

8 May 2023

Chelle Leith
Strategic Planning
Central Coast Council

By email: ask@centralcoast.nsw.gov.au

Re: UDIA submission to draft Local Housing Strategy

Dear Chelle,

The Urban Development Institute of Australia (UDIA) NSW is the state's leading industry body representing the interests of the urban development sector. We have over 450 member companies across the spectrum of the industry, including developers, planners, ecologists, councils and service providers. We have had a Central Coast Chapter for over two decades and we bring an evidence-based, solutions-focused approach to our advocacy for the creation of liveable, affordable, and connected smart cities.

We appreciate the opportunity to provide feedback on the Central Coast Council (Council) Draft Local Housing Strategy (Draft Strategy).

As a key stakeholder and representative of the industry that will deliver outcomes under the Local Housing Strategy, UDIA is generally supportive of the draft as exhibited. The Draft Local Housing Strategy provides a useful assessment on the housing situation and we commend Council for appropriately identifying the main housing challenges facing the Coast, being:

- *Continuing rapid population growth is placing pressure on the housing market.*
- *There is a shortage of low-cost rental accommodation.*
- *The current housing stock is not diverse enough to accommodate future demand.*
- *Housing design and location needs to respond to changing housing preferences.*
- *Demand for housing suited to older people and people with a disability is expected to increase significantly.*
- *There is a growing need for smaller more affordable dwellings.*
- *The changing environment presents long term challenges to quality of life and risks to livelihoods.*
- *A growing number of households in the LGA are struggling with housing affordability and are living in housing stress.*
- *There are constraints on the supply of zoned and serviced residential land.*
- *Residents desire a balance between housing growth and the attributes they value about the Central Coast.*

We also commend Council for stating how it plans to respond to these challenges, and we support the housing objectives listed in Section 3.1. While we do support the delivery mechanisms listed in Section 3.2, including the reliance on the Central Coast Urban Development Program (CCUDP) and committee, more emphasis is needed on delivering timely outcomes.

UDIA aims to work constructively with Council to deliver the housing supply needed on the Central Coast. In that spirit, we offer the following recommendations to strengthen the Draft Strategy in order to meet its objectives.

UDIA recommends:

1. The HillPDA reports should be fully updated to 2021 Census data before finalisation of the Local Housing Strategy and a comparative analysis should be supplied to highlight where the updated Census data has influenced any objectives or actions under the Local Housing Strategy. Additional industry consultation should be conducted to review the update prior to the Local Housing Strategy's finalisation.
2. Council should prioritise its work to support the UDP pipeline analysis and publicly report relevant housing metrics on a rolling basis to enable timely quality decision making.
3. Clearly align the Social Planning Districts with the District structure of the CCRP2041 so that priorities set at the higher strategic level can filter down and consistent reporting can flow through the related strategic planning documents.
4. Commit to a further review of height and other bonus provisions, and DCP controls to facilitate the future vision of the CCRP with respect to density and diversity.
5. Add an Action to analyse land use within 800m of the Coast's 11 train stations and key shopping centres, to identify how land might be better utilised for higher density consistent with CCRP.
6. Council's actions should be squarely centred on delivering timely housing completions to meet dwelling targets by adopting an urgent approach to finalising plans and including an Action aimed at reducing assessment timeframes.
7. Identify more areas where Council will work with UDIA and the development industry to deliver key actions, including but not limited to those actions related to zoning differentiation, DCP changes, bonus schemes and other actions aimed at encouraging higher density, affordability, flexibility and/or innovation.
8. Reinstate the small lot housing provisions on R2 zoned land to facilitate density and diversity in accordance with the CCRP.
9. Add an action to conduct a review of caravan parks and manufactured home estates across the whole LGA and do more to support this form of development where warranted.
10. Work with UDIA to understand demand for seniors housing and downsizers and identify incentives for delivery.
11. Improve the feasibility analysis report by including the Gosford CBD, sites along the Southern Growth Corridor and Peninsula; and ensuring the analysis for The Entrance and Long Jetty considers the existing traffic limitations and cost implications of addressing them.
12. Clearly define the objective of sustainability and outline how this area will be measured and assessed.
13. Add an Action to analyse land use within 800m of the Coast's 11 train stations and key shopping centres, to identify how land might be better utilised for higher density consistent with CCRP.
14. Consider higher density growth opportunities in other areas such as Erina Valley, West Gosford and Bateau Bay.

