

25 October 2024

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To whom it may concern

Chatswood CBD Discussion Paper

Urban Taskforce Australia welcomes Willoughby Council's engagement with stakeholders in an open discussion of ideas to realign Chatswood Centre's strategy and revitalise its core, given the new planning setting arising from the State Government's planning reforms.

Urban Taskforce sees considerable opportunity in Willoughby's local government area. It is appropriate to update the Chatswood CBD Planning and Urban Design Strategy 2036 from a post-pandemic perspective with consideration to today's urban issues.

Chatswood CBD is an outlier among CBD centres across Greater Sydney in that other local government areas have pivoted from purely commercial core centres to the promotion of thriving multifunctional urban precincts based on mixed-use development.

However, this transition will require changes in planning philosophy to one that supports development feasibility through allowing for a flexible approach to CBD core development.

What is the critical amount of office space required to sustain a thriving commercial centre?

While extent is important in context, thriving commercial centres are found in towns and cities of all sizes. Other aspects of the urban condition should be focused on. Moreover, strategies that foresee homogeneous commercial usage, create frenzy (contrasted with vibrancy) at peak hours and lunches leaving a largely lifeless urban space outside of the working day cycle.

Chatswood can be characterised as a commercial precinct that has atrophied under a well-intentioned, yet clearly failed, obsession for preserving the urban centre as purely commercial core. This has stifled Chatswood pre-pandemic and is now on the verge of becoming an embarrassing example of mis-planning.

It is widely accepted in both urban academia and by practitioners, that urban vibrancy and liveability come from a diversity of land uses, with the benefits to urban resilience stemming from diverse land uses and business types being readily demonstrated (notable recent work includes: [Yang et al., 2024](#), [Fu et al., 2021](#) and [Gao et al., 2024](#)). An approach to achieving this vibrancy in Chatswood should begin with embracing a strategy of mixed-use land usage.

When crafted well, mixed-use policy applied to CBDs allows the blend of residential, commercial, and recreational spaces to create heterogeneous urban activity that helps the creation of dynamic urban precincts.

The embodiment of live-work-play communities championed by Frank Sartor as Lord Mayor of the City of Sydney showed the way for declining civic centres like Chatswood. These enlivened precincts are attractive and active both day and night, diversifying the types of businesses present in Chatswood, and fostering economic resilience. This encouragement of diversity supports emerging local businesses and can help mitigate risks associated with economic downturns affecting specific sectors.

The 20.6 per cent office vacancy rate given in the Whitepaper demonstrates that office usage has not bounced back from the Pandemic and is likely not to as remote interface technologies progress. Chatswood's CBD should be showing its resilience now, in the form of responding to office vacancies and the housing crisis by driving a strategy of mixed use in the CBD core. New housing stock will bring new workers seeking proximity to their offices which will lower these vacancy rates.

If a true revitalisation of Chatswood centre is the goal, prescriptive and targeted mandates for the commercial core should be avoided. Broad policy change is critical to enabling the private sector to act in the mid-term and deliver the housing the CBD desperately needs.

Infrastructure impacts play less of a role in a precinct with a substantial bus terminal, heavy rail and metro stations. Traffic impacts such as traffic generation and parking provision can be moderated through low-traffic-impact buildings, and through allaying parking rate to attract buyer/renters who don't require parking.

Council should pivot from the previous 'pure commercial core' of the Chatswood CBD Planning and Urban Design Strategy 2036 to a dynamic and diverse mixed-use urban hub, where new housing in the centre brings jobs and stimulates the local economy, aligning with the broader goal of creating a dynamic, vibrant, and economically sustainable urban centre.

How will the recent upgrades to Sydney Metro impact the demand for office development in Chatswood CBD?

The new Metro gives Chatswood the opportunity to become a destination CBD core, as well as a perfectly placed hub of mixed-use residential development.

This is the very foundation of the development of the entirety of Tokyo, and great cities like New York, Paris, and Singapore. Mixed-use development on top of Metro stations – creating opportunities for employment, retail shopping, entertainment, and residential living with amenity.

What are the likely benefits of allowing mixed-use development in the commercial core of the Chatswood CBD?

