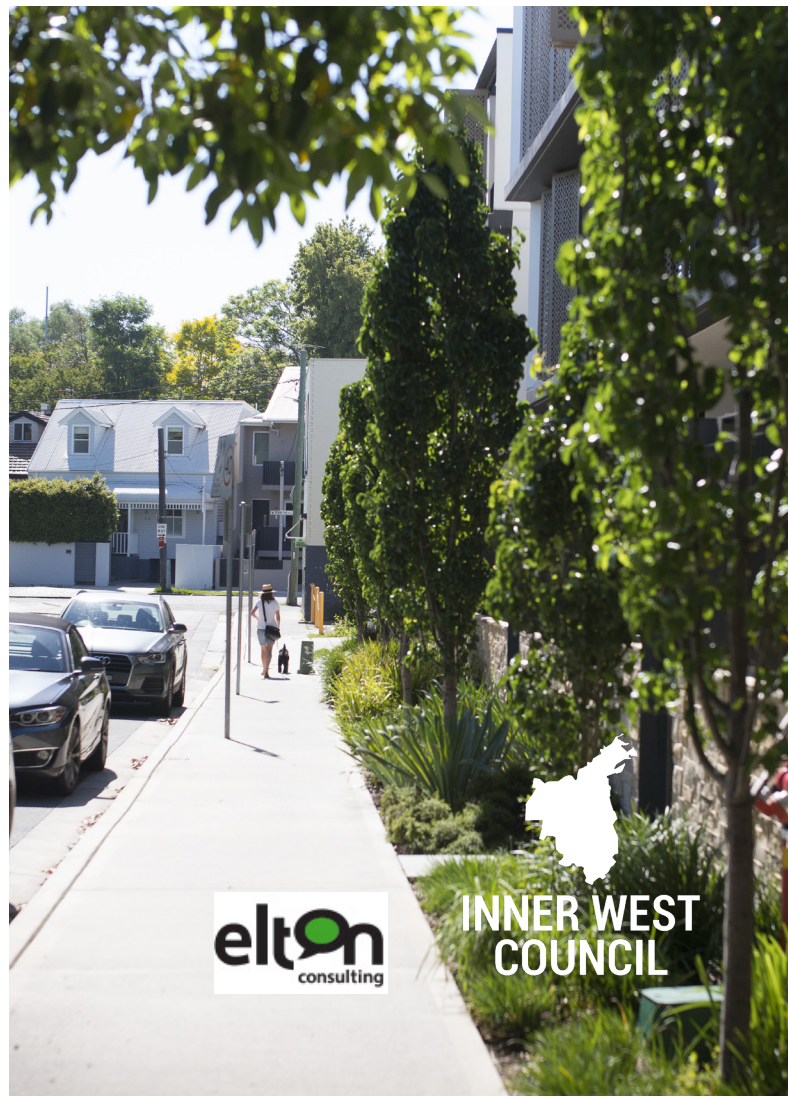


Our Place Inner West

LOCAL HOUSING STRATEGY

Executive Summary

Draft Report



elton
consulting

**INNER WEST
COUNCIL**

EXECUTIVE SUMMARY

Inner West is one of the most liveable places in Greater Sydney. Most services can be conveniently accessed and our neighbourhoods are vibrant and easy to get around.

Inner West community is proud of its ‘inner city vibe’. Heritage, creativity, diversity and the unique character of the neighbourhoods are evident throughout the area.

We pride ourselves on our strong sense of social and environmental justice and believe that everyone has the right to a roof over their head and a place to call home. We need to make housing affordable for more people and plan for a diverse range of housing types and tenure.

As a community, we also strongly feel that providing the right housing in the right locations to meet the needs of our growing population must be balanced with protecting the things we love about our local neighbourhoods. We must also ensure that growth is matched by appropriate supporting infrastructure.

This Our Place Inner West Housing Strategy sets out a clear plan for projected housing in Inner West to 2036. It shows where, when, what type of housing is likely to be delivered and how it will be managed.

WHAT IS A LOCAL HOUSING STRATEGY?

Recent changes to planning legislation in NSW mean metropolitan councils are now required to develop a Local Housing Strategy in consultation with their communities.

Local Housing Strategies must tie council’s vision for housing with NSW Government-led plans. For us, this means being consistent with the strategic priorities set out in the Greater Sydney Commission’s Greater Sydney Region Plan A Metropolis of Three Cities and the Eastern City District Plan. The diagram below shows where the Local Housing Strategy fits in with other plans and policies.



