Urban Living Network covers news about new homes and apartment developments, retail trends, job locations, density related to railway stations, urban projects on city fringes, strata and planning reforms. We aim to provide real data on trends, housing supply and demographic change. ULN is essential reading for all those involved in urban living including politicians, councils, planners, architects, developers, financiers, legal firms, real estate agents and strata bodies.

Tom Forrest
CEO - Urban Taskforce Australia

5 May 2023

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Be wary of anyone that claims there is not a housing supply crisis!

The Conjurer, Hieronymus Bosch

The biggest risk to the Minns Government's desire to drive housing supply is confusion among many planners between land that has been re-zoned for housing and land that is ready for developers to deliver greater housing supply.

The former Secretary humiliated himself in front of a room full of developers at a UDIA function in mid-2021, when he denied the existence of any housing supply crisis, accusing developers of sloganeering. He claimed that there were over 100,000 dwellings able to be developed on land that had been zoned for residential buildings and accused the property development and construction sector of dragging the chain. Tell that to anyone suffering rent rises and mortgage stress today.

What the former Secretary of Planning failed to appreciate was the fact that zoning land is just the first step in the process of approvals. In order for land to be developed the following must also be in place:

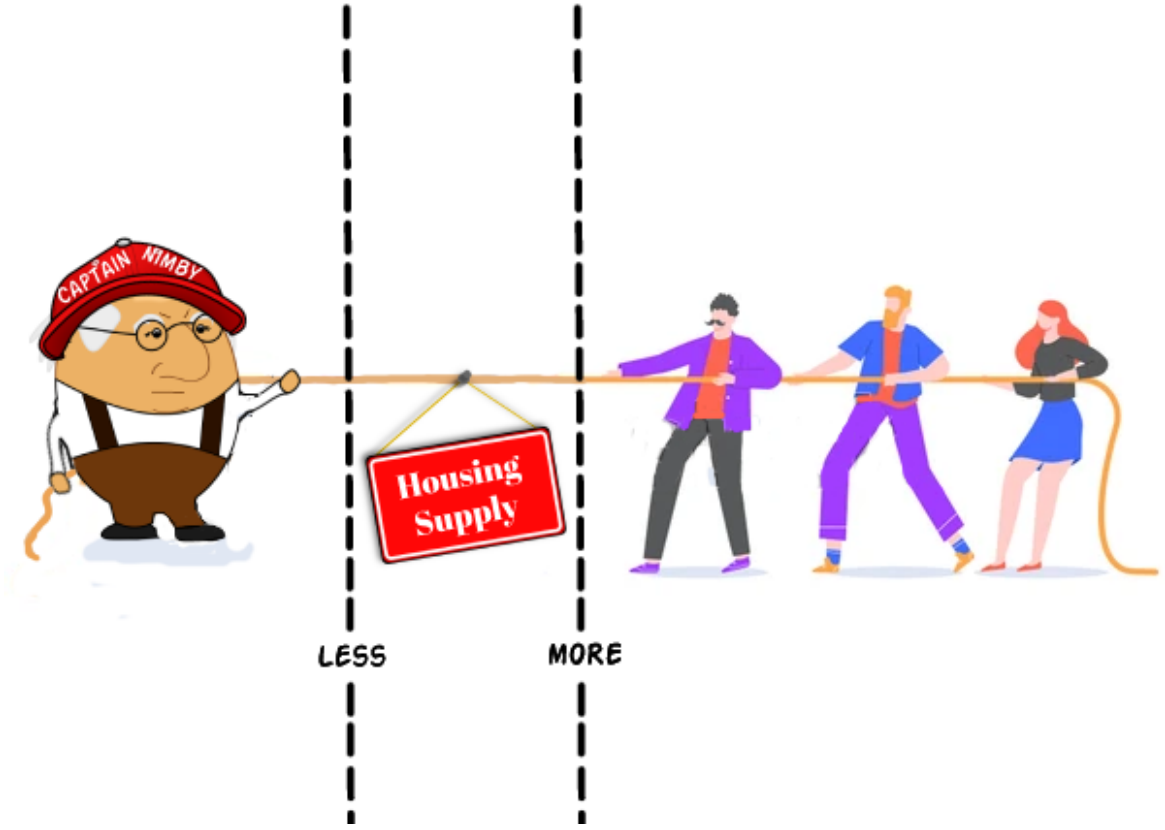
- Land must be serviced by core infrastructure (State Classified roads, water supply, sewerage pumping and treatment plants and stormwater drainage)
- Land ownership must be consolidated and not fragmented among multiple owners
- There must be demand from homebuyers for the type of zoning deemed permissible (eg. it turns out, there was not a lot of demand for high rise living at Leppington station so despite being zoned back in the mid 2000s, there is not much more at Leppington station than a multi-story station car park!)

