

29 November 2024

Mr Andrew Moore
Chief Executive Officer
Penrith City Council
PO Box 60
Penrith NSW 2751

RE: Draft St Marys Town Centre Master Plan Documents

Dear Mr Moore,

The 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.

UDIA NSW invests in evidence-based research that informs our advocacy to state, federal and local government, so that development policies are developed to best meet user needs and ensure critical investment is 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.

UDIA NSW welcomes the opportunity to make a submission on Penrith City Council's, Draft St Marys Town Centre Master Plan and supporting technical studies. The proposed strategy provides a clear plan for St Marys with significant detail including plans for supporting community infrastructure. This allows developers and the community to understand exactly what is expected with an excellent cohesive urban outcome.

The Master Plan's use of a broadbrush planning framework and zoning is commendable. It supports adaptability to market conditions, community needs, and future infrastructure developments. Avoiding excessive detail in statutory controls helps reduce the need for frequent amendments, supporting ongoing viability and responsiveness.

UDIA NSW has prepared this submission noting that we strongly support the plans and have suggested some items to consider to further improve the plan, as well as emphasise key items that are strongly supported. In preparing a submission we have had an opportunity to canvass the proposal with our members who have experience with infill development across Sydney, with feedback structured under key heading themes for feedback.

Further opportunity to increase the proposed density within the town centre and further leverage opportunities created by modern mass transit.

The current height and FSR controls do not fully reflect St Marys' potential as a major transit hub, given its connection to both Metro and heavy rail networks. Allowing higher densities and FSRs, especially near the transport interchanges and along Queen Street, will better align with its role as a key centre and support a more sustainable transit-oriented development model.

It is recommended that Council consider increased heights and FSR in the areas closest to transport and enable a denser, mixed-use environment that capitalises on St Marys' connectivity, encouraging both residential and commercial growth while reducing reliance on car travel.

DCP with outcomes-focused approach

In finalising the Development Control Plan (DCP) for St Marys town centre, Council should ensure design controls strike the right balance between regulation and flexibility to foster innovation and project viability. Design standards should foster adaptability, flexibility and encourage market-responsive and innovative solutions. Overly prescriptive controls, such as rigid height and setback requirements, can limit flexibility and undermine the feasibility of projects.

By adopting an outcomes-focused approach to design standards, quality can be maintained while allowing for a range of diverse and viable design solutions. This approach strikes a balance between maintaining high standards and enabling the flexibility needed for successful development.

Non-residential floor space ratio (FSR)

The master plan establishes a minimum non-residential floor space ratio (FSR) of 2.2:1 near the station precinct and 1.4:1 at the northern end of Queen Street, aiming to increase local employment opportunities and economic activity within the town centre. We are concerned this high quantum of commercial floor space could be unviable in St Marys under current and future market conditions. The mandated minimum FSRs of 2.2:1 and 1.4:1 risk leading to vacant or underutilised commercial spaces, as tenant demand might not align with supply. Additionally, such requirements could detract from other nearby centres by diverting demand, potentially weakening the economic viability of both St Marys and surrounding areas.

It is recommended that Council conducts comprehensive market analysis that would help ensure these FSR requirements align with actual demand, balancing feasibility and sustainable growth. Adjusting the FSR or adopting a flexible approach would better align development with local demand, creating a mix of commercial and residential uses that is more responsive to economic conditions.

Affordable Housing Provisions

The affordable housing provision of 2% is a positive outcome. Allowing up to 2% of affordable housing to be retained in ownership, subject to a viability assessment, provides improved flexibility and supports financial feasibility, while delivering affordable housing objectives and outcomes.

Design Excellence

The need for design excellence in the St Marys town centre is fully supported by UDIA NSW. While specific detail is required to fully understand the proposed design excellence process, UDIA NSW supports the very workable processes that are leading to excellent outcomes, such as within the Penrith city centre. This design excellence process is referenced in the master plan and EIE documents as the precedent Council aims to replicate. This is strongly supported, along with Architectural Design Competitions not being required.

Open Space

The intent for the delivery of quality open space to support increased density across St Marys is supported. It would be beneficial for Penrith City Council to explore options and nominate the planning mechanism to deliver the public space.

Testing of solar access for open space as per standard design practice (e.g. extent of solar access at 9am / 12noon / 3pm on 21 June), is noted as an action that is still required to be undertaken. This work should be completed concurrently to the finalisation of the master planning process, with outcomes integrated into the master plan and planning controls prior to finalisation. This methodology will provide certainty for industry, ensuring sites adjacent open space can be delivered in alignment with the vision and expected planning controls, and not becoming diluted due to unexpected solar access requirements.

Governance for delivery

Effective governance to curate the delivery of the St Marys Town Centre Master Plan is essential, especially in areas with fragmented land ownership. A cohesive governance model will help ensure equitable infrastructure funding and land value uplift, preventing disproportionate financial burdens on individual landowners or developers.

In support of a stronger governance structure UDIA NSW would also encourage Penrith City Council to invest further in the capability and capacity of the St Mary's Town Centre Corporation. The NSW Government is currently undertaking a pilot program for 'Community Improvement Districts' and St Mary's using the Town Centre Corporation looks an ideal place to pilot new improvement district models. As a town centre that will be an interchange between metro and heavy rail, the primary connection point for Western Sydney International Airport customers accessing the Sydney Rail network and, in the future, the connection point for further rail links to Metro North West, St Mary's needs a well-funded, sustainable and high performing town centre corporation unambiguously focused on driving local commercial opportunities.

Effective governance will also overcome unforeseen issues that are common in the delivery phases of increased density adjacent transport opportunities like St Marys. Industry is open for ongoing collaboration with Council to assist with advice (e.g. panel

of expert advisors) and other matters as the project phase transitions from planning to delivery.

UDIA NSW welcomes the opportunity to provide this submission and provides an offer to Council to meet and discuss this feedback in further detail. In the meantime, if you need anything, please feel free to contact me directly or David Petrie, Director Infrastructure at dpetrie@udiansw.com.au or on 0447 646 202.

Kind regards,

A handwritten signature in black ink, appearing to read 'Stuart Ayres', with a stylized flourish at the end.

Hon. Stuart Ayres
Chief Executive Officer
UDIA NSW