Evidence Base

The Draft Strategy relies on evidence from a report provided by HillPDA. The report is high quality and professionally done; however, it is fundamentally flawed because the analysis is based on the outdated 2016 Census data. Many housing factors have changed since 2016, including the effects from the pandemic and changing financial conditions.

Section 2.6 “Analysis of the evidence-base” notes that the top ten issues (outlined in our opening above) reflect the 2021 Census data. However, it is not clear how this has been done, when the evidentiary report is still outdated. UDIA was pleased to hear, at a recent stakeholder forum on the Draft Strategy, that Council intends to update the Draft Strategy with the updated Census data.

We recommend that the HillPDA reports should be fully updated to 2021 Census data before finalisation of the Local Housing Strategy. We further recommend that a comparative analysis should be supplied to highlight where the updated Census data has influenced any objectives or actions under the Local Housing Strategy, and we recommend additional industry consultation should be conducted to review the update prior to the Local Housing Strategy’s finalisation.

We also question the reliability of the analysis of baseline housing supply in Section 2.3, which relies on several variable inputs from different time periods up to 2020. The Draft Strategy acknowledges there may be deficits in the conclusions.

An accurate, robust understanding of current housing supply is a fundamental and critical input to enable rational decisions about future supply. UDIA is pleased that Council is part of the newly established Central Coast Urban Development Program Committee, along with the Department of Planning, state agencies, utilities, UDIA and other stakeholders. We are strong supporters of the UDP approach to monitor the housing development pipeline, to build and maintain current housing metrics so there is shared understanding of the true supply pipeline and timely decisions can be made to address shortfalls.

As outlined in DPE’s *Guide to Regional UDPs*, the CCUDP will publish annual reports including:

1. Audit of the housing supply and employment land pipelines and Audit Data Report that summarises key audit findings;
2. Housing Land Monitoring Statement (HLMS) that builds on the audit findings, other housing data, and government and industry insights to provide analysis and a shared understanding of land supply and development activity, infrastructure needs, delivery issues and year on year performance and trends, including monitoring against any relevant Regional Plan benchmarks or targets;
3. UDP dashboard and database that provides accessible data and insights across key housing measures; and
4. Regular UDP Committee meetings to foster collaboration and coordination between government and industry, and inform infrastructure planning and government planning and policy at a local and state level.

UDIA therefore commends Council for identifying the Central Coast UDP and committee as a key Delivery Mechanism to respond to the challenges. Council should report its housing metrics quarterly so they can be shared via the UDP dashboard. We recommend Council prioritise the CCUDP mechanism.

Recommendations:

#1 – The HillPDA reports should be fully updated to 2021 Census data before finalisation of the Local Housing Strategy and a comparative analysis should be supplied to highlight where the updated Census data has influenced any objectives or actions under the Local Housing Strategy. Additional industry consultation should be conducted to review the update prior to the Local Housing Strategy's finalisation.

#2 – Council should prioritise its work to support the CCUDP pipeline analysis and report relevant housing metrics on a rolling basis to enable timely quality decision making.

Consistency with CCRP

The Draft Strategy appropriately references the *Central Coast Regional Plan 2041* (CCRP). We agree the Local Housing Strategy should give effect to the CCRP. We recommend better alignment should be achieved in the following areas:

Adopt the District planning framework

The CCRP divides the Central Coast region into four planning Districts, and it is anticipated that the District framework will continue as the CCRP transitions into the Central Coast City District Plan under the Greater Cities Commission (GCC). The Districts are Watagan, Central Lake, Tuggerah and Narara.