One of the big failures of the planning system in NSW was the mass rezoning of vast swathes of Western Sydney surrounding the aerotropolis, before there were plans for the delivery of infrastructure. Not only were there no plans, no costings and no budget allocations, but the pre-mature rezoning meant that the price of the land corridors immediately jumped, delivering a windfall gain for the landowners at taxpayers' expense. Suddenly, the cost of the delivery of core infrastructure jumped.

Urban Taskforce members are reporting that senior planning officials are trying to use the same pea and thimble trick on the new Government, telling them there is plenty of zoned land available to cater for anticipated population growth.

It was this very example of intellectual malaise that got us to where we are to today and we can't afford for it to be repeated.

As immigration booms, gated NIMBY communities must accept growth



In this week's contribution to the free on-line construction industry magazine, Sourceable, we look at the rising tension between NIMBYs and YIMBYs and how that is playing out in the current political environment.

The article explores the disjunct created by Federal Vertical Fiscal Imbalance, where the Commonwealth avoids much of the burden when it comes to immigration numbers, which largely falls to the States.

It also calls for greater support from the Federal Government to help States deliver the housing supply that a growing Australia desperately needs – outlining how the GST payments could be linked with population growth.

To read Tom's contribution to Sourceable this week, click here.

With Jacquie Lambie Network on board with Federal Housing legislation - it's time for the Greens to stop playing politics

In good news which will place further pressure on the Greens Party, the Jacquie Lambie Network has backed legislation underpinning the Commonwealth's Housing Australia Future Fund (known as the HAFF for those in the know).

Changes announced this week will ensure all states and territories benefit from the Government's housing agenda, including the Housing Australia Future Fund.

It comes as all State and Territory Housing Ministers have written to Senate members urging support for the Housing Australia Future Fund as an important step forward and that further delays put the delivery of important housing projects across the nation at risk.

The Government's Bills are expected to be debated in the Senate next week.

The Greens Party needs to quit the politics and start backing policy that will start to turn around the housing supply crisis.

To read the Federal Minister's press release, click here.

To read Urban Taskforce's release urging the Senate to get behind the Albanese Government's housing legislation, click here.

NSW Fair Trading Minister reiterates no rent caps under Minns Government

The Minister responsible for rental policy in NSW, the Hon Anoulack Chanthivong, reiterated the Minns Government view that more supply was the best way forward in addressing the rental crisis.

It is pleasing to see another key Minister, and one with a strong economics background, call out the cheap populism of the Greens Party when it comes to the interests of renters.

> **"Owners need renters and renters need more owners in the market to reduce prices, so there's no point pitting one against the other or undermining supply through measures like rent caps".**
>
> *Hon Minister Anoulack Chanthivong, The Australian, May 4*

Former Minister Rob Stokes calls for soft density – Urban Taskforce retorts that Stokes' suggestion was no more than "a populist sop without practical merit"

Former Minister for Planning and noted cycleways enthusiast Rob Stokes this week spoke out against the sensible proposal to deliver high density housing near metros, jobs and places with high amenity.

The former Minister's vision betrays a critical failure to appreciate the economic realities of development.

To read the article, click here.

Urban Taskforce CEO Tom Forrest immediately fired back, calling out the former Minister's push to end high rise as "a populist sop without practical merit."

The practicalities of increasing density through low and medium rise sprawl are unfeasible and impractical. The cost of buying up existing homes, the demolishing them, then losing GFA because of new regulations on setbacks from the road, separation of buildings, requirements for space for deep soil planting, solar access mandates, affordable housing contributions, not to mention state and local infrastructure fees, all means that if you are fortunate enough to consolidate a number of land parcels, the development of that site will only stack up if there is a significant uplift in FSR (height and density).

"...These are all well-meaning policies that Stokes locked in as minister, but ironically, they consign his proposal to the feasibility dust-bin..."

