

30 April 2025

Mr Pathum Gunasekara
Strategic Planning Policy Lead
Maitland City Council
Via email: pathum.gunasekara@maitland.nsw.gov.au

RE: DRAFT RESIDENTIAL DENSITY GUIDE

Dear Pathum,

Urban Development Institute of Australia NSW (UDIA) is the state's leading development industry body. We represent the leading participants in the industry and have more than 450 members across the entire spectrum of the industry including developers, financiers, builders, suppliers, architects, contractors, engineers, consultants, academics and state and local government bodies. We are proud to count Maitland City Council (Council) as a valued member.

UDIA invests in evidence-based research that informs our advocacy to state, federal and local government, so that development policies and critical investment are directed to where they are needed the most. Together with our members, we shape the places where people will live for generations to come and in doing so, we are city shapers. In NSW alone, the property industry creates more than \$581.4 billion in flow on activity, generates around 387,000 jobs and provides around \$61.7 billion in wages and salaries to workers and their families.

UDIA welcomes the opportunity to provide feedback on the draft Maitland Residential Density Guide (Guide). We acknowledge and support the intent of the Guide to facilitate greater housing diversity and choice within the Maitland Local Government Area (LGA), aligning with the objectives of the Maitland Local Housing Strategy 2041 (LHS), the *Hunter Regional Plan 2041* (Regional Plan) and the *Greater Newcastle Metropolitan Plan 2036* (GNMP).

UDIA generally supports the guidelines as listed within the draft Maitland Residential Density Guide, noting we have identified some specific concerns related to lifestyle villages, below.

In addition, we have significant concerns regarding the practical implementation of these guidelines overall, based on members' recent experiences with councils in the Hunter region. To genuinely achieve the Guide's objectives and foster greater housing diversity, we believe several key areas require attention by Council and offer the following recommendations. More detail is provided in the body of our submission.

Recommendations Summary:

1. Ensure the density provisions in the Guide are consistent with the *Greater Newcastle Metropolitan Plan* target of 15 dwellings per hectare for land proposed to be rezoned for greenfield suburban development and explicitly reference the applicable provisions from that document within the Guide.
2. Identify the publication of any updated Regional / Metropolitan plan(s) as an explicit trigger for reviewing and updating the Maitland Residential Density Guide, and describe how proposals will be managed during any period of misalignment between State- and Council-level density guidelines.
3. Update the Lifestyle Villages provisions to align with industry standards under the *Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2021*.
4. Acknowledge and actively address the existing implementation barriers within Maitland City Council processes and standards that have historically hindered the delivery of smaller lots and diverse housing typologies and demonstrate a clear commitment to implementing the Guide's principles in Council's assessment processes.
5. Develop and incorporate clear standards for laneways and small lot housing within the Development Control Plan and Manual of Engineering Standards.
6. Consider amendments to the Maitland Local Environmental Plan to reduce minimum lot sizes and introduce more flexible residential zones, drawing inspiration from successful examples in other Hunter LGAs (e.g., Lake Macquarie).
7. Cultivate and foster a consistent pro-density and housing diversity culture within Maitland City Council, which should be evident in pre-lodgement advice, information requests, and development approvals.
8. Monitor and report performance outcomes against the objectives of the Guide.

Dwelling density per hectare provisions

To ensure consistency and facilitate regional planning alignment, the provisions used for density calculations within the Maitland Residential Density Guide must remain in alignment with those established by the NSW Government in the *Hunter Regional Plan* and *Greater Newcastle Metropolitan Plan*. Any discrepancies could lead to confusion and hinder the intended outcomes of the Guide. We strongly encourage Council to review the Guide and ensure all provisions are aligned with the state's approach to local density within its currently adopted Plans.

We note these state strategic Plans are due to be reviewed and updated in the next 1-2 years, which may result in changes to current definitions and benchmarks. We encourage Council to

use those state-level strategic plan updates as a trigger to align this Guide with any changes to adopted definitions.