The purpose of the District framework is to:

- *identify planning priorities that build on and provide greater clarity and direction to the regional plan vision and objectives;*
- *identify regionally significant growth areas and actions for achieving the regional plan objectives;*
- *guide the application, weighting and prioritisation of state interests set out in planning mechanisms; and*
- *inform other plans and programs, including local strategic planning statements and local plans and place strategies, to prioritise and coordinate the planning and provision of infrastructure and services.*

In contrast, the Draft Strategy divides the Central Coast into 17 Social Planning Districts (SPDs). We acknowledge that the Draft Strategy's Table 18 attempts to align the SPDs and CCRP2041 Districts. However, UDIA recommends Council take this further by adopting the District framework overall, and identifying SPDs within them, so that 1) priorities set at the higher strategic level can filter down, and 2) consistent reporting can flow through the related strategic planning documents.

Amend the DCP to facilitate the future vision of the CCRP

The Local Housing Strategy has a 20-year lifespan. Looking forward, we note that the Department of Planning, through the CCRP, outlines the plan for the future urban landscape that is more dense and diverse than the currently established urban form. The CCRP encourages densities of 30 dwellings/ha for general suburban, 40-50 dwellings/ha where there is higher amenity and 75 dwellings/ha in the inner suburban context (within 800m of transport hubs).

It is encouraging to see some analysis of select suburbs in the accompanying feasibility report and recommendations to amend bonus provisions to reflect built form outcomes in the Draft Strategy.

However, UDIA recommends that this thinking be applied across the full LGA and the Strategy should commit to a further review of accompanying height and other bonus provisions, and DCP controls to facilitate the future vision of the CCRP.

Focus more on Transit-Oriented Development

The Draft Strategy on Page 25 Figure 5 provides an overview of the transport network on the Coast, including 11 train stations. However, the Draft Strategy fails to do an assessment of how land within 800m of a train station might be better utilised for higher density residential or mixed use developments. UDIA recommends undertaking that analysis to be consistent with the goals and objectives of the CCRP.

We also recommend undertaking similar analysis around key shopping centres, which often act as density hubs, such as Erina Fair, Kincumber, Deepwater Plaza, West Gosford, Bay Village, Lake Haven, Lake Munmorah, and Budgewoi.

Recommendations:

#3 – Clearly align the Social Planning Districts with the District structure of the CCRP2041 so that priorities set at the higher strategic level can filter down and consistent reporting can flow through the related strategic planning documents.

#4 – Commit to a further review of accompanying height and other bonus provisions, and DCP controls to facilitate the future vision of the CCRP with respect to density and diversity.

#5 – Add an Action to analyse land use within 800m of the Coast’s 11 train stations and key shopping centres, to identify how land might be better utilised for higher density consistent with CCRP.

Delivery Mechanisms and Implementation Plan

UDIA largely agrees with the proposed delivery mechanisms, including the incorporation of the CCUDP. Section 4.1 details the implementation, delivery and monitoring plan (plan), and we commend Council for identifying many important actions needed to support the Strategy.

The Local Housing Strategy outlines how Council will enable the region’s much-needed housing supply. The Strategy provides the direction, but the real focus of Council’s actions should be squarely centred on **delivering timely housing completions** to meet dwelling targets. This includes delivering the necessary strategic plans as well as determining DAs much faster.

The Central Coast has waited more than 10 years for zoning to be reviewed, and further work is still needed. Where housing supply is dependent on LEP changes or other actions, then we recommend Council adopt a much more urgent approach to delivering those results.

Likewise, Council should be taking proactive steps to reduce assessment timeframes for planning proposals and DAs. UDIA supports stronger earlier engagement from applicants to assist in submitting “complete” Development Applications in order for the assessment team to review and approve. However,

we respectfully suggest that Council needs to be honest that its turnaround times are too slow, and keep working on processing applications within acceptable time frames. This is critical to getting to completions.

UDIA recommends including an Action aligned with the Operational Plan that is aimed at reducing assessment timeframes.

We are disappointed to note that of the 34 actions listed, Council has only identified the development industry as a delivery partner in one category (or four, when counting community housing providers specifically, and the CCUDP). We appreciate Council's acknowledgement that it should work with developers to *[c]onsider opportunities to support community driven innovative housing solutions, such as prefabricated and manufactured housing, 3-D printed housing, and tiny houses, with appropriate location and design standards.*

However, we respectfully urge Council to identify more areas where it will work with UDIA and the development industry to deliver other key actions, including but not limited to those actions related to zoning differentiation, DCP changes, bonus schemes and other actions aimed at encouraging higher density, affordability, flexibility and/or innovation.