DRAFT OUR PLACE INNER WEST HOUSING STRATEGY

This draft Our Place Inner West Housing Strategy reflects the requirements of the Eastern City District Plan and shows how the housing components of this Plan will be delivered locally, including:

- » 0-5-year housing objectives set by the NSW Government (2016-2021)
- » proposed 6-10-year housing projections (2021-2026)
- » our contribution to the Eastern City District's 20-year housing target (2026-2036).

To do this, the draft Strategy assesses the level of existing housing capacity and identifies suitable areas to accommodate projected growth through careful consideration of local:

- » demographic factors (current and future)
- » housing supply and demand
- » land use opportunities and constraints to inform potential growth locations
- » existing and planned infrastructure.

When it comes to delivering new housing, our community has made it clear they want to:

- » maintain housing diversity and affordability
- » respect heritage
- » keep the unique character of local neighbourhoods
- » provide for environmental sustainability in development.

“

Our neighbours help each other out and it doesn't feel as though you live in a city

I love the fact I'm in walking distance to everything I need – food, pubs, cafes. I have a car but I prefer to walk

I love the historical character of the area with well-preserved old properties. It's a place that has longevity

”



HOUSING VISION AND GUIDING PRINCIPLES

With the community's input, we have developed a housing vision and principles that reflect the Our Inner West 2036 Community Strategic Plan and responds to community and stakeholder feedback.

The priorities and principles support delivery of the vision, underpin the Our Place Inner West Housing Strategy and inform the housing actions outlined in **Section 5** of the Strategy.

VISION ELEMENT	PRIORITY	PRINCIPLES
RESPECTING OUR HISTORY, CULTURE AND CHARACTER	We respect and value the culture, history and character of our communities.	<p>PRINCIPLE 1: Ensure the cultural, historical and spiritual significance of landscapes, sites, waterways, customs and traditions that Aboriginal communities wish to conserve are protected and maintained when planning for housing development.</p> <p>PRINCIPLE 2: Accommodate housing growth through a range of sensitive infill compatible with heritage values and local character – enabling areas to evolve with respect.</p>
RETAINING INCLUSIVE COMMUNITIES AND FAIR ACCESS TO HOUSING	We are a network of diverse communities sharing values of inclusiveness, acceptance and fairness.	<p>PRINCIPLE 3: Provide for a diverse mix of housing typologies, sizes and tenures that cater to the needs of people at all stages of their lives.</p> <p>PRINCIPLE 4: Start to close the affordability gap between housing need and supply for very low, low-income and moderate-income households.</p>
PROVIDING CONNECTED NEIGHBOURHOODS	As neighbourhoods grow and change, people remain easily and freely connected with one another, and have universal access to their activities.	<p>PRINCIPLE 5: Locate the majority of new housing opportunities in areas that are within a 10-minute walk of centres, transport and services, supporting their vibrancy and aligning with infrastructure provision and growth.</p>
ENSURING HIGH QUALITY HOUSING DESIGN	'Our Place Inner West' includes quality housing that contributes positively to residents' quality of life and surrounding public spaces.	<p>PRINCIPLE 6: Design quality housing and surrounding public spaces to maximise amenity, safety and security for residents and provide a positive contribution to its neighbourhood.</p>
HOUSING IS DESIGNED FOR ECOLOGICAL SUSTAINABILITY	We support a community that reduces its carbon footprint and protects and supports natural ecosystems.	<p>PRINCIPLE 7: Homes are designed to be ecologically sustainable, supporting Council's aim of zero net carbon emissions by 2050, improved water sensitivity, increasing biodiversity and zero waste.</p>

WHERE WE ARE NOW

WHO WE ARE

In 2016 there were around 191,200 people living in z West, in 74,300 homes. The population of Inner West is growing, particularly in the 25-29, 45-49 and 50-54 year-old age groups.

Couples with children and group households have been the fastest growing segments over the past 10 years. Likewise, there has been notable growth in the number of 60-69 year olds in the area, most likely as older people are choosing to stay in the area longer than previously.

On the other hand, the number of primary and secondary school-aged children has declined, possibly because young families move out of the area once children reach school age or find housing less affordable as they start to need more space.

