

FOR ACTION

ORDINARY COUNCIL

27/02/2018

TO: Manager Strategic Planning (Alan Bright)

Subject: Minimum lot size review
Target Date: 13/03/2018
Notes: Please action or reassign the Council resolution
Document No.: D03143928
Report Type: Report
Item Number: CP1/18

Note: Having previously declared an interest, Cr Bowen left the Chamber, taking no part in the debate or voting on this matter.

RESOLUTION: (Matson/Neilson) that Council:

- a) endorse a two month community consultation program on the review of the minimum lot size standard; and
- b) a report be prepared outlining the outcomes of the consultation programme and any key recommendations with respect to changing the minimum lot size standard and the controls relating to attached dual occupancies in the R2 zone.

MOTION: (Matson/Neilson) CARRIED UNANIMOUSLY - SEE RESOLUTION.

AMENDMENT: (D'Souza/Da Rocha) that Council:

- a) endorse a two month community consultation program on the review of the minimum lot size standard; and
- (b) ensures that the community consultation process include consideration of the following four options:
 - Option 1 - no minimum lot size standard;
 - Option 2 - the minimum lot size standard be reduced to 600sqm;
 - Option 3 - the minimum lot size standard be reduced to 550sqm; and
 - Option 4 - there be no change to the minimum lot size standard. **LOST.**

The **DIVISION** was taken and the names of the Councillors voting FOR and AGAINST were as follows:

FOR	AGAINST
Councillor Da Rocha	Councillor Bowen
Councillor D'Souza	Councillor Hamilton
Councillor Said	Councillor Luxford
	Councillor Matson
	Councillor Neilson
	Councillor Parker
	Councillor Roberts
	Councillor Seng
	Councillor Shurey
	Councillor Stavrinou
	Councillor Veitch
Total (3)	Total (11)

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Director City Planning Report No. CP1/18



Subject: Minimum lot size review

Folder No: F2017/00530

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Introduction

This report provides an update on analysis undertaken to date in relation to a review requested by Council, of the minimum subdivision provisions under the *Randwick Local Environmental Plan 2012* (RLEP 2012) applicable to the R2 Low Density Residential zone.

The subject review has been instigated in response to concerns raised by some members of the community that the lending restrictions placed by banks on attached dual occupancies under company title is placing financial hardship on the owners of these properties.

This report provides an outline of key findings including an overview of some implications for consideration should the minimum lot size provisions be reduced to facilitate the subdivision of attached dual occupancies in the R2 Low Density Residential zone (e.g. urban design, amenity and affordable housing impacts). It also seeks Council's endorsement of a community consultation programme on this issue. The community consultation programme is to run for two months and includes a community forum to be held in March 2018 to obtain public input on this matter.

Background

What is an attached dual occupancy?

An attached dual occupancy provides two dwellings within one building form on the one allotment of land. The dwellings may be attached by a common wall or floor/ceiling and may share a driveway, but generally all other facilities are separate. Both dwellings that comprise an attached dual occupancy generally share a similar built form.

Attached dual occupancies provide a low density housing form and when well designed and integrated can respond to the streetscape and density of low density residential zones. Attached dual occupancies are not intended to be a major provider of housing in our low density residential areas, as their cumulative impact is more significant than single dwelling housing (see section below on 'potential implications'). They are intended as a type of housing that allows for rental accommodation or to accommodate family members, contributing to housing diversity and choice in the Local Government Area (LGA).

Under the *Randwick Local Environmental Plan 2012* (RLEP 2012) attached dual occupancies are permitted in all residential zones across the LGA. In the R2 Low Density Residential zone, Torrens or Strata subdivision of an attached dual occupancy is not permitted unless the building is situated on an allotment that is 800m² or more, and the newly created lots each have at least 400sqm in land area and meet the frontage requirements under the *Development Control Plan 2013* (DCP).

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A summary of controls applicable to attached dual occupancy is provided below under Current Standards section of this report.

History of dual occupancy development in Randwick City

A comprehensive review of dual occupancy and associated subdivision provisions was undertaken in 2005, which is detailed in the *Dual Occupancy and Subdivision Issues Paper* (2005). The outcome of this review has largely informed the present day subdivision standards contained in the RLEP 2012.

By way of historical background, Randwick City was one of the first areas in Sydney to permit dual occupancy development through the gazettal of the *Randwick Planning Scheme Ordinance* (PSO) 1978. The PSO provisions were superseded by *Sydney Regional Environmental Plan* (SREP No 12) in 1987, which permitted dual occupancy (both attached and detached) where dwelling houses were permitted. The SREP 12 set out minimum site areas and development standards for dual occupancy including a minimum 400m² lot size for attached and 600m² for detached dual occupancy and an FSR of 0.6:1. The SREP 12 also permitted the strata subdivision of dual occupancy.