Recommendations:

#6 – The real focus of Council's actions should be squarely centred on delivering timely housing completions to meet dwelling targets by adopting an urgent approach to finalising plans and including an Action aimed at reducing assessment timeframes.

#7 – Identify more areas where it will work with UDIA and the development industry to deliver other key actions, including but not limited to those actions related to zoning differentiation, DCP changes, bonus schemes and other actions aimed at encouraging higher density, affordability, flexibility and/or innovation.

Housing Diversity

UDIA agrees with the importance of delivering more housing diversity to meet a greater range of needs for residents. Different locations across the LGA will demand different proportions of 1, 2, 3 & 4 bedroom dwellings, offered in a variety of typologies and densities. Overall, we believe the assessment of proposals should be on a merit-based system on quality of design and planning outcomes.

We offer the following suggestions to enhance Council's approach to housing diversity.

Reinstate small lot housing provisions to land zoned residential R2

The former Wyong LEP 2013, at Cl. 4.1B, contained “small lot housing” provisions applying to Residential R2 zoned land, with the ability to seek consent *for the subdivision of land into 5 or more lots of a size that is less than the minimum size shown on the Lot Size Map in relation to that land, and the erection of a dwelling house on each lot resulting from the subdivision.*

The stated objectives of this clause were:

- (a) to provide opportunities for affordable housing in appropriate locations, and*

(b) to encourage housing diversity without adversely impacting on residential amenity.

This Clause was modified under the new consolidated Central Coast LEP 2022, which now applies the provision to R1 zoned land, having removed its application on R2 zoned land. We note that the land use table for R1 already permitted a variety of residential development including *dual occupancies, multi dwelling housing, residential flat buildings, secondary dwellings, semi-detached dwellings, and seniors housing*. The reasons behind this change are unclear. However, what is clear is that this LEP modification removed the opportunity for housing diversity on R2 zoned land.

The reinstatement of small housing provisions on R2 zoned land would allow for greater opportunity to realise the residential densities and housing diversity in neighbourhoods, as envisaged under the CCRP2041.

The reinstatement of small housing provisions R2 zoned land would also bring the Central Coast back into alignment with similar provisions contained in neighbouring LEPs including Lake Macquarie, Newcastle and Port Stephens.

Explore use of caravan parks and manufactured home estates (residential land lease communities)

We support Action 8.7 to consider opportunities to support innovative housing solutions including manufactured housing and other emerging and affordable typologies.

The Central Coast LEP at Cl. 7.9 (Caravan parks and manufactured home estates), acknowledges the importance of this form of development for the provision of low cost housing. The LEP includes a mapping layer identifying approximately 9 estates across the former Gosford LGA, but has not identified any within the former Wyong Shire LGA.

The population within this form of development is significant; however, we are concerned this population may not be accurately reflected by census data, and therefore also not accurately reflected or discussed in the Draft Strategy.

To support Action 8.7, UDIA recommends that the Draft Strategy be amended to include a supplementary review of *caravan parks* and *manufactured home estates* across the whole of the Coast to better understand the drivers for their popularity, occupancy rates and constitution, and compare the affordability and desirability of this form of housing versus alternatives. If further investigations reveal a high level of desirability, e.g., in terms of cost or social cohesion or sense of community, Council should investigate more active planning pathways to encourage this form of development.

Related, industry is frustrated that Central Coast Council does not support the on-site construction of '*manufactured homes*'. Whilst this may initially seem inconsistent with provisions of the relevant Regulations, the Local Government Act provides opportunity for exemptions and variations to the Regulations, allowing for construction on-site and other variations, which has been supported by numerous councils for various developments throughout the State. Allowing on-site construction can provide for a higher quality overall project, as well as higher employment of local contractors during the construction of the estates.