CEO Tom Forrest, SMH, May 2

Rob Stokes has tried this before. He was the architect of the "missing middle" policy the first time he was the Minister for Planning. He failed to convince anyone of its merit. He was moved from the Planning portfolio by the leader of his party (Gladys Berejiklian), then, when another Minister is in the chair, he speaks up for the policy he failed to successfully implement. Now, having had another run as Minister for Planning then Minister for Cities, he is doing it again. Rob Stokes was the champion of the low-rise Medium Density Housing Code, which was comprehensively rejected by Councils across Greater Sydney. It proposed increasing density everywhere, and the government spoke wistfully of buses being available on-call, like Ubers, to transport residents to transport hubs.

What will work is the new Government's focus on high-rise located in close proximity to transport infrastructure. Rather than producing walls of low-medium density housing in every suburb, you can focus the change into targeted locations. This reduces the reliance on cars, while co-locating housing with jobs, retail centres, restaurants and entertainment.

Rob Stokes had more than enough time as the Minister for Planning (4 years served in two blocks) and then as Minister for Cities (15 months).

His legacy is a massive housing supply shortfall right across NSW. Those most vulnerable are struggling to secure of roof over their heads, with many being forced out of rental accommodation due to price hikes.

After years of going backwards, the new Government is now heading in the right direction.

More please! Housing centred on metro builds better places close to jobs and transport - and is a win for the environment.

Land and Environment Court refuses proposal to demolish North Sydney MLC building

In a backward step for the urban renewal of North Sydney and a decision that will give Council councils a license to weaponise heritage listings after DAs are lodged, the Land and Environment Court has refused developer Investa Property Group's multimillion-dollar proposal to raze the block and replace it with a 27-storey office complex.

In 2013, the State Heritage Council decided not to list the site under it "Thematic Listing Program". This was a clear signal to the private sector that the site, which is immediately adjacent to the new Victoria Cross Metro rail line entry, was appropriate for development.

Not so after this week's decision, which further undermines confidence in the property development sector.

North Sydney Council is emboldened by the decision and will now seek to have the building listed on the State Heritage Register.

The proposed replacement would have provided greater amenity for workers (a key attribute of any office block one would have thought!), was climate change ready with a naturally ventilated atrium, terrace gardens, created a better public space and allowed more sunlight.

MLC building, North Sydney

Sydney Water places proposed developer charges on exhibition

Sydney Water has released its draft schedule of infrastructure charges for public feedback

The proposed infrastructure charges are bad news and bad timing with NSW in the midst of a devastating housing supply and affordability crisis.

Some of the proposed charges will put an extra $40,000 onto the costs of a block of land – costs that will be ultimately borne by new home buyers. The charges are basically a brand new tax on predominantly younger people and recent arrivals who are trying to break into the prohibitive Sydney property market.

Why are new home buyers always slugged for the cost of growth? Why should one subset of home owners subsidise the overall cost of Sydney's growth? This is a policy that was developed by the former State Government and it turns out to be a hidden time bomb for the new Minns Government and their efforts to turn housing supply around.

These charges greatly exceed what many in the industry expected and threaten the feasibility of much of green field development needed to accommodate a growing Sydney.

The schedule of charges are on exhibition until COB Thursday 8 June 2023.

For more details on the proposed charges, click here.

400,000 to arrive in Australia this year – more pressure to do something on housing

The commitments coming out of the National Cabinet will need to be bolstered by some short-term solutions with the latest immigration figures pointing to an unprecedented 400,000 net arrivals in 2022-23.