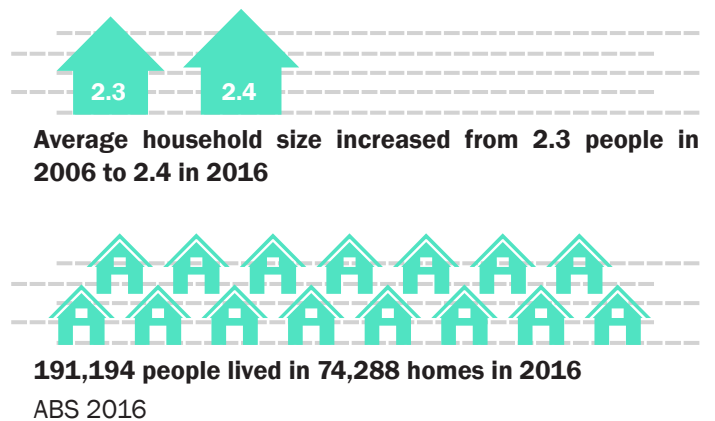
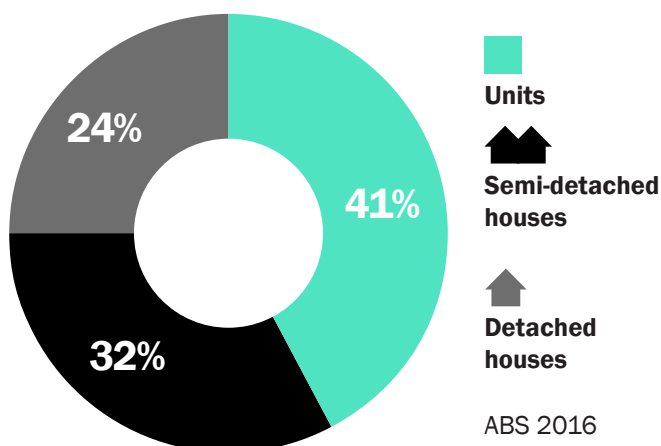
The largest household types in Inner West are now lone persons, couples with children and couple-only groups, which together comprise 75% of all households.

HOW WE LIVE

Housing in Inner West currently ranges from higher concentrations of apartments along train lines and key corridors, to terraces, workers' cottages and semi-detached homes in neighbourhoods like Balmain, Lilyfield and Annandale and detached houses in Haberfield, Ashfield South, Tempe and parts of Marrickville.

Over time, the local government area's main housing type has changed. The number of detached homes has declined while terraces, semi-detached houses and apartments have grown.

Interest and need is growing in different housing types from shared living in co-housing to highly accessible, adaptable housing to meet changing local needs.