UDIA has identified a lack of definition for Gross Developable Area (GDA) and Net Developable Area (NDA) in the Regional Plan and GNMP. We note this Guide does not use these terms explicitly, but they would be relevant in discussions around development proposals. The lack of definition is a frustration for industry, as it can create uncertainty in the planning and assessment of proposed projects. We recommend NSW and local government adopt a consistent definition of these terms and we are hopeful the upcoming review of the Regional Plan will resolve this issue and subsequently be incorporated into Council's Guide.

We also acknowledge inconsistencies currently exist between the Regional Plan and GNMP approaches to density. For example, whereas the GNMP seeks to achieve 15 dwellings per hectare for greenfield suburban areas, the Regional Plan seeks to achieve a minimum of 30 dwellings per hectare in that scenario. We appreciate the flexibility offered in the Guide as Maitland moves in the direction of higher density. UDIA land-use audits indicate that greenfield subdivisions in Maitland are only currently achieving an average 9 dwellings per hectare. Based on the current state, we believe the Regional Plan's aspiration of 30 dwellings per hectare is too ambitious, especially given local infrastructure has already been sized and costed based on 10 dwellings per hectare under the repealed Maitland Urban Settlement Strategy. We believe the GNMP's 15 dwellings per hectare is more achievable in the near term for this type of development.

Apart from Lifestyle Villages as outlined in the next section, UDIA overall supports the Guide's ranges of suggested dwellings per hectare, which offer options to achieve greater housing diversity as a site permits and as market conditions evolve.

Recommendation 1: Ensure the density provisions in the Guide are consistent with the *Greater Newcastle Metropolitan Plan* target of 15 dwellings per hectare for land proposed to be rezoned for greenfield suburban development and explicitly reference the applicable provisions from that document within the Guide.

Recommendation 2: Identify the publication of any updated Regional / Metropolitan plan(s) as an explicit trigger for reviewing and updating the Maitland Residential Density Guide and describe how proposals will be managed during any period of misalignment between State- and Council-level density guidelines.

Align Lifestyle Villages provisions with the Regulations

There are key areas within the 'Lifestyle Village' section of the draft Guide that raise industry concerns. Several proposed provisions are inconsistent with current market practice and the statutory requirements under the *Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2021* (Regulation).

As written, the current provisions could severely restrict the practical ability to deliver a local high-quality lifestyle village. We recommend aligning the Guide's provisions with the Regulation to help meet Maitland's growing demand for downsizer homes, with the subsequent benefit of freeing up

existing residential stock for younger families. The table below highlights UDIA's key concerns and recommendations for the Lifestyle Village provisions.

| Draft Guide provisions under Diverse Housing – Lifestyle Village (p20) | Comment | UDIA Recommendation |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Density: 25–45 dwellings per hectare. | This density range is considerably higher than what is currently delivered by high-quality, modern over-50s lifestyle communities in NSW. | Adjust the guideline provision to 15–25 dwellings per hectare. This better aligns with market practice and supports compliance with site coverage (Clause 45) and open space requirements (Clause 46) of the Regulations. |
| Floor Space Ratio (FSR) – <i>Usually <0.4:1</i> | Depending on how this FSR is calculated, it may be too restrictive, particularly if applied on an individual site basis. The key attraction for residents in land lease communities is minimising private garden maintenance (often favouring smaller private spaces and artificial turf), while relying more on shared amenities and communal open spaces. | Rather than using FSR, apply the site coverage and open space controls outlined in Clauses 45 and 46 of the Regulations for consistency. |
| Typical Height – 8.5m–15m | Manufactured home communities predominantly deliver single-storey dwellings (~4–5m), although market trends increasingly include two-storey designs (~8–9m) and community buildings (e.g., clubhouses) potentially reaching modestly higher heights. | Revise the height range to 4m–15m. This accommodates single-storey homes, two-storey dwellings, and larger community facilities, providing needed flexibility without overstating the built form scale. |
| Landscaped Area – >40% site area | It is unclear whether this refers to individual dwelling sites or the overall development site. This proposed figure | Council should instead rely on existing regulatory frameworks, specifically: |

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|--|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>significantly exceeds the current requirements of the Regulations, potentially causing unnecessary restrictions on layout and design.</p> | <p>Clause 13 – Community Amenities:</p> <p>(1) A minimum of 10% of the total land area of a manufactured home estate must be reserved for recreation or communal activities.</p> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

UDIA and our Land Lease Community members are available to contribute additional expertise and knowledge to Council regarding the development of policy that supports delivery of this diverse housing sector in appropriate areas within the Maitland LGA. Please see Appendix A for further background information.