This is the central proposal of the Urban Taskforce thesis for the Chatswood CBD core. Mixed use development with flexibility to ensure that the mix is feasible from a development perspective is what gives effect to the live-work-play vision for a better Chatswood.

The relative success of new CBD areas of Sydney including Parramatta, Bankstown, Liverpool, Burwood, Penrith and Hurstville has been their adoption of greater height and density as well as the warm embrace of mixed-use development. The welcoming of people living in the CBD creates an after-hours vibe that Chatswood lacks.

What are the likely challenges associated with allowing mixed-use development in the commercial core of the Chatswood CBD?

The adoption of a flexible mixed use zoning designation can only be positive for the commercial centre of Chatswood. New commercial tower development in the CBD core area has been frustrated by Council's previous position which opposed residential development in the CBD core area. Allowing for a reasonable non-commercial use would actually deliver more commercial floor space than a site lying idle while capital is invested in other CBD areas. That is exactly what has happened over the last 20 years.

How can Council achieve the right balance of employment and housing in the Chatswood CBD?

The future of employment will look vastly different from the practices and structures of today.

The shift in workplace practices arising from digitisation and out-of-office working arrangements along with the post-COVID trends in demand for commercial office space are uncertain.

It is far from obvious whether demand for commercial space will increase or decrease in the short or medium term, however the likelihood is that space requirements will be very different.

Current trends point to traditional office use declining further with new flexible, mixed-use urban spaces becoming the supporting infrastructure to new industries aligned with contemporary practices.

This includes remote working, knowledge-intensive services, and creative industries, which are all growing, and all have differing demands on commercial office space. Chatswood must have a planning system that can quickly and flexibly respond to enable it to grow as a centre which is a relevant employment destination which caters for the needs of future workers.

The notion that current commercial or non-residential capacity should grow or be exclusively safeguarded in the city centre (CBD core), flies in the face of the need for the amelioration of the housing crisis and the proximity of Chatswood to transport hubs.

The focus for today is on increasing the flexibility to deliver housing through mixed use precincts which are financially feasible to deliver. Nothing is worse than an empty building or a static development site. Too many of these exist in Chatswood.

The planning framework must be capable in responding to market demand.

Market demand regulates what the private sector delivers. No other stakeholder is better incentivised to predict market behaviour, than the proponent who stands to win or lose the most from the outcome.

When a prescriptive limitation is placed on a project through zoning, the sometimes conflicts with market demand. This is where flexibility to alter non-residential minimums and other land use controls comes in.

Where planners set strict obligations through restrictive and prescriptive zoning, this results in financiers identifying risk that there may not be demand for that land-use in that location, thus importing risk and the consequent additional premiums on credit.

Prescriptive non-residential floorspace minimums should, at least over the National Housing Accord period, be exempt from all sites, excluding ground floor retail. Where mandated usage types must be prescribed, Council should provide height and density incentives in line with the Infill Affordable Housing Bonus, to allow project feasibility and increase housing supply at a rate capturable before the end of the Accord.

What potential land use conflicts might arise with mixed-use development in the commercial centre and how could these be managed through planning controls, design guidelines or conditions of consent?

Dual Affordable Housing Contribution Schemes

Urban Taskforce members have expressed significant concern over the methodology for Affordable Housing calculations. Under this Housing SEPP there are two mechanisms for the delivery of affordable housing applicable to each development project: local government affordable housing policy and the In-fill Affordable Housing bonus. Worse, if a precinct is designated as a TOD (which to date Chatswood is not, but could be soon), a third and fourth method of dealing with affordable housing would apply.

This area of policy is a mess.

Only one affordable housing scheme should apply in any locality, precinct, or circumstance.

The problem is the 'double dip' on affordable housing taxes (or contributions as sometimes euphemistically branded).

Where an infill affordable bonus applies, no Council based LEP affordable Housing provision should apply.

Where a Tier 1 or Tier 2 Affordable Housing provision applies, no Council based LEP affordable Housing provision should apply.

Affordable Housing supply in the Chatswood CBD has produced negligible outcomes. Perhaps this was the former Council's intent? Nonetheless, their failed scheme should be dispensed with immediately.

The reason is that these affordable housing taxes (or contributions) massively impacts on project development, housing supply and employment generation. They are used by some planners to ensure that the outcome is no housing in CBD core areas. This has certainly been the case in Chatswood.