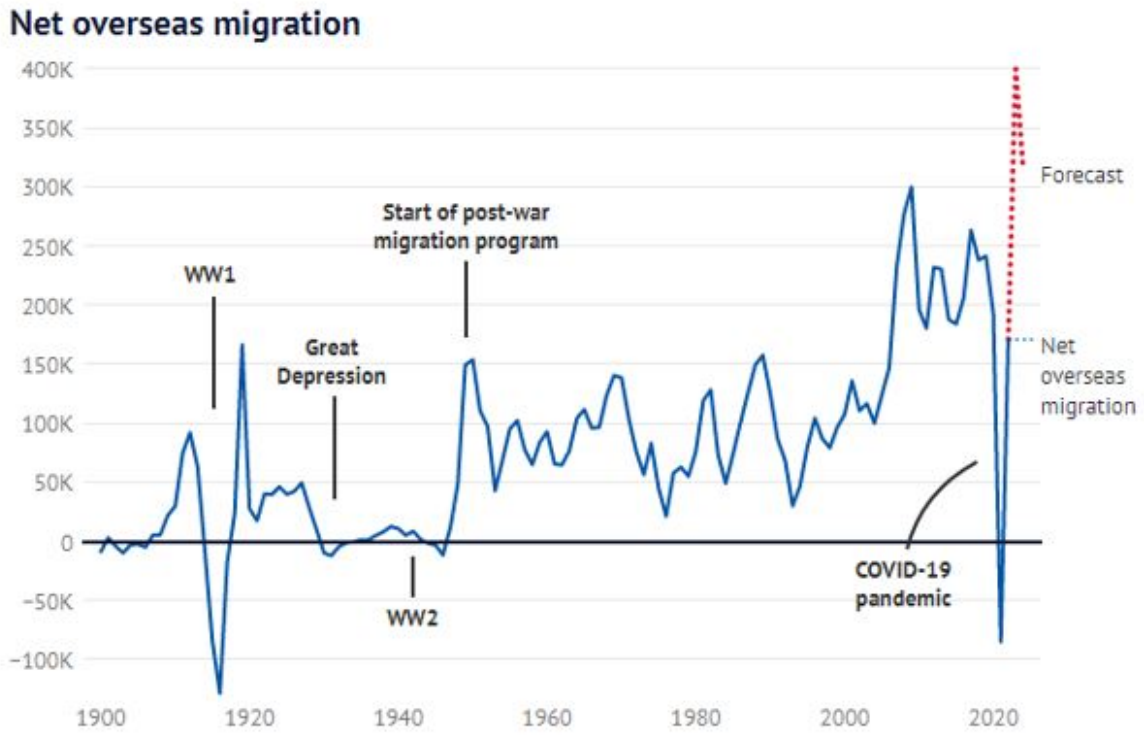
Half of these will be students.

About a third of the 400,000, around 130,000, will be taken in by NSW.

On top of a rental crisis and housing supply crisis, pressure will be intense.

This is why we need a short-term fix to head off homelessness, overcrowding and exploitation of the most vulnerable in the community.

The following graph outlines the magnitude of these numbers:



Minns Government offers to support National Party MLC as Upper House President

Ben Franklin National Party MLC

In a surprise move, Premier Chris Minns has offered to support National Party MLC Ben Franklin for the role of the Presidency of the Legislative Council.

A week's a long time and politics and the Presidency will be voted on when NSW Parliament sits next week.

The composition of the Upper House is broadly 50-50 between left and right.

Should Mr Franklin win the vote, it will make it easier for the Minns Government to get legislation through the Legislative Council.

The President only gets to vote in cases where there is a tie in the vote.

This of course depends on the nature of the Bill and prospective legislation rarely falls into a broad left or right framework.

The National Party have threatened to expel Mr Franklin should he accept the position. They have now referred the matter to the ICAC.

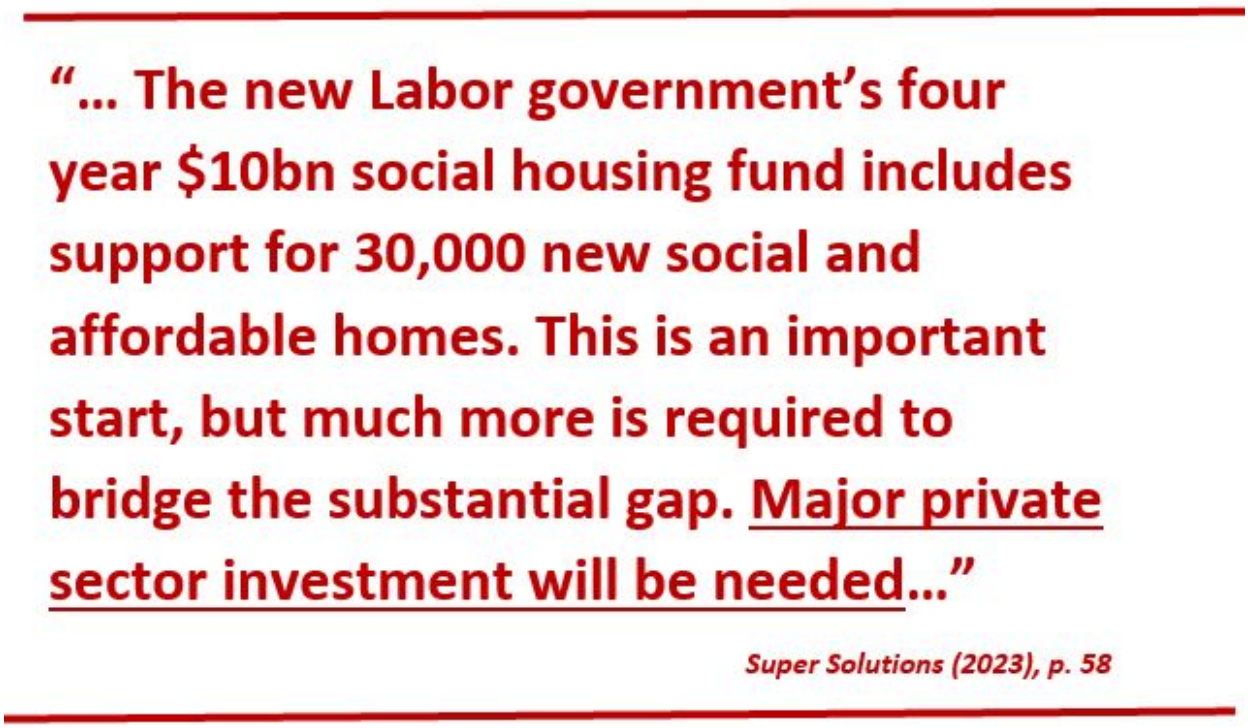
Click here to read more. Please note, this article may be paywall protected.

