre of Maitland is limited due to flood-prone land and the prevailing 450sqm minimum lot size, its existing infrastructure should support some infill housing, and this should be more deeply explored. An example of one approach is provided by the [ACT Planning Strategy \(2018\)](#) (p. 6-7).

Figure 5 – Map of potential investigation areas for the Central Precinct



Recommendation #3 – Land adjoining existing settlements and located above the Flood Planning Area should be identified for ‘Future Greenfield Investigation’. Locations within 800m of existing railway stations above the Flood Planning Area should be identified for ‘Future Urban Intensification’

Investigation'. This will make it more transparent to the community and industry where future growth could occur.

Sustainability Criteria

The Draft LHS includes sustainability criteria (p. 53) that provide a pathway for sites not already identified (p. 31). These criteria are listed below, and a corresponding comment is provided:

1. The subject land/proposal is identified in the regional or district plan as a growth corridor.

This wording relies on future regional or district plans retaining the terminology of 'growth corridor', which is beyond the control of Council. For example, the draft *Hunter Regional Plan 2041* (version 6 p.94) does not map Cessnock to Maitland as a growth corridor despite it being a key corridor identified in the Maitland LSPS and Cessnock Urban Growth Management Plan. As an alternative, Council could identify areas for investigation based on the work it has completed in developing the Land Capability Analysis (p.40). As previously discussed in this submission, there are plenty of areas that would be the logical extension of existing urban areas, such as Chisholm, Gillieston Heights, Louth Park, Lochinvar and Oakhampton.

2. The proposal has demonstrated in-principal support from the relevant state agencies.

The process of a developer consulting with state agencies outside of a statutory development application process is extremely difficult overall. In managing their workload, agencies are typically unwilling to provide comment unless the site has first been identified by Council. Rather than trying to consult with agencies, it is suggested that landowners prepare a masterplan for the investigation area. This masterplan would then inform zoning maps that are contained within the scoping document for a proposal as outlined in the Guide to Preparing Planning Proposals.

3. The proposal meets the aims and objectives of Council's adopted policies.

Council has over 100 policies on its website. It is suggested that these criteria are amended to specifically relate to the objectives of the draft LHS (p.10).

4. The proposal has demonstrated suitable funding mechanisms for infrastructure provision.

Funding, costs and feasibility cannot be determined until a masterplan is developed and associated servicing strategies can then be used to determine the associated cost. Like the previous response, it is suggested that a masterplan be developed and then the infrastructure requirements and costings can be detailed in the scoping document for the proposal.

5. The proposal has taken into consideration the long-term financial implications for Council to service the area.

It is suggested that this requirement be removed as only Council can assess and determine the long-term financial implications to service an area. Typically, the developer will demonstrate how infrastructure will be provided, construct the infrastructure, and then hand it over to the relevant agency. That agency then uses its infrastructure levies to fund its long-term maintenance (e.g., council rates, Hunter Water service charges, etc.).

In response to the matters raised, the following criteria are suggested:

A planning proposal is encouraged to assist Council in addressing the identified housing shortfall, if the following can be achieved:

1. The site is identified on the Local Structure Plan Map as within an Investigation Area, being 'Future Greenfield Investigation' land adjoining existing settlements and located above the Flood Planning Area; or 'Future Urban Intensification Investigation' locations within 800m of existing railway stations above the Flood Planning Area. If the site is not within an identified Investigation Area, then the planning proposal must demonstrate how the site can be rezoned and developed without additional cost to government, or where government is agreeable to incurring costs.
2. The planning proposal scoping report provides a master plan, which:
 - Addresses the criteria listed under Maitland Local Environmental Plan 2011 (Clause 6.3 – Development Control Plan), and
 - Informs a preliminary contributions framework to fund infrastructure and facilities.
3. The planning proposal is consistent with the key objectives contained within the Maitland Local Housing Strategy 2041 (p.10).

Recommendation #4 – The Sustainability Criteria (p.53) should be amended to clearly define the additional information that should accompany a planning proposal and allow sites to be considered if they can demonstrate no additional cost to government, or where government is agreeable to incurring costs.

Conclusion

UDIA appreciates this opportunity to provide written comment. If possible, we would welcome the opportunity to meet with Council Officers following the closure of the exhibition period on 4 November 2022 to discuss this submission in further detail. Please contact UDIA Regional Manager Elizabeth York at eyork@udiansw.com.au or 0434 914 901 with any follow up.

Kind regards,



Steve Mann

CEO

UDIA NSW