Following widespread concerns about poor urban design and amenity outcomes, the blanket SREP 12 provisions on dual occupancy were repealed in 1995 and councils were required to prepare residential strategies articulating how housing opportunities and choice were to be provided suitable to the context of each Local Government Area (LGA).

In 1998 the *Randwick Local Environmental Plan 1998 (Consolidation)* (RLEP 1998) introduced a 450m² minimum lot size for attached dual occupancy in the 2A Residential Low Density (now R2 Low Density Residential) zone. The provisions did not allow for the subdivision of attached dual occupancies (including Torrens and Strata subdivision) unless the building was situated on a 900m² allotment. These provisions were established to act as an investment disincentive so that attached dual occupancies were maintained for only rental or family use, to protect the amenity and streetscape character of low density residential neighbourhoods, and to minimise adverse impacts on on-street parking reduction and traffic generation.

Following the aforementioned 2005 review, the minimum lot size subdivision provisions for the R2 Low Density Residential zone were reduced to 400m², thus requiring a minimum of 800m² of land for the subdivision of an attached dual occupancy. Review outcomes considered that a reduction of the minimum lot size to 400m² would still be able to provide for a dwelling of an appropriate modern size while maintaining landscape requirements and that the number of the additional lots affected was not significant. These provisions were gazetted in 2010 under the RLEP 1998, translated across to the comprehensive *Randwick Local Environmental Plan 2012* (RLEP 2012) in 2013 and remain in force today.

Current Attached Dual Occupancy and Minimum Subdivision Development Standards

The minimum lot size for the subdivision of land in the R2 Low Density Residential zone under the RLEP 2012 is 400m². Therefore, to facilitate the subdivision of an attached dual occupancy (i.e. into Torrens or Strata), a minimum land size of 800m² would be required so that each newly created allotment meets the 400m² lot size requirement.

Subdivision of attached dual occupancy also needs to comply with the frontage width requirement under the DCP. The frontage width for a new lot is a minimum of 12m.

The following table summarises the subdivision provisions applicable to the R2 Low Density Residential zone under the RLEP 2012:

Clause No	Objectives	Relevant Provisions (Summary)
4.1 Minimum subdivision lot size	a) to minimise any likely adverse impact of subdivision and development on the amenity of neighbouring properties	400m ² minimum lot size for dwelling houses under the R2 Low Density Residential zone. 450m ² minimum lot size for attached dual occupancy in the R2 Low Density Residential zone. <i>Nb: a minimum area of 800m² would be required for the subdivision of attached dual occupancy (Torrens).</i>
	b) to ensure lot sizes allow development to be sited to protect natural or cultural features, including heritage items, and to retain special features such as trees and views,	
	c) to ensure that lot sizes are able to accommodate development that is suitable for its purpose.	
4.1AA Minimum subdivision lot size for community title schemes	to ensure that land to which this clause applies is not fragmented by subdivisions that would create additional dwelling entitlements.	(3A) if the subdivision is of a lot on which there is a dual occupancy (attached) the size of each lot resulting from the subdivision is not to be less than 400 square metres, and 1 dwelling must be situated on each lot resulting from the subdivision.
4.1A Minimum subdivision lot size for strata plan schemes in Zone R2	(1) The objective of this clause is to ensure that land to which this clause applies is not fragmented by subdivisions that would create additional dwelling entitlements.	(4) if the subdivision is of a lot on which there is a dual occupancy (attached): the size of each lot resulting from the subdivision is not to be less than 400 square metres, and 1 dwelling must be situated on each lot resulting from the subdivision.

Over the past five years, approximately 240 development applications (DA) were approved for dual occupancies in the R2 Low Density Residential zone. Approved dual occupancy applications make up approximately 7.6% of the total number of residential development applications approved over the past five years; and as the table below outlines, make up a very small proportion of the total residential development applications approved in Randwick City.

Table 1.1: Dual occupancy DA approvals within the R2 Low Density Residential Zone

Year	No. of DA approvals for dual occ.	Total no. of residential approvals	% dual occ. DA approvals / total no. residential DA approvals
2013	18	485	3.7
2014	39	463	8.4
2015	55	628	8.8
2016	59	591	10.0
2017	69	372	18.5
Total	240	3,167	7.6

Source: RCC Pathways property information database and DPE Greater Sydney Regional Housing Activity report (2017)

State planning policy context

The following provides a brief overview of the key state planning policies and relevant directions of the draft Greater Sydney Region Plan and draft Eastern City District Plan which have implications for this review.

Draft Greater Sydney Region Plan and Draft Eastern City District Plan

The draft Greater Sydney Region Plan – ‘Our Greater Sydney 2056’ has a 40 year vision to 2056, with specific strategies for a 20 year timeframe towards a coordinated approach in managing population growth and infrastructure delivery across the city.

The draft Eastern City District plan elaborates on the 20 year strategies in the draft Greater Sydney Region Plan, and includes specific priorities and actions for the District, including population, dwelling and employment forecasts and actions for strategic centres. Councils local planning will need to implement the District Plan’s directions and actions within three years of the district plans being made final.