Labor aligned think tank outlines case for private sector, institutional investors to deliver the housing Australia needs.

A Labor aligned think tank, the John Curtin Research Centre, released a report this week that made a number of recommendations, which notably included the need to secure institutional investment in housing to address long term housing needs.

The report recommended the Commonwealth should consider introducing assistance, such as targeted tax credits, to meet the yield returns for institutional investment in new home builds.

Another option was for the Commonwealth guaranteeing an agreed rate of return per annum over the life of the built asset to institutional investors, taking into consideration the asset's depreciation. Similarly, as practised in the UK, government could issue non-repayable capital grants to developers to cover a portion of (strictly defined) construction costs, on the proviso dwellings have a mandated affordable component.



The report also called for a clear and consistent definition of who constitutes an essential worker.

While we question some of the report's recommendations taken in isolation (such as inclusionary zoning) the report importantly notes the role that must be played by private investment in delivering the nation out of the supply crisis.

To read the report, click here.

Albanese Government to review its $120 billion infrastructure pipeline

Source, Sydney Metro

As flagged by the Prime Minister last week, the Commonwealth Government will undertake a review of its Infrastructure Investment Program.

The Minister for Infrastructure, Transport, Regional Development and Local Government, Catherine King, stated that

> **"Communities will benefit from national significant infrastructure with shorter and safer travel, more liveable cities, suburbs and regions, while the economy benefits from the certainty brought by a smoother delivery of investment matched to project timelines."**
>
> ***Minister Catherine King, 1 May, 2023***

In the context of the housing supply crisis, there is an opportunity now for the Commonwealth to recalibrate its infrastructure spend to help service the housing needed.

To read the Minister's release, click here.

Sydney Water gets green light to build and operate an advanced water recycling centre at Kemps Creek

Sydney Water has received NSW and Commonwealth Government approvals for a new water recycling centre that will deliver wastewater treatment and high-quality recycled water to support the population and economic growth of Western Sydney.

Fore more details on the project, click here

Information on NSW planning approval and EIS can be found here

Commonwealth Government expands eligibility for home buyer co-investment scheme

Source Twitter, Julie Collins

Last weekend the Federal Minister for Housing, Homelessness and Small Business, Julie Collins MP, announced an expansion of the Home Guarantee Scheme.

Where the scheme was only available to individual applicants, married couples and those in de-facto relationships, from July 1 friends, siblings and other family members will be able to make joint applications.

The schemes allow potential home buyers who earn less than $125,000 (or under $200,000 for couples) to purchase a home with a deposit of as little as 5 per cent without paying lenders' mortgage insurance.

Under the scheme the government will guarantee the cost of up to 15 per cent of the value of eligible properties.

The expansion will help many in the community, including older divorced women who may have more options in purchasing a home.

Whilst welcome, the real challenge is of course unlocking housing supply.

We hope the initiatives announced at last week's National Cabinet, particularly the planning reforms to boost supply and affordability, lay the groundwork to provide more housing.

Click here to read more.

New York Governor stymied on housing supply reforms… for now

Earlier this year we ran an article on the efforts of the New York Governor, Kathy Hochul, to smash through age old restrictive planning laws that were being used by the wealthy to stop new housing.