Local Council Affordable Housing Levy

In the context of the housing supply crisis, the concrete solution for balancing both inclusivity and sustainability is the provision of more market housing to meet demand, with a single affordable housing scheme applied to any development (if any).

Any additional levies on development projects, must be made up somewhere on the project. The reduction or loss of return from affordable housing 'contributions' are transferred directly to the consumers of the market housing on the same project.

The Affordable Housing Scheme is a specious solution, temporary at best and available for only a chosen few.

Adding burdensome Affordable Housing Levies to projects will reduce the number of projects that are feasible and therefore the supply of housing.

The exacerbation of the housing crisis for everyone due to the reduction in housing supply far out weights the temporary benefits of affordable housing to those who are eligible.

What infrastructure and amenity upgrades does Council need to consider and how should these be prioritised?

The benefit of Chatswood CBD core as a precinct is that it is incredibly well serviced by transport options. Bike paths, the Metro, the Heavy rail line and a comprehensive bus network – all benefit residents and employees working in the Chatswood CBD core.

S. 7.11 charges could be well used by Council to pay for upgrades to local green spaces, public open spaces and community facilities. The NSW government has confirmed that there are no issues over the water infrastructure for an expansion of residential capacity in the Chatswood CBD core.

Great news for Chatswood – the usual regime of development fees should meet this demand for local and community infrastructure.

What is the best approach for funding and delivering infrastructure and amenity upgrades?

Increasing these or any cost to the supply of housing, in the current land-economic environment, will inhibit housing supply and raise the cost to consumer for new homes.

The use of voluntary planning agreements where developers provide contributions toward infrastructure by agreement, in exchange for certain development rights and incentives, should be considered.

While Willoughby Council currently does not have bonus height and density incentives scheme, where developers deliver contributions to community infrastructure in return for additional height and density of CBD core development. This notably exists in Burwood and Liverpool, centres which have thrived while Chatswood has diminished.

What are the specific actions Council should take to ensure the CBD remains resilient and has the capacity to respond to current priorities while still achieving longer term strategic objectives? How can planning incentives be used?

From the outset of the Transport Oriented Development Program, Urban Taskforce have questioned why Chatswood was not included in the Tier 1 Precincts (now called an Accelerated Precincts). Chatswood is well provisioned with social and transport infrastructure and urgently in need of a concrete planning framework to attract investment to facilitate a revitalisation of the commercial core.

While the question in the Discussion Paper presumes that Chatswood is resilient, the fact is it has gone backwards as a commercial locality and its resilience has been sorely tested.

By working with State Government with Chatswood CBD core designated an Accelerated Precinct, rather than planning the height and density for every lot, Council could define the area where growth is desired and call for expressions of interest from the private sector that propose heights and density that are feasible.

To stimulate private sector investment and promote vibrancy and housing supply, planning reforms should apply to the areas outside any Tier 1 precinct designation.

In this case, for a 1.2km radius of Chatswood station, a minimum floor space ratio of 3:1 and a bonus of 20%-30% height and floor space ratio in all the above areas to achieve 10%-15% affordable housing operated by a CHP for 15 years should apply to those areas between the Tier 1 boundaries and the 1.2km radius.

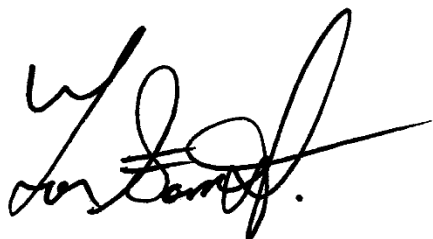
Conclusion

We trust that the answers provided to the discussion paper questions in this submission will aid the realisation of Willoughby City Council's paraphrased strategic goal: to build on its position as a once great commercial hub while balancing the need for residential development and preserving the economic integrity of the precinct through a strong employment base.

Now is the time to respond to the commercial vacancy issue and the housing crisis, through an affirmative vision that attracts private investment and revitalised the precinct.

Should you wish to discuss any aspect of this submission further, please call our Head of Policy, Planning and Research, Benjamin Gellie on 0461566807 or via email benjamin@urbantaskforce.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a large, stylized flourish extending from the end of the signature.

Tom Forrest
Chief Executive Officer

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