Of relevance to this review, are the actions contained in the draft Greater Sydney Region Plan and draft Eastern City District Plan in relation to meeting housing targets and preparing a local housing strategy. The draft Eastern City District Plan sets a 0-5 year housing target of an additional 2,250 new dwellings by 2021 and a 20 year strategic housing target for the District for an additional 157,500 new dwellings to meet projected population growth.

Councils will be required to prepare local housing strategies that respond to housing targets set by the Greater Sydney Commission. Local housing strategies are to outline how housing growth is to be managed and what the right locations are for additional housing supply in each LGA; and will inform updates of LEPs. The draft Eastern City district plan outlines key aspects the local housing strategies will need to respond to including for example, housing need and diversity, infrastructure provision and good design.

Council’s submission to the draft Greater Sydney Region Plan and draft Eastern City District Plan noted that Council was on track to meet the 0-5 year housing target based on known and approved development projects and existing development capacity under the local planning framework. However, Council will need to begin work on a local housing strategy to inform the 6-10 year housing target and to contribute to the 20-year strategic housing target for the district, as required by the Greater Sydney Region Plan and district plan.

State Environmental Planning Policy (Affordable Rental Housing) 2009

The Affordable Rental Housing SEPP (2009) (ARHSEPP) makes permissible secondary dwellings or ‘granny flats’ at a maximum size of 60sqm within all residential zones (but only where dwelling houses are permissible) either attached to the principal dwelling, located within the principal dwelling or separate from the principal dwelling, on lot sizes of 450 sqm and greater as either complying development or as a development application; and prohibits subdivision. The inability to subdivide and restricting the size of the secondary dwellings are measures aimed to deliver affordability.

Prior to the introduction of the ARHSEPP in 2009, the only form of secondary dwelling that was permissible in Randwick City was in the form of dual occupancies (attached and detached) on lot sizes of 450sqm or greater. The intent being to provide affordable family housing to extended families and to contribute to housing diversity in the R2 Low Density Residential zone.

Since the introduction of the ARHSEPP (in 2009), two types of secondary dwellings are now permissible in Randwick City:

- i) at 60sqm as prescribed by the ARHSEPP; and
- ii) as larger family accommodation via dual occupancies as prescribed by Randwick LEP 2012.

The inability to subdivide secondary dwellings and/or to limit the subdivision of attached dual occupancies under Randwick LEP 2012 is an investment disincentive, with the intention that this leads to a more affordable housing choice to mainly rent and allow families to stay together. The implication of allowing subdivision on smaller lots in relation to housing affordability is discussed in more detail under 'potential implications for reducing minimum lot sizes'.

Draft Medium Density Housing Code

In 2015/16 the Department of Planning and Environment (DPE) released an 'Options Paper' on expanding complying development to cover medium density housing types such as dual occupancies, townhouses and terraces and manor homes, also known as the 'missing middle'. Following the exhibition of the options paper, the Department later released a design guide and code which outlined proposed development standards for the proposed medium density housing types including attached dual occupancies.

The key implication of the proposed code is that it permits attached dual occupancies on lot sizes of 400sqm and enables the subdivision (torrens and strata) of these lots to 200sqm individual lots as complying development, but only where it is permissible in the LEP. Based on a desktop analysis of lot size in the R2 Low Density residential zone this could hypothetically make (based on lot size only) 10,585 lots eligible for dual occupancy development including subdivision in our low density zone (assuming also the Draft Medium Housing Code made subdivision permissible).

The potential cumulative impacts of increased density through the permissibility of dual occupancies particularly in the lower density residential areas, are significant given that these areas are less accessible to services and transport. These impacts are discussed in more detail below under the section 'key implications' of this report. Based on this, Council outlined in its submission to the DPE on the draft Medium Density Housing Code that it did not support the permissibility of the medium density housing types as complying development in the R2 Low Density Residential zone.

Some of the key points raised in Councils submission to the exhibition of the draft Medium Density Housing Code include:

- the potential to significantly alter the streetscape "character" of the area and has the potential for widespread land fragmentation.
- Community backlash to increasing density 'by stealth' through the permissibility of medium density housing types as complying development.
- Pressure on existing infrastructure, Council services and parking provision, in an area which is typically less accessible to transport and services.

The proposed code is under consideration by the Department.

Minimum Lot Size Review 2017/18

Over recent years, some members of the community have raised concern that the subdivision standards pertaining to the R2 Low Density Residential zone are precluding the Torrens or Strata subdivision of attached dual occupancy development.

This has largely been brought about by limitations and/or restrictions in financing from banks to people who have entered company title schemes. Company title is a form of ownership that entails that a company owns the building and land that it occupies and is governed and regulated by the Corporations Act 2001 (Commonwealth). Owners do not own a title, but rather a 'share' into the company that owns the title. The elected Board of Directors of the company must approve prospective share owners to enable settlement, sale to be completed and the share transfer to be registered. In contrast, under a Strata title scheme, individual 'lots'

(e.g. apartments, townhouses etc) are privately owned, with the owners collectively owning the shared common property (eg. party walls).