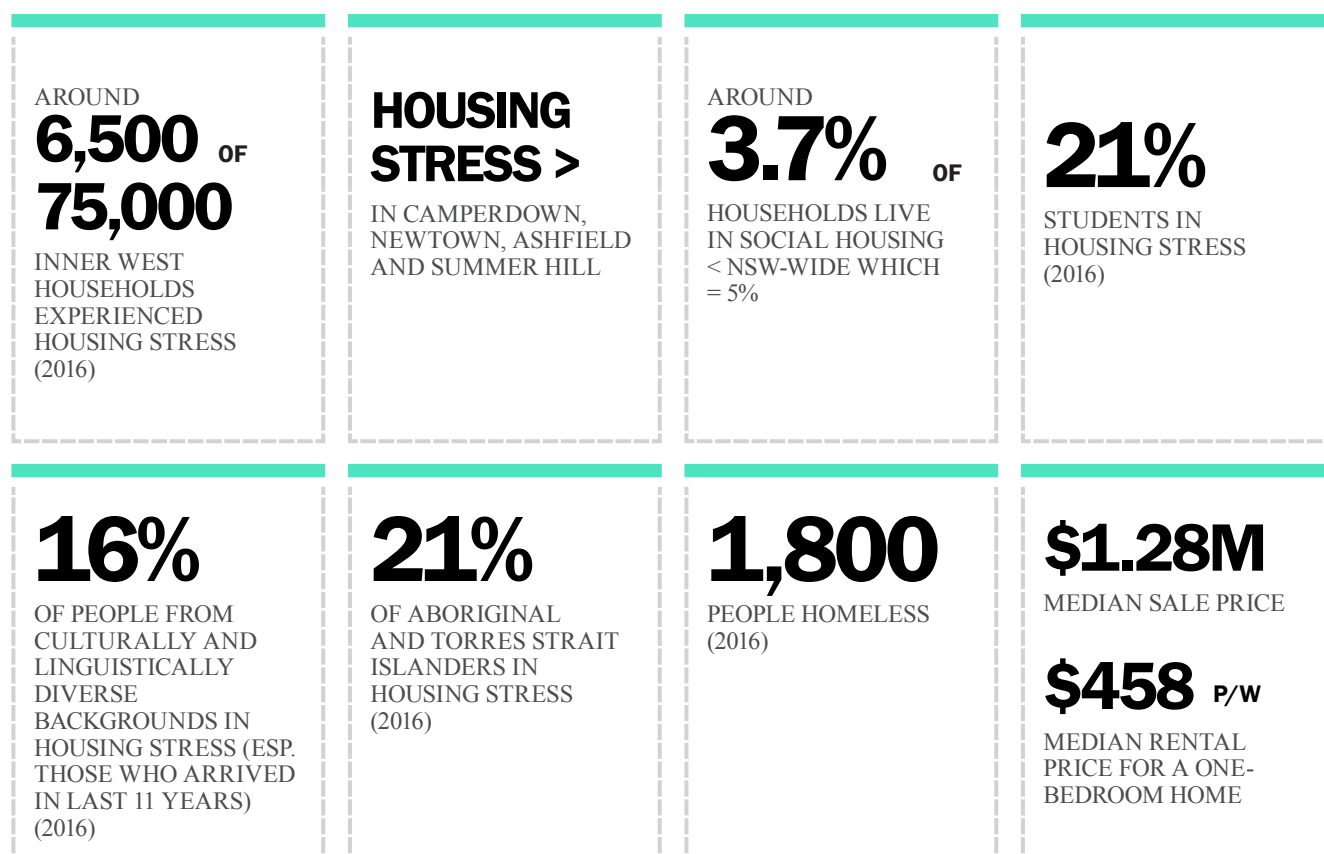


KEY CHALLENGES

The analysis undertaken for Our Place Inner West Housing Strategy reveals the following key housing challenges for our local government area:

- » The community wants to see character maintained and lower height housing, but also seeks diversity. Due to lot sizes and ownership patterns, the housing strategy needs to balance housing diversity, types, affordability and household size.
- » Household sizes have shown a recent trend of gradually increasing, from 2.3 in 2011 to 2.4 in 2016 based on ABS figures, whereas forecast projections by the Department of Planning and Environment assume that household sizes will gradually decrease to 2036.
- » Bedroom vacancy rate is increasing due to changes in household structure.
- » The land capacity analysis shows that a significant proportion of the local government area is impacted by heritage, flight noise, flooding, accessibility or existing uses that are important to retain, which makes it is challenging to deliver large scale housing developments.
- » The predominant small lot subdivision pattern, strata titling of most multi-unit dwellings and high land prices makes it difficult to feasibly deliver higher-density forms of housing.

- » Transport capacity both in terms of road and public transport is an issue, as is access to key social services like education and health infrastructure.
- » Inner West is a highly desirable place to live, and that desirability together with market forces results in affordability being an issue for all. The median rental price for a one-bedroom house is \$458 per week and the median sale price (including houses and apartments) is \$1.22 million.
- » Around 9.3% of households (that's 6,436 households) who are on the lowest 40% of Australian household income distribution experienced housing stress in 2016, that is, over 30% of their weekly income is spent on rent or mortgage. Housing stress is particularly marked in portions of Camperdown, Newtown, Ashfield and Summer Hill, which could indicate that families are overstretching to meet mortgage or rental payments. It particularly affects students (especially full-time students), recent migrants and Aboriginal people.
- » Around 1,800 people were homeless in Inner West in 2016.
- » The lack of housing for people with disabilities adversely impacts on the ability of people to live an equitable and independent life. This issue will continue to be crucial as we have an increasing number of elderly people.
- » There is a long waiting list of approximately 5 to 10 years for social housing, and there is a gap between those who qualify and those who don't but still have challenges meeting their basic housing needs.
- » While Inner West makes an important contribution to the District's supply of affordable rental dwellings, its current stock is mostly suited to moderate-income households, rather than low- or very low-income households making housing our diverse community a particular challenge if we are to maintain our unique Inner West community identity.
- » It is estimated around 8,000 households in Inner West Council Area require social or affordable housing, and that gap will widen to approximately 10,000 by 2036. In order to completely close the gap, around 570 affordable housing dwellings would need to be added to the housing stock each year. This is a significant challenge considering that Inner West is only expected to add a maximum of 1,000 dwellings per year, and only if all of the potential housing growth identified in this Strategy is delivered. 57% of all new dwellings would have to be affordable housing dwellings to completely close the affordable housing gap by 2036.