Seniors Housing and Downsizers

UDIA is pleased that Council has identified that demand for housing suited to older people is expected to increase significantly. This is consistent with several UDIA representations over the years regarding the ongoing demand for seniors living and aged care, and the lack of suitable sites. We appreciate the inclusion of Actions 5.2 and 5.3 to proactively identify potential locations for seniors living and residential aged care through place based plans, and we would like to work with Council on this initiative.

A related area of consideration is that of downsizers. We recommend further investigation into evidence for demand for downsizing and the desired built form(s). The Draft Strategy focuses on downsizers with “available” bedrooms and suggests that supplying additional smaller-scale stock would free up more of these larger detached homes. However, current market experience tells us that downsizers are not all focused on simply reducing size.

When it comes to apartments, the Australian Apartment Advocacy’s [2021 Apartment Survey](#) revealed the leading motivations for living in an apartment are:

1. location, including walkable access to shops, cafes, public transport and parks; closely followed by
2. the ability to lock-and-leave.

Downsizers are increasingly seeking larger apartments to accommodate their lifestyles as well as working from home. We see increased demand for an additional space for a home office that is in addition to bedrooms and away from shared living spaces. Likewise, many downsizers prefer “extra” bedrooms and larger living areas to cater for guests.

We urge Council to keep these demand variables in mind when considering housing diversity that might encourage “downsizing”.

Recommendations:

8 – Reinstate the small lot housing provisions on R2 zoned land to facilitate density and diversity in accordance with the CCRP2041.

9 – Add an action to conduct a review of *caravan parks* and *manufactured home estates* across the whole LGA to better understand the drivers for their popularity, occupancy rates and constitution, and compare the affordability and desirability of this form of housing versus alternatives. If the review shows desirability, Council should do more to encourage and support this form of development.

10 – Work with UDIA to understand demand for seniors housing and downsizers and identify incentives for delivery.

Feasibility

As a general comment in respect to feasibility assumptions, UDIA emphasises that the development industry has weathered significant challenges over the recent years, and the outlook appears equally daunting. The impacts from the pandemic on supply chains, material costs and resourcing constraints continue to be felt, and the market financial headwinds are strong. These industry challenges and their impacts on project feasibility are expected to persist and are on top of the cumulative costs of the planning system associated with bringing residential land and units to the market, including contributions such as

Section 7.11, water and sewer DSP charges, and Special Infrastructure Contribution (SIC) payments, as well as the cost of biodiversity offsets. Development has always been a high-risk business, and we are seeing more projects put on hold as a result of the higher project costs. We urge Council to bear these facts in mind as it considers the question of feasibility.

The accompanying feasibility report provides an analysis on the viability of medium density development in four suburbs – The Entrance, Toukley, Long Jetty and Lake Munmorah. Unfortunately, the feasibility report does not assess localities in the former Gosford LGA, including sites within the Southern Growth Corridor (e.g., Gosford CBD, land surrounding Erina Town Centre) or the Peninsula. We encourage Council to expand the feasibility analysis to include those areas in the Southern Growth Corridor and Peninsula.

In assessing The Entrance and Long Jetty, it is unclear whether the feasibility has considered the existing traffic limitations of the Central Coast Highway passing through Long Jetty. We recommend Council factor in the traffic issues and cost implications of addressing them.

The feasibility report makes a repetitive recommendation that floor space ratios (FSR) should be increased to improve project viability, and UDIA supports this. However, FSR incentives alone typically are not enough to create viability. UDIA recommends including corresponding increases to building height limits, as well as making the appropriate changes to Development Control Plan (DCP) provisions to support higher densities. It is unclear whether the Draft Strategy has contemplated these additional steps. UDIA recommends that they be included per our recommendation #4 above.,

In general, we have noted that throughout the feasibility report, the authors have made some incorrect statements, and we recommend these be corrected:

- In reference to permissible land uses, the Draft Strategy states “*without* consent”; this should read “with consent”.
- In reference to the permitted uses for R1 General Residential, these should be amended to correspond with the land use table under the Central Coast LEP 2022.