As highlighted above, under the current provisions, only properties over 800m² may be subdivided into Strata or Torrens title lots (to meet the 400m² lot size control). Consequently, a number of attached dual occupancies built on smaller allotments (some as low as 450m²) have been subject to Company Title, which does not require Council approval under a Development Application process or the issuing of a subdivision certificate.

As such, in response to limitations in lending by banks to properties held under Company Title schemes, it has been reported that attached dual occupancies under company title are selling more slowly than Strata or Torrens titled properties due to difficulties potential buyers are facing to secure finance.

Given these issues Council considered a Motion Pursuant to Notice and subsequently resolved:

RESOLUTION: (Parker/Matson) that:

(a) Council commence a review of the minimum subdivision lot size standard in the R2 zone and bring back a report detailing the implications of reducing the minimum lot size and the process required to amend the Randwick LEP 2012;

(b) Council establish a register of existing attached dual occupancies under company title;

(c) Council conduct a forum chaired by either the Mayor or Deputy Mayor and invite the State Members Ron Hoenig, Bruce Notley-Smith and Michael Daley as well as the Federal Member Matt Thistlethwaite, to hear from the community on this significant issue;

(d) the review consider the directions and planning priorities in the Greater Sydney Commission Eastern City District Plan;

(e) the review also consider the objectives and strategies of the Greater Sydney Plan and its potential relationship and integration with a new Randwick LEP.

Background research

To help inform the review, two key data gathering exercises were undertaken:

- i. a lot size analysis of all lots within the R2 Low Density Residential zone according to suburb; and
- ii. to identify attached dual occupancies including those under company title in the R2 Low Density Residential zone.

The following outlines the results of the analysis.

Lot size analysis

The table below outlines the number of lots within the R2 Low Density Residential zone according to lot size. From this table, it is evident that lot sizes to the north of the city (i.e in the suburbs of Randwick and Clovelly) are smaller compared to the suburbs within the southern city (i.e Chifley and Little Bay). Kensington has a higher average lot size when compared to the adjoining suburbs of Kingsford and Maroubra however this can be attributed to the heritage overlays which apply to most of the suburb.

Table 1.2: Lot size analysis in the R2 Low Density Residential zone

R2 zone d land	Suburb s	Av. lot size	Number of lots								TOTAL
			< 200	[200, 400)	[400, 450)	[450, 500)	[500, 600)	[600, 700)	[700, 800)	>=800	
North	Randwick	397	84	943	264	128	147	117	42	56	1781
	Clovelly	364	35	676	73	88	73	32	5	12	994
	Coogee	475	2	303	70	86	126	79	35	42	743
	South Coogee	470	6	348	98	126	230	106	32	26	972
	Kensington	663	3	84	25	47	246	415	47	26	893
	Kingsford	437	24	954	409	276	308	79	65	35	2150
Central	Maroubra	428	16	2468	488	595	749	345	133	92	4886
South	Chifley	576	1	86	22	67	311	306	60	25	878
	Little Bay	571	0	52	12	29	235	160	32	16	536
	La Perouse	476	0	23	20	10	22	10	3	0	88
	Malabar	522	3	169	65	166	316	156	36	25	936
	Matraville	566	0	195	129	310	803	372	139	63	2011
	Philip Bay	567	0	12	28	81	30	28	8	17	204
TOTAL		501	174	6,313	1,703	2,009	3,596	2,205	637	435	17,072

Source: RCC (2018) GIS cadastre

Based on the above analysis, the number of lots eligible for subdivision under Councils' existing minimum subdivision lot size requirement (of 800 sqm) would equate to approximately 435 lots. If the minimum lot size be reduced further to 700sqm, approximately 1,072 lots would be eligible for torrens or strata subdivision; and reducing the minimum lot size to 400sqm (comparable to the minimum lot size proposed under the draft Medium Density Housing Code) results in approximately more than 10,500 lots eligible for torrens or strata subdivision, assuming all other conditions are met. This is summarised in the table below.

Table 1.3: Number of lots eligible for subdivision based on lot size only

Min. lot size	No. of lots eligible for subdivision (torrens or strata)
Current controls (800m2 before subdivision)	435 lots eligible for torrens or strata subdivision
If reduced to 700m2	1,072 lots eligible for torrens or strata subdivision
If reduced to 600m2	3,777 lots eligible for torrens or strata subdivision
If reduced to 500m2	6,873 lots eligible for torrens or strata subdivision
If reduced to 400m2	10,585 lots eligible for torrens or strata subdivision

Source: RCC (2018) GIS cadastre

Dual occupancy (attached) audit

The following table and map outlines the number and distribution of dual occupancies (attached) within the R2 Low Density Residential zone across the entire LGA. The audit identified dual occupancies which are built and occupied. It did not account for those dual occupancies which may have a development application approval and/or construction certificate but had not been completed and/or a final occupation certificate had been issued.