WHERE WE ARE GOING

Inner West population grew by around 14% over the 10 years between 2006 and 2016. In the next 20 years it is projected to grow by a further 22% to around 232,100 people.

2016

2036

191,194

232,100

The Department of Planning and Environment's population projections mean that approximately 1,000 new dwellings are required each year to 2036. This is slightly less than the 1,100 dwellings per annum estimated to have been delivered over the last few years across Inner West Council.

It is important for Council to set a clear direction to manage this projected housing growth in this Local Housing Strategy. If we do not, further growth and development may be determined by ad hoc private planning proposals or by government-set targets and locations.

Based on analysis undertaken for the draft Our Place Inner West Housing Strategy, the current planning controls are likely to be able to sustain the long-term dwelling trend of delivering 995 per year for approximately the next seven years to 2027.

Some land use zones though are nearing capacity, meaning they will not be able to support the delivery of new housing unless planning controls are reviewed and amended.

In the short term housing targets can be met through implementing the existing planning controls and some current approved projects.

In order to meet housing demand in the medium and long-term, Council needs to plan proactively for housing for a growing population. This includes carefully amending some development standards to enable delivery of innovative smaller dwellings, shop-top housing, and other types of housing in suitable locations in and around centres and transport nodes as well as in the areas identified by the State Government. Planning for a range of housing types is needed to encourage a range of price points that enables all of our community to have access to suitable housing to meet their needs.

Providing housing diversity means having additional housing that would use up existing capacity under the current controls but also identifying key urban renewal areas such as those that have already been identified and aligning delivery with infrastructure.

Council will lead by putting measures into place to ensure the housing provided is of good, high quality design.

Providing more housing in Inner West will be achieved by delivering a range of housing types in various ways, underpinned at every stage by the housing vision, principles and priorities.

HOW WE WILL GET THERE

The draft Our Place Inner West Housing Strategy adopts a modest, targeted growth approach to planning for future housing. The projected dwelling numbers are based on existing projected growth rates outlined by the Department of Planning and Environment.

This Strategy identifies areas across the local government area to accommodate this growth where they have good access to amenities, are in or close to existing centres, and have existing public transport services.

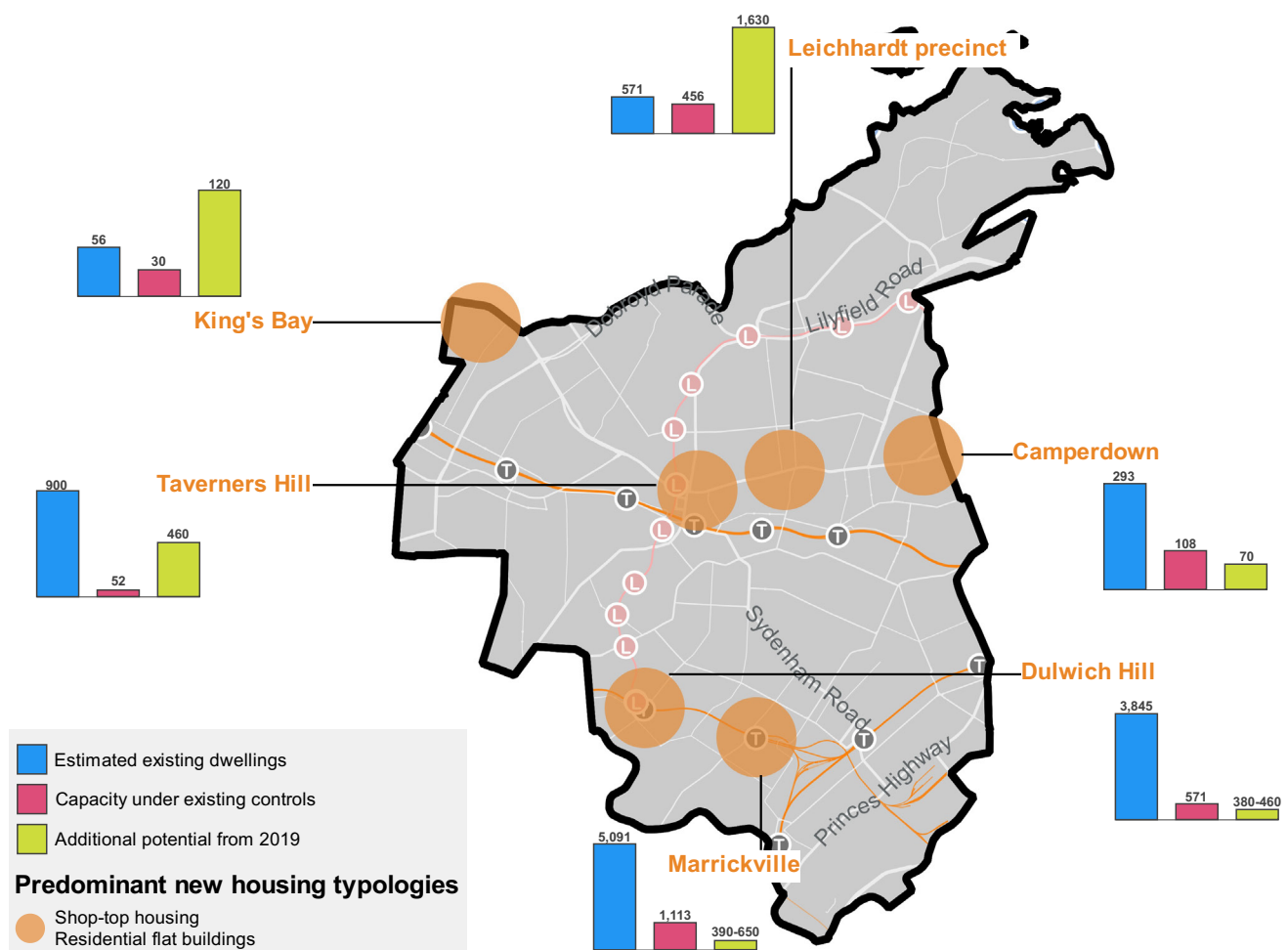
In some cases, these will be in urban renewal areas that have already been identified for growth and align with future infrastructure investment, for example The Bays Precinct with the Sydney Metro.