Recommendation:

11 – Improve the feasibility analysis report by: including the Gosford CBD, sites along the Southern Growth Corridor and Peninsula; ensuring the analysis for The Entrance and Long Jetty considers the existing traffic limitations and cost implications of addressing them.

Sustainability

UDIA agrees with the identified challenge that the changing environment presents long-term challenges to quality of life and risks to livelihoods. The Draft Strategy calls for measures to require built-in resilience for new development proposals.

We are concerned how this area will be implemented and assessed by Council. We note that minority NIMBY community groups often use ambiguous policy statements as the basis to object to much-needed new housing supply. We recommend this objective be more clearly defined, and that objective measures are outlined so industry and the community understand how this area will be measured and assessed. Without such clarity, we are concerned this area will be used to inhibit development.

Recommendation:

12 – Clearly define the objective of sustainability and outline how this area will be measured and assessed.

Consideration of Other Potential Growth Areas

UDIA has consistently nominated additional potential 'brownfield' residential growth areas at West Gosford, Bateau Bay, Tuggerah and Erina Valley, but to date, these opportunities have not been acknowledged or progressed by Council.

UDIA calls on Council to identify these town centres and the appropriate zoning and heights that would create areas of higher density around core services, consistent with the approach in the CCRP which calls for 15-minute neighbourhoods and higher density.

We recommend closer consideration of the following additional potential growth areas:

Erina Valley

Figures 1 and 2 below show sites adjacent to the Erina Fair shopping centre, or close to public transport, schools, social, employment and recreation opportunities. Unlocking this precinct for residential development, including higher density on that land closest to Erina Fair, is consistent with the goals and objectives of the CCRP. Council undertook Precinct studies in 2010-12 and circa 2018 but this potential precinct continues to be overlooked for its urban potential.

Figure 1

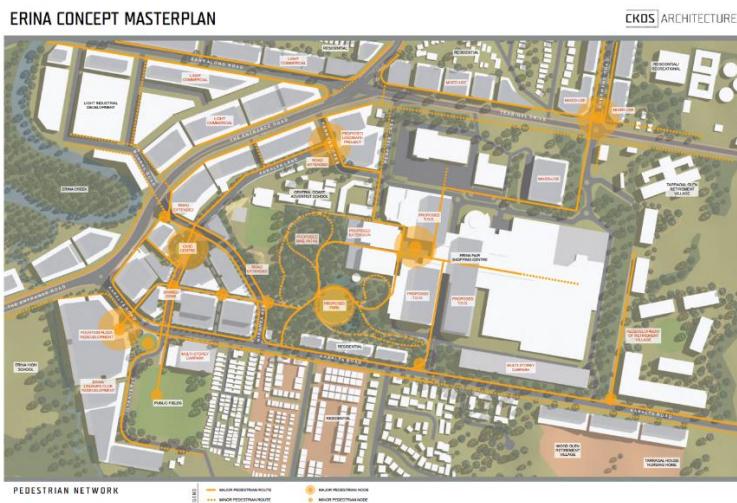
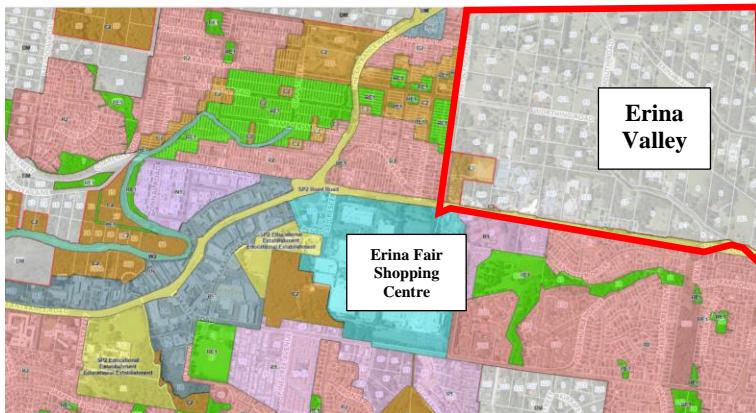