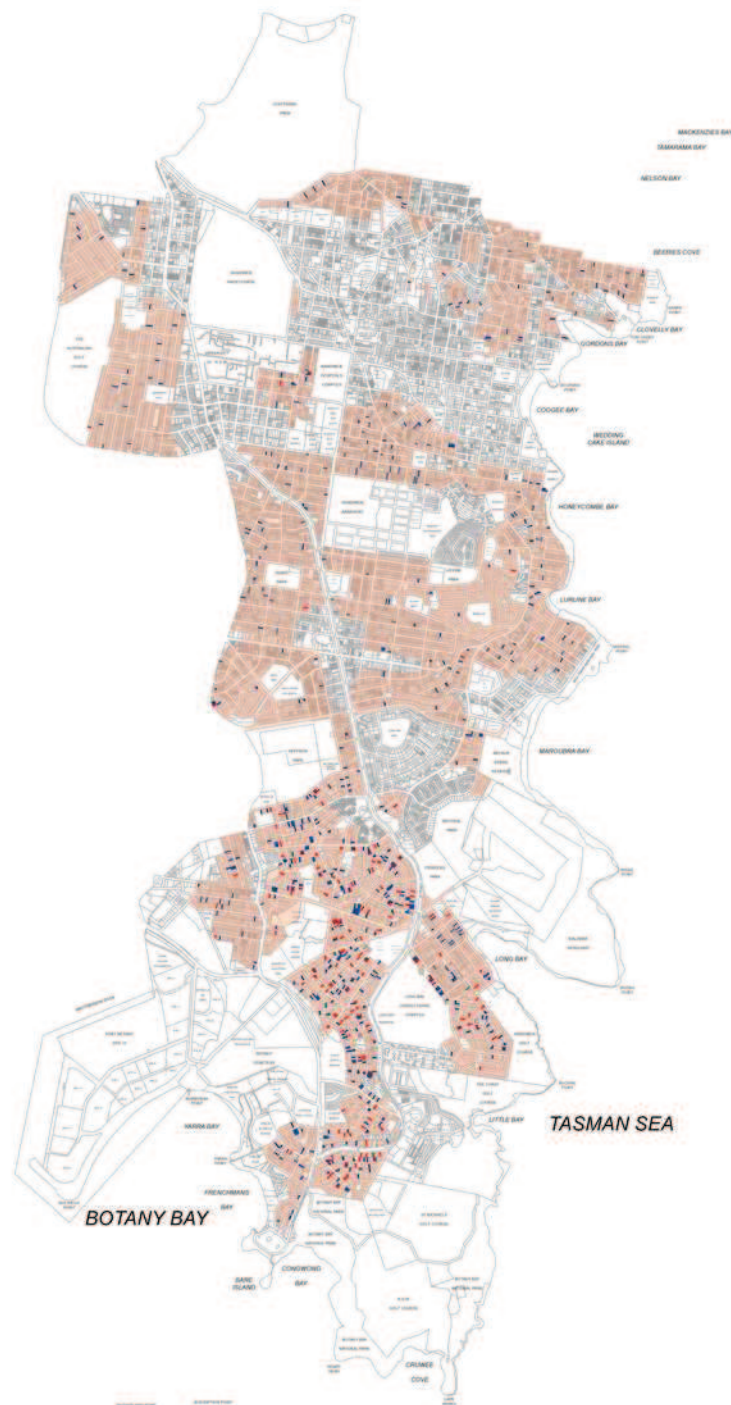
The audit also looked at the title of the property to identify those properties under company title. From the table and map below, the audit identified 688 dual occupancies in the R2 Low Density Residential zone, the majority of which are located to the south of the city including those under company title (at 24%).

In total, the analysis identified that 20% of all dual occupancies within the R2 Low Density Residential zone are under company title. The remaining 60% of dual occupancies are under a single title (i.e torrens) with a further 20% under strata title.

Table 1.4: Dual Occupancy audit within R2 Low Density Residential Zone

Randwick City	Suburbs	Number of dual occ.	Number of dual occ. under company title	% of all dual occ under company title
North	Randwick	39	1	3%
	South Coogee	25	1	
	Clovelly	20		
	Coogee	20		
	Kensington	17		
	Kingsford	33	2	
Central	Maroubra	87	4	5%
South	La Perouse	4		24%
	Little Bay	60	23	
	Malabar	64	17	
	Matraville	175	45	
	Phillip Bay	17	1	
	Chifley	127	43	
Total in the City		688	137	20%

Source: RCC (2018) Pathways property information database



Legend

- Company titled dual occupancies in R2
- Dual occupancies in R2
- Low Density Residential Zone R2

Figure 1.1: Distribution map of dual occupancies in the R2 Low Density Residential zone within Randwick City
 Source: RCC Pathway (2018) Property Information database

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The majority of the dual occupancies under company title have lot sizes between 500-700sqm as shown in the table below.