Recommendation 3: Update the Lifestyle Villages provisions to align with industry standards under the provisions of the *Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2021* as outlined in our submission.

Addressing historical implementation barriers

UDIA believes these guidelines, in principle, provide a sound framework for achieving greater residential density and housing diversity in Maitland.

However, despite the positive intent of this draft Guide, our members have experienced significant challenges in delivering diverse housing options in Maitland's identified greenfield growth areas, including smaller lots, due to existing Council practices and a lack of clear standards.

Evidence

- **Case Study 1 (Lochinvar):** The protracted and ultimately unsuccessful attempt to include rear-loaded lots in a recent Development Application (DA) at Lochinvar highlights the lack of established standards for laneways within Council's engineering standards and a reluctance by Council to accept "additional road assets". This contrasts with the recent successful approval of a similar approach in the Port Stephens LGA within a significantly shorter timeframe.
- **Case Study 2 (Port Stephens):** A successful DA in Port Stephens, including the creation of super-lots to facilitate rear-loaded lots and a supported Planning Proposal (PP) to reduce the minimum lot size within a M1 zone from 450sqm to 300sqm under delegation, demonstrates a more enabling approach to density and diversity in a neighbouring LGA.
- **Case Study 3 (current DA in Maitland):** The Joint Regional Planning Panel (JRRP) has requested that the DA be withdrawn by the applicant. One of the key issues cited is the limited policy position by Council on urban design and small lot housing.

These implementation barriers need to be acknowledged and actively addressed at Maitland City Council in order to realise the principles and goals outlined in the Guide.

Recommendation 4: Acknowledge and actively address the existing implementation barriers within Maitland City Council processes and standards that have historically hindered the delivery of smaller lots and diverse housing typologies, and demonstrate a clear commitment to implementing the Guide's principles in Council's assessment processes.

Development of clear standards for laneways and small lot housing

The absence of clear standards for laneways and small lot housing in the current Draft Development Control Plan (DCP) and Manual of Engineering Standards (MOES) creates uncertainty and hinders innovation in housing design and lot configuration. This forces developers towards less efficient density outcomes, such as relying heavily on dual occupancies.

To make the density guidelines possible to achieve, the DCP and MOES need to be amended to include comprehensive and practical standards for the design and construction of laneways. This effort should address issues such as width, access, servicing, and ownership/management.

In addition, clear and flexible standards for small lot housing design should be incorporated into the DCP and MOES, considering factors like setbacks, building envelopes, and private open space to ensure liveability and amenity.

Recommendation 5: Develop and incorporate clear standards for laneways and small lot housing within the DCP and MOES.

Strategic LEP amendments

The current Maitland Local Environmental Plan (LEP) may inadvertently restrict the delivery of diverse housing options through overly restrictive minimum lot sizes and zoning provisions. To alleviate this barrier, Council should proactively consider amendments to the LEP to:

- Reduce minimum lot sizes in appropriate residential zones to facilitate a wider range of housing choices.
- Explore the introduction of more flexible residential zones that encourage a mix of housing types, drawing inspiration from successful LEP amendments in LGAs like Lake Macquarie. This could include zones that explicitly support smaller lot housing and integrated housing options.

Recommendation 6: Consider amendments to the Maitland LEP to reduce minimum lot sizes and introduce more flexible residential zones, drawing inspiration from successful examples in other Hunter LGAs (e.g., Lake Macquarie).

Cultivating a pro-density and diversity culture

Achieving the objectives of the draft Residential Density Guide requires a fundamental shift towards a pro-density and housing diversity culture within Maitland City Council. This approach needs to be reflected in all stages of the development process. UDIA believes this can be accomplished by Council providing clear and consistent advice during pre-lodgement meetings that actively encourage innovative and diverse housing proposals; and by providing more focused information requests during the DA assessment process that avoid imposing unnecessary obstacles to well-designed, higher-density developments.