INVESTIGATION AREAS TO ACCOMMODATE GROWTH FROM 2019

The following Inner West locations have been identified as having the potential to accommodate housing growth from 2019, subject to the provision of required active and public transport infrastructure and detailed character analysis:

- » Taverners Hill—as part of the Parramatta Road Urban Transformation Strategy, with potential expansion around Marion Street incorporating key opportunity sites. Opportunities along the Parramatta Road corridor will depend on adequate public transport infrastructure.
- » Leichhardt—as part of the Parramatta Road Urban Transformation Strategy, which could accommodate some dwellings in the event of redevelopment.
- » Camperdown—housing growth should be especially tailored towards affordable and key worker housing
- » due to proximity to institutions and the CBD, however maintaining industrial and employments lands as the area grows is essential.
- » Dulwich Hill—particularly north of the station with access to light rail and train services and the increased recreation opportunities offered by The Greenway.
- » Marrickville Town Centre—a key hub with local businesses, services, culture and transport.

INVESTIGATION AREAS FROM 2019



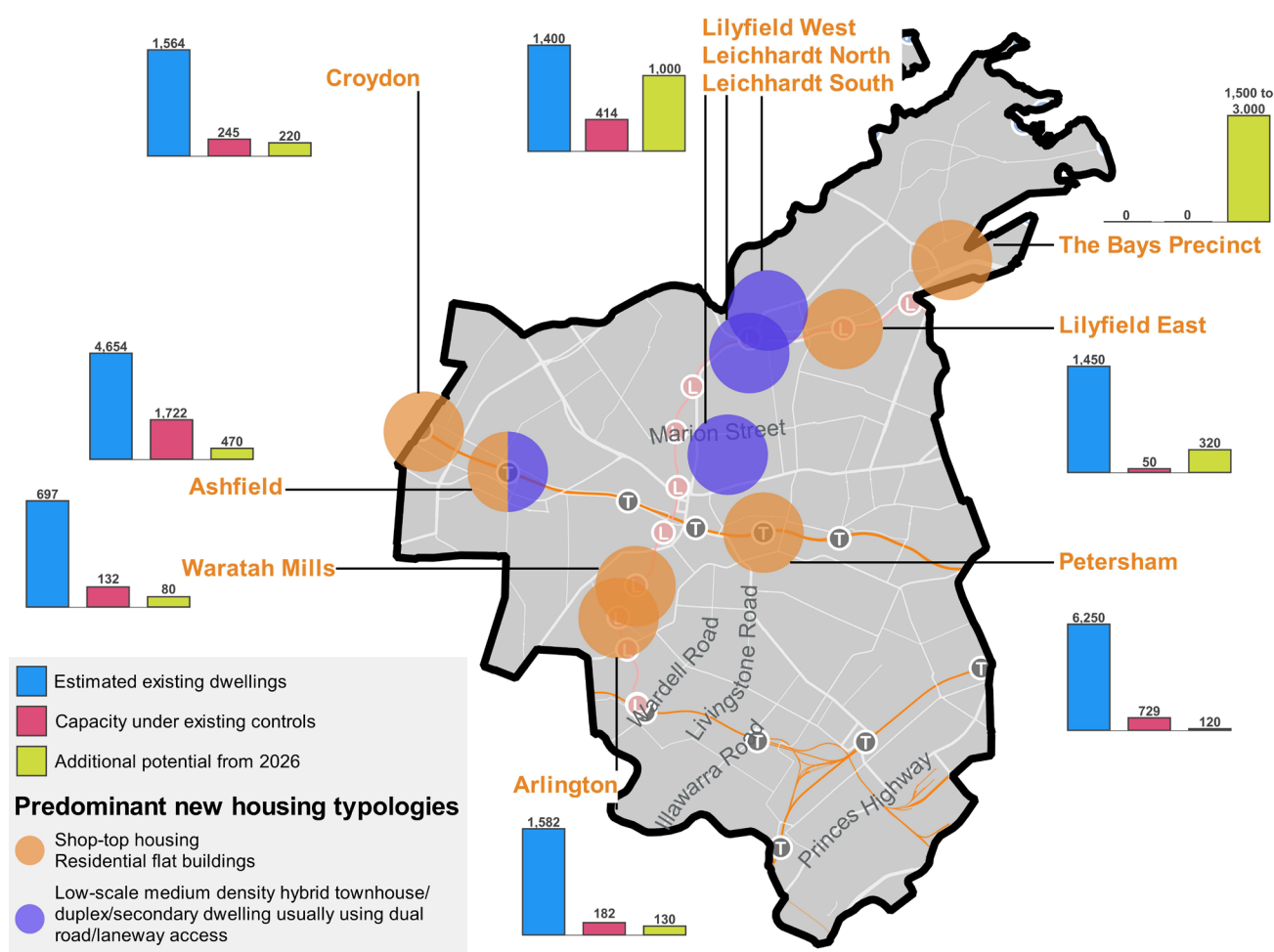
* See detailed opportunity analysis section of the Strategy for further details. In addition, approximately 700 other forms of residential accommodation are also projected to be delivered across the LGA (e.g. student accommodation, boarding rooms, etc) from 2019 to 2036.

LONGER TERM INVESTIGATION AREAS FROM 2026

In the longer term, the following areas are considered likely to have potential to deliver housing increases in key locations subject to the delivery of supporting infrastructure and detailed character analysis:

- » Existing Western Main Line—areas close to Petersham Station/Crystal Street, Croydon Station, Ashfield Station, Summer Hill Station. Some of these increases will depend on infrastructure improvements like more frequent and accessible train services.