Table 1.5: Audit of dual occupancy under company title according to lot sizes in R2 Low Density Residential zone

No. of company titled dual occupancy lots	450~500 m ²	500~550 m ²	550~600 m ²	600~700 m ²	700~800 m ²	>=800m ²
	7	15	41	51	21	2
Total	137					

Looking more broadly across the entire R2 Low Density Residential zone (which contains more than 17,000 residential lots), dual occupancies make up only 4% of the housing stock within the R2 low density zone; and those under company title only 0.8% of the total residential lots within the R2 Low Density Residential zone. As such, the analysis illustrates that the focus of this review, being attached dual occupancies under company title, make up a very small proportion of all lots within the residential zone.

Table 1.6: Proportion of lots in R2 Low Density Residential Zone including those under company title

R2 Zone	No. lots in R2	No. dual occ in R2	% of all lots that are dual occ	% of all lots that are company titled dual occ
North	7533	154	2%	0.05%
Central	4886	87	2%	0.08%
South	4653	447	10%	2.77%
Total	17,072	688	4%	0.80%

Source: RCC Pathway (2018) Property Information database

Other comparable council standards

In undertaking this review, a desktop review of other comparable council standards on minimum subdivision lot size controls and attached dual occupancies was also undertaken. The following table outlines key standards of adjoining council standards and that of Willoughby Council who have established dual occupancy provisions.

As the table below illustrates, the standards on minimum lot size and dual occupancy vary. Both the City of Sydney and Bayside Councils (in relation to the former Botany Council area) do not contain standards on minimum subdivision lot size for dual occupancies. In comparison, Willoughby's dual occupancy provisions contains a control which prohibits the subdivision of a dual occupancy until five years after an occupation certificate has been issued.

Council	Relevant LEP	Permissibility of dual occupancy in R2	LEP Min. lot size for erection of dual occupancy	LEP Min. subdivision lot size
Bayside	Botany Bay LEP 2013	Dual occupancy prohibited in R2	Nil	Nil <i>Note: The DCP contains some general provisions relating to torrens, strata and community subdivision (no numerical controls for minimum lot size).</i>
Waverley	Waverley LEP 2012	Dual occupancy (both attached & detached) permissible in R2	No relevant LEP provisions, but contained in the DCP. <i>DCP controls</i> 1.5 Dual Occupancy Development (Part C) <ul style="list-style-type: none"> 450m2 for erection of attached dual occupancy 600m2 for erection of detached dual occupancy 	<u>C14.1</u> For zone R2, the size of any lot resulting from subdivision is either 325m2 or 500m2 (depending on the locations). This requirement however does not apply to strata or community title schemes.
City of Sydney	Sydney LEP 2012	Dual occupancy (both attached & detached) permissible in R2	Nil	Nil <i>Note: The DCP contains some general provisions relating to subdivision (no numerical controls for minimum lot size).</i>
Willoughby	Willoughby LEP 2012	Dual occupancy (both attached & detached) permissible in R2	<u>C16.10</u> <ul style="list-style-type: none"> 700m2 for erection of attached dual occupancy in R2 900m2 for erection of detached dual occupancy in R2 5000m2 for erection of a dual occupancy on the Dual Occupancy Restriction Map. 	<u>C14.1</u> For zone R2, the size of any lot resulting from subdivision varies depending on the locations, being 550 m2, 650 m2, 740 m2, 835 m2, 1500 m2, 2500 m2, 4000 m2, 8000 m2, and 1.4ha. This requirement however does not apply to strata or community title schemes. <u>C14.1C</u> Subdivision of a lot on which there is an existing dual occupancy is permitted only if: <ul style="list-style-type: none"> the lot is not on the Dual Occupancy Restriction Map; the size of each lot resulting from the subdivision is at

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Council	Relevant LEP	Permissibility of dual occupancy in R2	LEP Min. lot size for erection of dual occupancy	LEP Min. subdivision lot size
				least 350m ² ; <ul style="list-style-type: none"> • each of the resulting lots will have one of the dwellings on it, • the FSR of each dwelling does not exceed 0.4:1 or FSR shown on the FSR map for the lot, whichever is lesser, and • a final occupation certificate was issued for the dual occupancy at least 5 years before the consent for the subdivision is granted.

Key Implications of Reducing Minimum Lot Size

The existing RLEP 2012 minimum lot size subdivision have been established following a comprehensive analysis and careful consideration of the urban form and character of R2 Low Density Residential zoned areas across our City, including the subdivision pattern, topography, accessibility to centres and public transport, streetscape, and environmental and amenity impacts on adjoining neighbours.

The provisions in their current form allow for the reasonable provision of attached dual occupancy in the low density suburbs of Randwick City. They provide a balance of incentive and restriction so that density is not spread broadly throughout the low density residential suburbs and that reasonable opportunities for this form of housing can still be provided where a good standard of design can be met and adverse amenity impacts are capable of being minimised.