Ultimately, development approvals should reflect a commitment to the principles outlined in the Residential Density Guide and facilitate the delivery of diverse housing outcomes. To measure performance, Council should regularly evaluate whether the principles of the Guide are being implemented, and report against the delivery of its objectives. This monitoring and evaluation will assist Council with the necessary evidence to appropriately consider any future changes to the guidelines or to the processes, controls and standards Council utilises to implement them.

Recommendation 7: Cultivate and foster a consistent pro-density and housing diversity culture within Maitland City Council, which should be evident in pre-lodgement advice, information requests, and development approvals.

Recommendation 8: Monitor and report performance outcomes against the objectives of the Guide.

Conclusion

UDIA NSW believes that the draft Maitland Residential Density Guide has the potential to positively shape the future of housing in Maitland. However, its success hinges on a genuine commitment from Maitland City Council to address existing implementation barriers, develop clear standards, strategically amend the LEP, and foster a pro-density and diversity culture. We urge Council to consider our feedback and work collaboratively with the development industry to achieve the shared goal of providing a greater range of housing choices for the growing Maitland community. For any follow up, please contact UDIA's Regional Manager Elizabeth York at eyork@udiansw.com.au.

Kind regards,



Hon Stuart Ayres
Chief Executive Officer

APPENDIX A

Background on Land Lease Sector

The Land Lease sector presently has circa 530 residential communities registered across NSW, with 25,000 homes accommodating over 45,000 residents in NSW. LLC developers in NSW utilise the existing regulatory framework under the *Local Government Act 1993* (LG Act) and the *Residential (Land Lease) Communities Act 2013*.

Many established assets include caravan parks, older manufactured home estates and mixed communities. Traditional parks can broadly be classified as 'Generation 1' and evolved predominantly from caravan parks. However, more recent 'Generation 2' assets comprise lifestyle communities for over 55s that are more akin to traditional medium density housing estates and independent living. See more detail below.

The Land Lease sector is delivering a large volume of new housing supply, attracting significant capital investment, and enabling high quality development in many parts of NSW.

Maitland City Council's State of Our City Report (2022–2024) and Local Housing Strategy 2041 both acknowledge the pressing need for more seniors housing. The State of Our City Report includes the following statement:

"By 2041, an additional 14,800 individuals aged 65 and over are projected to reside in the area. This demographic change necessitates enhanced healthcare services, age friendly infrastructure, and accessible housing options for older adults. It also presents opportunities for economic growth in sectors such as healthcare, aged care, and related services. Policies must focus on creating inclusive communities that support the wellbeing and active participation of older residents."

Under the existing Land Lease Communities model, a homeowner purchases the house within the community but pays a regular site fee to lease the land it sits upon. This means older households are able to release the equity of their family home by downsizing into a well located home with good access to community amenities and services while still retaining ownership of their own home. This model is enabled by the existing regulatory framework, which allows a developer to create communities with new housing supply while attracting capital investment underpinned by recurrent income from site fees. Unlike other sectors, homeowners in LLC communities face no exit fees, they retain the full increase in the value of the home when they choose to sell.

Although Queensland is the dominant market for LLCs in Australia, there is significant opportunity for expansion in NSW to meet growing demand for downsizer homes, with the subsequent benefit of freeing up existing residential stock for younger families. In Maitland, we are aware of members seeking to offer 'Generation 2' lifestyle land lease communities. We have offered recommendations in our submission aimed at ensuring the Guide does not inadvertently impede the delivery of high-quality communities from this sector.

Difference between Generation 1 and Generation 2 homes

Two main types of manufactured homes

Generation One

- Originated in caravan parks as low-cost housing
- Pre-fabricated and delivered to site
- Less accessible as above ground (require stairs or ramp)
- Limited architectural merit and poorer streetscape
- Lower quality
- Less desirable downsize option



Generation Two

- Evolved over the past 20 years with new relocation method
- Constructed on site and engineered to be relocated
- Fully accessible as built on ground
- Higher quality
- Safer as no large transportation
- Very desirable downsize option freeing up family homes