The Democrat Governor, elected in 2021, had pledged mandates like those in other state like California that would require localities to build bigger and higher by allowing the state to override local planning laws in order to make way for 800,000 new homes over the next decade.

> **"… But her plan fell victim to entrenched political forces, including fierce opposition from the suburbs, Democratic lawmakers scared to lose seats and a widening ideological split on the left…"**
>
> ***New York Times, April 27***

Besides the emboldened interests of Republicans representing the well-heeled interests of Westchester and Long Island, left wing democrats got cold feet when the Governor refused to give in to calls for a deal to

boost renters rights.

This could well be a salutary lesson for NSW policy makers confronted with its own housing supply crisis.

To read more on the housing supply impasse in New York State, click here. Please note, this article may be paywall protected.

The rich folk in Westchester have protected their enclave for now….

Plaudits for Penrith

While we often report on North Shore and Eastern Suburb Councils using heritage to stymie development, it is pleasing to note positive work of planners.

Penrith City Council has recently approved plans for a $20 million mixed use development next door to a heritage listed building.

The local planning panel's approval will create an active precinct within the Penrith CBD and bring more foot traffic into the area.

Designer Excellence Awards 2023

Entries close next week! Get your entries in now!

For further information, contact Nicola at events@urbantaskforce.com.au

2023
DEVELOPMENT
EXCELLENCE
AWARDS
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AUSTRALIA
ENTRIES
NOW OPEN
ENTER BEFORE
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BE RECOGNISED
Date of
Award night
for your
calendar
Thursday
27 July 2023
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FOR DETAILS

Other News

Premier calls for more concerts at SCG

We appreciate the sentiment expressed by Premier Chris Minns this week on calling for more concerts at the SCG, dismissing objections from local NIMBY's as saying that the precinct was "not your personal fiefdom" – a declaration of intent against the NIMBY attitudes which have sought to thwart and constrain the broader public's access to these types of public facilities that we have all paid for.

This attitude needs to apply equally to housing, where nimby suburbs seek to shut the gates to new entrants.

To read a history of the age old resistance to opening up the SCG precinct to more concerts and the history of NIMBYism that has dictated how the SCG has been used over the past three decades, click here.
Please note, this article may be paywall protected.

Think tank calls for incentive payments for States to deliver more housing

The Grattan Institute has backed Urban Taskforce's call for the Commonwealth to incentivise the States to deliver more housing.

"… what the Accord did get right was the centrality of housing supply in improving affordability. The biggest barrier is overzealous planning restrictions that impede medium-density development in our inner and middle-ring suburbs…"

- Grattan Institute CEO, Danielle Wood

To read more, click here.

NSW Opposition announces some Shadow Ministers – no Shadow Minister for Planning yet

Opposition Leader Mark Speakman has announced a number of Shadow Ministers.

The full Shadow Cabinet is expected to be announced by next week.

To read the press release from the NSW Leader of the Opposition click here.

UTA in the news

Urban Taskforce pointed out some economic realities that the former Planning Minister's vision of "soft density" failed to comprehend:

> ***"... it was expensive and difficult to buy up enough properties to produce a sufficient yield at low and medium densities - especially when factoring in setback requirements, deep soil planting, solar access, green canopy and affordable housing contributions..."***
>
> ***Tom Forrest, SMH, May 2***

URBAN TASKFORCE MEMBER NEWS

**Please note, the links used below may be paywall protected.*

"… The major expansion of Oran Park Podium is under construction, with the current works set to be one-and-a-half times bigger in size than the existing shopping precinct. ***Greenfields Development Company*** *… said the new retail space would include a Coles supermarket and more than 60 retail spaces for food and speciality shops…"...read more...*

- Macarthur Chronicle, April 24

"… ***Meriton*** *is building fewer apartments than it was three decades ago, despite the fact NSW is facing a major shortage of housing after the number of apartment starts collapsed by 54 per cent and rents hit record highs…"...read more...*

-The Australian, April 30

"… ***Holdmark Property Group*** *has lodged plans for a massive, staged mixed-use development in Kingswood, bringing new life to a former drive-in cinema site…"... read more ...*

- The Urban Developer, May 1

"… ***Architectus*** *has announced the appointment of four new Principals to strengthen their Melbourne and Perth studios with a renewed focus on the health sector…."...read more...*

-Architecture and Design, May 2

*"… **Urban Property Group** has bought up a site in Sydney's inner west approved for a 145-unit development…"...read more...*

-The Urban Developer , May 4

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