A major impact of reducing the minimum lot size for subdivision for both Torrens and Strata is that it would incentivise the development of attached dual occupancies, leading to a likely substantial increase in this housing typology in the R2 Low Density Residential zone. The cumulative impacts of this level of attached dual occupancy development would have the following implications on our low density suburbs:

- **Housing diversity and choice:** A reduction in the minimum lot size for subdivision would further encourage development speculation and the likely proliferation of attached dual occupancies at the expense of other low density housing forms. A substantial increase in an attached dual occupancy typology is thus likely to impact upon housing choice and diversity in the low density residential areas. It is important to note that attached dual occupancies are only one form of housing form and were never intended to be the dominant building typology in the R2 Low Density Residential zone.
- **Land fragmentation:** An increase in the development of attached dual occupancy developments resulting from reduced subdivision requirements may exacerbate land fragmentation by setting a precedent for smaller allotments. This in turn would change the subdivision pattern and open character of our low density residential areas.

- **Affordable Housing:** As noted in this report, a benefit of the current provisions is that attached dual occupancy held under the one title allows for one dwelling to be rented and/or kept within the family. Attached dual occupancies thus provide an affordable rental option in the R2 Low Density Residential zone. Reducing the minimum requirements for subdivision is likely to result in the construction and subdivision of more attached dual occupancy sites (into Torrens or Strata). This in turn has implications on the stock of affordable rental housing in the low density suburbs. This issue is pertinent given the prevailing housing affordability issues affecting the LGA.
- **On-street parking and traffic generation:** A substantial increase in attached dual occupancy would have implications on on-street parking availability and traffic generation. Attached dual occupancies involve two rather than one households and therefore with each new development, often two driveways are required, resulting in a net loss of one on-street parking space per development or alternatively, one wider driveway when garages are joined. Similarly, the subsequent growth in dwelling numbers would contribute to an increase in traffic generation in low density areas. This is pertinent as the majority of low density zoned sites are situated in the southern suburbs which are not well serviced by frequent public transport, with households generally relying on private transportation.
- **Streetscape Impacts:** An increase in development that additional subdivided allotments would generate, may have detrimental impacts on aesthetics, amenity and streetscape character. Intensification of built form, doubling of capacity and reduced openness (that is otherwise afforded by single dwellings on individual allotments) compounded with the dominance of garages and driveways all have the potential to adversely affect streetscape aesthetics and visual amenity.
- **Infrastructure Capacity:** While attached dual occupancies may be similar in scale to a single dwelling house, they pose greater potential impacts due to higher occupancy rates on the same parcel of land. Existing low density residential areas affected by change to the minimum subdivision provisions may not have the existing soft and hard infrastructure to support population intensification associated with increased density (e.g. road networks, public transport, schools and childcare). This issue requires further analysis, in the context of growth more broadly across all land use zones.
- **Local Housing Strategy:** Council is required to prepare a Local Housing Strategy to meet district planning targets indicated in the draft Eastern City district plan. The Strategy will identify opportunities to increase housing supply as well as improving housing mix, affordability and availability to meet diverse needs of our community. A comprehensive housing study would take into careful consideration the unique character, amenity and infrastructure needs of our diverse areas. Reducing the minimum subdivision standards in the R2 Low Density Residential zone prior to the Housing Strategy being developed is an ad hoc and a piecemeal approach to strategic planning. Significantly, the reduction of subdivision requirements may lock out longer term development potential in many areas.

Community consultation programme

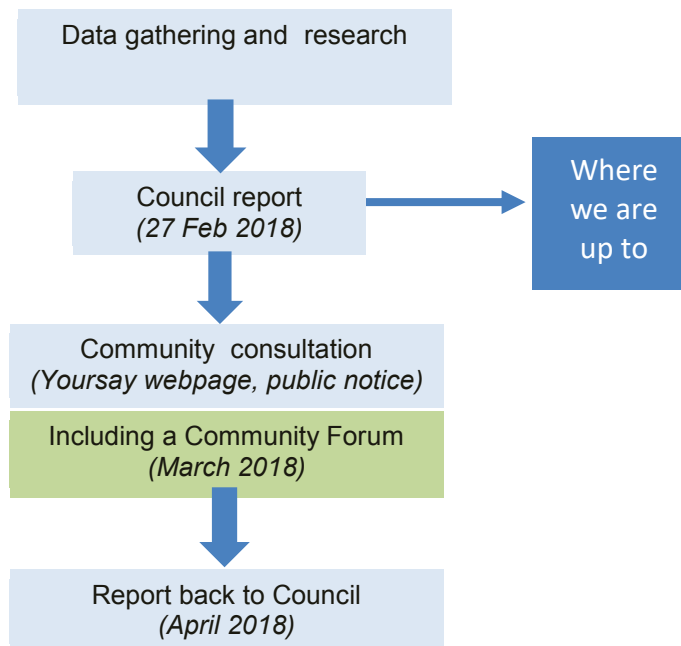
It is proposed that Council undertake a community consultation programme over an 8-week period to seek the views of the community on this issue. Key consultative actions and events are to include:

- a dedicated 'yoursay webpage' providing the opportunity for residents to upload a submission and/or register to speak at the community forum/ public hearing;

- a public hearing/ forum, to be held in March to enable the Council and invited State and Federal MPs to hear the concerns of the community on this issue.