Figure 2: Erina Valley potential residential growth area



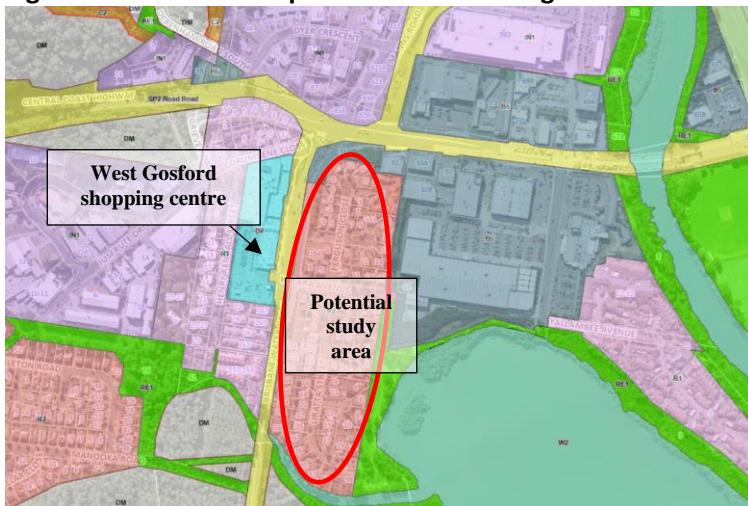
West Gosford

Figures 3 and 4 below show West Gosford site adjacent to the West Gosford shopping centre, close to employment land, public transport and recreation opportunities. Unlocking this precinct for higher density residential development is consistent with the goals and objectives of the CCRP.

Figure 3



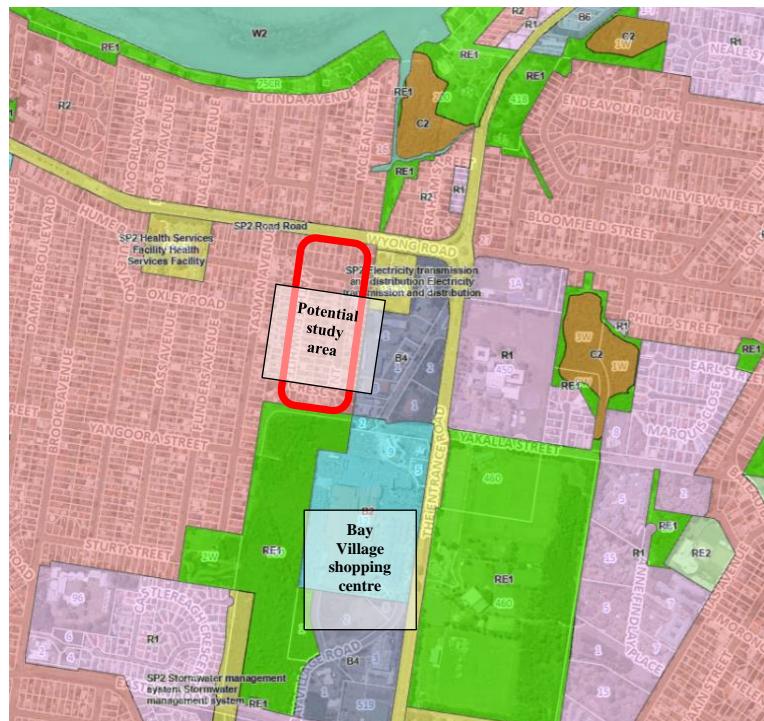
Figure 4: West Gosford potential residential growth area



Bateau Bay

Figure 5 below shows a site adjacent to the Bateau Bay shopping centre, and close to public transport, schools and recreation opportunities. Unlocking this precinct for higher density residential development is consistent with the goals and objectives of the CCRP.

Figure 5: Bateau Bay potential 'brownfield' residential growth area



Recommendation:

13 – Consider higher density growth opportunities in other areas such as Erina Valley, West Gosford and Bateau Bay.

Conclusion

UDIA stands ready to facilitate collaboration with the development industry and we look forward to working in partnership with Central Coast Council to deliver the housing needed.

Please contact Elizabeth York at eyork@udivansw.com.au with any follow up.

Kind Regards,


Steve Mann
Chief Executive
UDIA NSW


Caine King
Chair
Central Coast Chapter