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Waterloo redevelopment – worrying signs from State Government

Urban Taskforce Chief Executive, Tom Forrest, said today that the State Government is increasingly showing signs of kowtowing to local Government as the September Local Government elections approach and this is the last thing the recovering NSW economy needs.

“The plans of Land and Housing Corporation (LAHC) for high density development at Waterloo, surrounding the new Metro station, are essential. There is a drastic shortage in supply in housing in Sydney – that is why prices are going up – even with zero migration. The catastrophic Waterloo Housing estate is perfect for redevelopment with urban density. High rise, high density development will pay for the replacement of the abysmal social housing stock with new modern apartments as well as providing much needed general housing supply close to the CBD of Sydney and serviced by the new high speed, high frequency metro line.” Mr Forrest said.

“The worrying sign here is the trend. Where there is any sign of community objection, the State Government abandons economic growth and goes with the NIMBYs. The Minister for Planning appears to be letting down first home buyers by pandering to Councils wanting to restrict sensible housing development like that proposed by Minister Pavey and LAHC. What is going on?”

“Ryde Council and Ku-ring-gai Council have made it clear that they will not accept the Greater Sydney Commission’s housing targets for the next 5 years – and nothing is being done about it. DPIE dropped the proposed housing density by 30% in the St Leonards to Crows Nest strategy – even though it is supported by 2 new Metro stations. The redevelopment of the Parramatta Rd corridor has ground to a halt with housing targets slashed – despite the completion of the West Connex tunnel.

“Now the City of Sydney is bullying the Minister for Planning into squandering the opportunity for a solid contribution to housing supply as proposed by Minister Pavey and the Land and Housing Corporation. As the Council elections get nearer, Councils know the State Government won’t lift a finger to upset them (unless it is Transport for NSW!).

“Securing every opportunity for maximum density for Transport Oriented Developments (developments above or near new Rail or Metro infrastructure) is critical to managing the growth of Sydney’s population without threatening the character of the suburbs of Sydney. If the planners low-ball Transport oriented developments, then the growth in population is forced into the suburbs. Single story dwellings will be converted to town-houses.

Mr Forrest said that it is true that during COVID, there has been a mini-boom in free-standing house and land development on the fringes of Sydney, boosted by low interest rates, Stamp Duty concessions for first home buyers and by HomeBuilder grants from the Commonwealth – but this has done nothing to address the under-supply crisis. Developers have been keen to build in greenfield locations because the prices are very strong – but this is fundamentally due to a lack of supply across the entire Greater Sydney region and its surrounds.

In Greater Sydney, 70% of new dwellings are apartments. The increase in greenfield development has not significantly changed this.

“LAHC got it right with their proposal for high density at Waterloo. If Minister Stokes really cares about affordable housing, then he must address the housing under supply. The primary driver of the under-supply crisis and rising prices is the failure of the planning system.

“The NSW planning system has become expert in killing off government reforms through institutionalised procrastination dressed up as community consultation and stakeholder engagement. It is unclear where this is coming from – the Government, the leadership or the culture of the organisation? Whatever the cause may be – it has to change. NSW can’t afford to pander to local council NIMBY groups just because a local council election are approaching.

Mr Forrest said the Commonwealth and State Treasurers are highlighting the importance of the return of migration and international students for our economy. Unless this message goes consistently to all players in the NSW planning system – the under-supply crisis will grow.

*The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.*

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