Given the issue is of local planning significance, there is a question around the value of having the community forum with invited State MP's. There are many other community engagement tools available that can achieve the same if not better results.

Following the public hearing, the council officers will report back to the Council on the outcomes of the consultation including any key recommendations. The flow chart below outlines the key steps of the consultation programme including timeframe.



Process of amending RLEP 2012

The resolution of Council which initiated this review also sought that council officers *'... bring back a report detailing the implications of reducing the minimum lot size and the process required to amend the Randwick LEP 2012'*.

The following outlines the planning proposal process.

The Environmental Planning and Assessment Act 1979 (The Act) and Regulations set out the process for amending the zoning or planning provisions relating to a parcel(s) of land in NSW (rezoning). Changes to the zoning or planning provisions can only be made via a formal amendment to the Local Environmental Plan (LEP).

A Planning Proposal is the first step to commence changes to the zoning or planning provisions relating to a parcel of land. It is a formal application that sets out the objectives, intended outcomes, and justification for the proposed changes, and also details the community consultation to be undertaken.

Council can initiate a Council led Planning Proposal through a resolution of the Council which is then forwarded to the Minister for Planning for a 'Gateway Determination'. The 'Gateway Determination' is essentially a checkpoint for Planning Proposals, and enables those proposals that are not well founded, or not in the public interest to be stopped early in the process, before significant resources are committed in carrying out technical studies or investigations.

The Minister's 'Gateway Determination' will stipulate whether the Planning Proposal should proceed, whether it needs to be resubmitted, the timeframe for its completion (usually nine months from the date of the Determination), the community consultation and State/Commonwealth agency requirements and whether a public hearing is needed.

Following the Gateway Determination, a Planning Proposal is formally placed on public exhibition for comment. The final LEP and any accompanying maps which amend the Council's principal planning instrument (i.e. the RLEP 2012) are made by the Minister for Planning (and notified on the NSW legislation web site) in accordance with the Act. Certain LEPs which are of local significance can be finalised by Council via delegation from the Minister (this is determined at the gateway stage).

It is important to note that a Planning Proposal is a separate process to a DA. A Planning Proposal involves Council's resolution to commence a process to amend the LEP, whereas a DA seeks Council's consent to enable a development to proceed.

In the circumstance that a Planning Proposal is supported, resulting in amendments to an LEP, a DA for subdivision based on the new standard would not be able to be determined by Council until the amendment to RLEP 2012 comes into effect. The process of amending the LEP would take in excess of 12 months.

However, it is important to note that, even if the Council did resolve to amend the LEP to change the minimum lot size standards in the R2 Low Density Residential zone, the DPE may not support a planning proposal which seeks to amend the LEP on a single development standard in isolation of a wider comprehensive housing strategy.

Relationship to City Plan

The relationship with the City Plan is as follows:

Outcome 4	Excellence in Urban Design and Development
Direction 4b	New and existing development is managed by a robust framework
Outcome 6	A liveable City
Direction 6d	A strategic land use framework provides for our lifestyle changes and for a continuing, yet low rate of growth across our City
Direction 6e	Enhance housing diversity, accessibility and adaptability to support our diverse community.

Financial impact statement

There is no direct financial impact for this matter.

Conclusion

This report responds to a resolution of Council which sought a review of minimum lot sizes in the R2 Low Density Residential zone. It provides an overview of minimum lot size subdivision standard and attached dual occupancy development in Randwick City including those under company title. The analysis demonstrates that attached dual occupancy development contributes a relatively small proportion towards the housing diversity and stock of Randwick City's R2 Low Density Residential zone.

The potential implications of reducing minimum lot size in relation to attached dual occupancy development, as outlined in this report is significant. Increasing density in areas that are not as accessible to public transport and services is contradictory to metro and district planning directives. As the analysis demonstrated, any changes to

minimum lot sizes within the R2 Low Density Residential zone will be most felt in Randwick's southern suburbs.

Based on this, this report urges that a precautionary approach be undertaken towards a review of minimum lot sizes and that any potential changes to minimum lot size be considered as part of a wider housing strategy for the LGA, as required by the Draft Greater Sydney Region Plan and draft Eastern City District Plan.

Recommendation

That Council:

- a) endorse a two month community consultation programme on the review of the minimum lot size standard and;
- b) a report be prepared outlining the outcomes of the consultation programme and any key recommendations with respect to changing the minimum lot size standard and the controls relating to attached dual occupancies in the R2 zone.

Attachment/s:

Nil