- » Lilyfield West and East—modest growth as a transition area from The Bays Precinct (west) and proximity to light rail (East) dependent on improved capacity on the light rail and easier crossing of the City West link.
- » Leichhardt North—dependent on improved capacity on the light rail and easier crossing of the City West link.
- » Arlington and Waratah Mills on the light rail line—dependent on increased capacity on the light rail line.
- » Petersham/Crystal Street alignment—opportunity noted as part of consultation process, although the area is affected by aircraft noise.

INVESTIGATION AREAS FROM 2026



* See detailed opportunity analysis section of the Strategy for further details. In addition, approximately 700 other forms of residential accommodation are also projected to be delivered across the LGA (e.g. student accommodation, boarding rooms, etc) from 2019 to 2036.

Housing can be catered for:

- » In the investigation areas, where more of the growth is anticipated to occur.
- » In and around centres and transport nodes, additional housing could take the form of apartments, shop-top housing and mixed-use developments, tapering down to low-rise apartments, villas and townhouses and single dwellings.
- » There are additional housing opportunities in specific sites, such as priority areas identified by the NSW Government.
- » Council also recognises that incremental, small-scale growth spread across the entire local government area will play an important role in building housing capacity, meeting housing demand and maintaining local amenity and character.

All opportunities and suitability for future growth will be assessed by local character analysis and further place-making investigation. The outcome from this analysis and studies will inform Inner West Local Environmental Plan.

Any growth within heritage conservation areas which make up 30% of the Council area, will originate primarily from sensitive alterations and additions and secondary dwellings, although innovative options could also be considered.

The draft Our Place Inner West Housing Strategy modelled potential growth scenarios.

