

30 August 2024

Department of Planning, Housing and Infrastructure

RE: Crows Nest - Transport Oriented Development (TOD) accelerated precinct.

I am writing to you regarding the above proposal which is currently on public exhibition. Unfortunately, **Shelter NSW cannot support the overall EIE or this precinct-specific proposal (in its current forms) and will therefore, be lodging an objection.**

Shelter NSW is the State's peak housing advocacy and policy body. We are a not-for-profit organisation working to ensure policies, practices and legislation recognise the dignity of all individuals through quality, secure, accessible and genuinely affordable housing. Our advice is grounded in evidence and research and is always independent. We are particularly concerned for lower income people, especially renters right across NSW who struggle with 'rental stress' and insecurity.

At Shelter NSW we believe that growth should be fair and inclusive – improving the life of all people; built on the foundation of a secure home for all.

Shelter NSW supports the urban renewal of transit centres in ways that make them more inclusive. In early December 2023, the NSW Government announced the long-anticipated Transport Oriented Development (TOD) program, intended to drive significant increases in housing supply around transport hubs in Greater Sydney, the Central Coast, Illawarra and the Hunter.

Prior to this, Shelter NSW had partnered with the Planning Institute of Australia (NSW) and within the Sydney Alliance calling for substantial proportions of affordable rental housing to be required within any future upzoned transport precincts (under a Mandatory Inclusionary Zoning MIZ framework); and for that affordable housing to be required to be in perpetuity, managed by not-for-profit community housing providers.

To ensure an effective response to local communities we called for master planning and co-operation between levels of Government.

We commend the NSW Government for ensuring that regulated and genuinely affordable rental housing will be a part of any new, well located housing supply. We noted that done

well, and at scale, this could be a game changer for NSW communities and especially low-medium income renters.

We acknowledge that while housing supply is currently constrained (by broader economic conditions) in all likelihood the cyclical housing market will swing back. We want to ensure that when it does, housing supply, especially in denser urban environments is accompanied by an equally strong growth in genuinely affordable and accessible housing (secured and regulated for low-medium income earners).

Since the NSW Government announcements about the overall TOD program (Tiers 1 and 2) we have learned more about the Department of Planning, Housing and Infrastructure (DPHI)'s overall approach and more detail about individual precinct proposals.

We understand that the Tier 1 Accelerated Precincts are Government-led rezonings within an area up 1,200 metres around identified high growth 'priority transport' hubs. Key housing requirements originally announced were for up to 15% 'affordable housing', managed by registered community housing organisations, to be held 'in perpetuity'.

While Shelter NSW understood that the exact details of the affordable housing requirements might vary from the precinct to precinct, we have been very concerned to see potential rates as low as 3% being formally considered by DPHI.

In an overall sense, we are concerned that apparent disparities and inconsistencies (across the Tier 1 precincts) potentially reflect a lack of common principles and coherent approach. With the absence of anything from DPHI to explain its approach, the level of required contributions often appears to be arbitrary, not linked to the specific locational value uplift and changes to the planning controls.

The table below (prepared by Shelter NSW assembled from DPHI data) indicates the various affordable housing rates being considered for each precinct. We have noted the use of ranges (per site) as well as the differences between each of the precincts.

At its least ambitious just **2,835** affordable rental dwellings might be delivered across the precincts versus **6,190** at the Department's high-end but versus the **9,323** we and the broader community might have expected to secure (if a 15% or higher rate was to be applied).

| Affordable Housing (AH) in 7 x Accelerated TOD precincts in Sydney | | | | | |
|---|-----------------|-------------------------|--------|--------------------------|--------|
| Kellyville & Bella Vista, Hornsby, Macquarie Park, Crows Nest | | | | | |
| Bankstown, Homebush & Bays West (2025) | | | | | |
| Precinct | Total dwellings | AH -Low end (dwellings) | % | AH -High end (dwellings) | % |
| K & B | 20,700 | 620 | 3.00% | 1,650 | 7.97% |
| Hornsby | 5,000 | 250 | 5.00% | 500 | 10.00% |
| Mac Park | 4,600 | 460 | 10.00% | 690 | 15.00% |
| Crows Nest | 3,255 | 325 | 9.98% | 490 | 15.05% |
| Bankstown | 12,500 | 375 | 3.00% | 1,250 | 10.00% |
| Homebush | 16,100 | 805 | 5.00% | 1,610 | 10.00% |
| Total | 62,155 | 2,835 | | 6,190 | |

Source DPHI website

Our key concerns with these proposals:

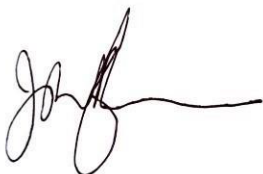
- **A public and high-profile announcement of up to 15% affordable housing rates was part of the 'density deal' sold to the broader community** – the lower rates being considered undermine the general promise and delivery of the TOD program. In the case of Crows Nest that may be 10% (165 fewer dwellings).
- **Proposing a range of affordable housing contributions for an individual precinct is poor practice** and already sending confused signals to the market (with flow on impacts into local communities already subject to property developer 'doorknocking').
- **The lowest common denominator should be avoided** – if the higher affordable housing rates have already been deemed 'feasible' by DPHI it should be adopted (why is this subject to consultation or lobbying efforts?). In the case of Crows Nest, if 15% has already been deemed feasible why suggest a lower rate of 10%?
- In the case of a 15% rate not being committed to upon implementation, there **needs to be a clear provision for the ramping up of these contribution rates over say a three year period** and according to a published schedule. This is consistent with the proposal to do this with the Tier 2 TOD program (though we note, with concern, that the NSW Government has not yet published the schedule).

- There **needs to be explicit consideration of the existing low-cost housing (and households) that will be displaced** by development in some of these precincts. For example, in Homebush and Bankstown. The latter has been a long-held concern for Shelter NSW with the [Canterbury-Bankstown LGA](#) and corridor been long-targeted for housing growth. For more information, I refer you to our published article: [Density Done Well - Not all TODs are Equal - Shelter NSW](#) and specifically this image: [TOD-SEPP-Affordable-Housing.pdf \(shelternsw.org.au\)](#)
- **Lack of clear policy and practice expectations guiding the development of TOD Affordable Housing Contribution Schemes (AHCSs)** threatening to undermine the translation of stated policy intentions into affordable homes. We understand however, that a draft scheme has been exhibited in the case of the Macquarie Park Accelerated precinct.
- **Any resulting affordable housing (and tenancies) should be managed by registered Not-For-Profit Community Housing Providers** (not property developers which can be registered as CHPs).

Shelter NSW is also encouraging the NSW Government to look to the future and its legacy. Specifically, we are calling for affordable housing contribution rates to be scaled up from 15% up for Years 4, 5, 6 and beyond, to be applied to the current and any future TOD Accelerated Precinct. Early announcement of this (in 2024) would provide certainty to the market, community and future-proof the housing supply of the TOD program. Importantly, it would enable Greater Sydney and NSW to join the ranks of other global jurisdictions like London, where such requirements are understood and routinely delivered on.

We ask that you give serious consideration to the observation we have made and concerns we have raised. Please do not hesitate to contact us if we can be of assistance.

Yours sincerely,



John Engeler
Chief Executive Officer, Shelter NSW