Place-based studies will refine these projections, with outcomes that consider character, heritage, environmental sustainability, public and open space, transport infrastructure and urban design, amongst other considerations.

While these modelled growth scenarios will be refined by Council's place-based studies, the projections provide a preliminary indication of how Council's contribution to the 20-year strategic projection for the Eastern City District could be met.

SUMMARY OF PRELIMINARY ADDITIONAL DWELLING PROJECTIONS

Timeframe for delivery	Preliminary additional dwelling projections	Our Place Inner West Housing Strategy likely achieves the projections	NSW Government housing expectations
0-5 years (2016-2021)	+5,900	>7,500	 Eastern City District Plan met and likely exceeded
6-10 years (2021-2026)	+5,000	BETWEEN 9,000 TO 20,000*	 DPE implied dwelling production requirements met
10-20 years (2026-2036)	+10,000	20,000*	 DPE implied dwelling production requirements met

* Refined by place-based studies

DELIVERY OF AFFORDABLE HOUSING

Affordable housing is important to Inner West. It aligns with our values of everyone having a roof over their head and having a diverse community made up of people of all income levels.

The planning system alone is unlikely to be able to address the gap, but an active strategy can be pursued by Council to work towards narrowing it.

Inner West's Affordable Housing Policy (2017) currently applies where land is being rezoned and has a consequential uplift in land value. The Policy requires 15%

of new residential gross floor area to be directed to building new affordable housing.

Council will review its Affordable Housing Policy, taking into account:

- » the Eastern District Plan, which mandates that 5-10% of new residential dwellings resulting from uplift are to be affordable;
- » recent legislative changes to include Inner West in State Environmental Planning Policy 70 – Affordable Housing (Revised Schemes); and

- » potential uplift resulting from the finalisation of this Strategy and the subsequent place-based studies. All areas identified for growth in this Strategy will be investigated.

The review will investigate a range of planning and non-planning mechanisms identified in Our Place Inner West Housing Strategy to offer a multi-faceted approach that maximises opportunities for the delivery of affordable housing.

Council analysis suggests that the inclusionary zoning approach, as provided for under the Department of Planning and Environment's recent draft Guideline for Developing an Affordable Housing Contribution Scheme could generate up to a maximum of about 1,000 new affordable dwellings by 2036, based on a 15% rate applied to initial projected uplift numbers and subject to further feasibility analysis.

The draft Guideline outlines that Council must nominate certain areas in the LGA and demonstrate that they can feasibly support affordable housing and amend the Local Environmental Plan to require affordable housing to be delivered.

Council will consider advocating for a wider application of the Affordable Housing Contribution Scheme, to allow it to be applied across the LGA and not only in sites of significant uplift. Council analysis indicates that this could yield 200 or so new affordable dwellings to 2036, subject to further feasibility analysis.

Council recognises that the affordable housing potential falls short of the 570 affordable homes needed per year to 2036 to meet the projected need.

The Affordable Housing review will therefore also need to consider complementary planning actions and non-planning mechanisms. These include:

- » measures to reduce the cost of dwellings built for affordable housing, such as adjusting car parking requirements, providing planning incentives like floorspace bonuses or permitting affordable housing in certain employment areas, where it would not compromise the future of the industries in the particular precinct.
- » working with industry and affordable housing providers to encourage innovation in building design and delivery models; and
- » possible consideration of a special rate levy.

Council should examine how these actions can be developed into a holistic new Affordable Housing Policy to drive an increase in the delivery of affordable housing in the LGA to help close the existing supply gap and meet locally identified needs.

RECOMMENDED ACTIONS AND NEXT STEPS

The draft Strategy outlines various implementation actions to support Our Place Inner West Housing Strategy.

Key actions, following community and stakeholder engagement will be:

1. Inner West Council, together with the NSW Department of Planning & Environment, adopts the Strategy.
2. Council will undertake place-based studies in the investigation areas to take into account character, heritage, ecological sustainability, public and open space, transport infrastructure and urban design. These place-based studies will, in turn, provide more detailed guidance on dwelling potential, inform planning controls and confirm housing delivery areas.
3. Council will initiate the review of its Affordable Housing Policy.
4. Council to undertake further studies to support implementation of housing delivery by early planning to ensure there is:
 - » delivery of critical social infrastructure
 - » high quality, consistent, ecologically sustainable housing design and public spaces
 - » respect local character and heritage
 - » thoughtful, considerate and respectful location of new dwellings.
5. Review and update Council's Local Environmental Plan and Local Contributions Plan that support housing delivery and diversity.



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