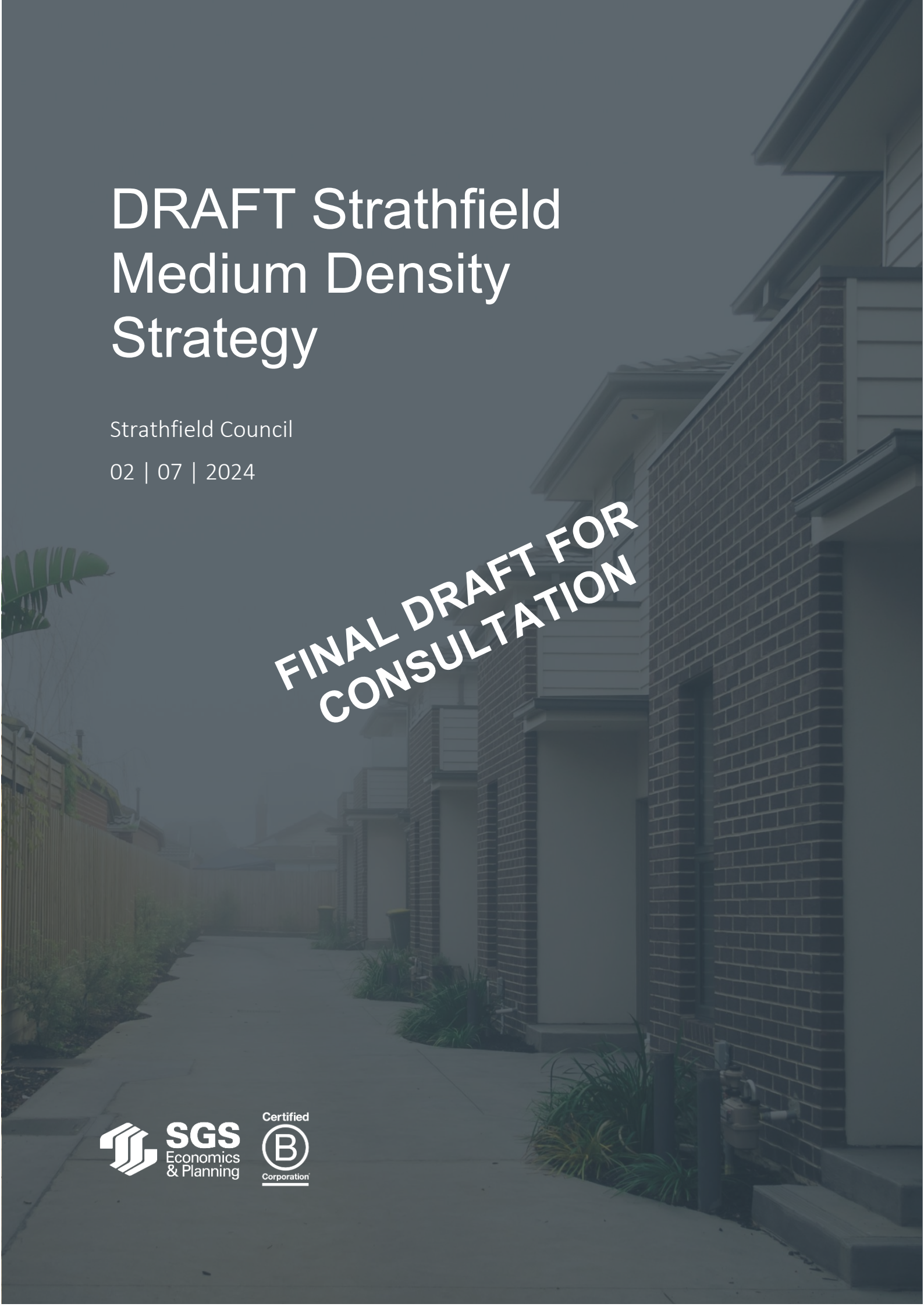
DRAFT Strathfield Medium Density Strategy

Strathfield Council

02 | 07 | 2024

FINAL DRAFT FOR CONSULTATION



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1. Introduction

This section provides an overview of the project context and project method.

1.1 Background

The Missing Middle

Currently, Greater Sydney faces a number of challenges in relation to housing. For middle ring suburbs, a key issue is the lack of medium density housing (often termed the missing middle) and the lack of dwelling diversity.

This lack of dwelling diversity or missing middle housing is often used as shorthand for the absence of dwelling typologies categorised within a low- to medium-scale built form and moderate intensity (i.e., floor space ratio (FSR) or density and height). They can be characterised across a range of built forms from detached single family houses to mid-rise/high-rise multistorey apartment blocks. Some of these built form examples include duplexes, townhouses, courtyard apartments, and attached dwellings of three or more.[1]

Because medium density dwelling typologies tend to have lower visual and built form impact on established neighbourhoods, and because such dwelling types often appeal to locals looking to downsize or families looking for more diverse options, they are considered more suitable for the purpose of increasing dwelling diversity and density within middle ring suburbs.

Strathfield LGA and Missing Middle Issues

Strathfield Local Government Area (LGA) is one of these middle ring suburban areas in which the lack of dwelling diversity and medium density dwelling typologies is apparent. Situated in the inner western suburbs of Sydney, the LGA has traditionally been characterised by large lot, low density dwellings. In more recent years, significant regional growth pressures have translated into high-rise apartment developments close to Parramatta Road, exacerbating the contrast between the low and high ends of the dwelling spectrum.

Over the past five (5) years, local statutory and strategic planning efforts have begun elevating attention to the absence of dwelling diversity along the medium density parts of the housing spectrum. most notably, these studies and investigations have highlighted the following issues:

[1] Madigan, D & Bennet, A., 2019, 'The Missing Middle: increasing the density and diversity of housing in Australia's suburban cities', National Housing Conference 2019, https://researchmgt.monash.edu/ws/portalfiles/portal/296610274/The_Missing_Middle_increasing_the_density_and_diversity_of_housing_in_Australia_suburban_cities_Damian_Madigan_National_Housing_Conference_2019_Darwin.pdf, p. 3, date accessed: 30 08 2023

- The LGA is characterised as a community with relatively low (i.e., by comparison to the Greater Sydney area) proportion of what might be considered medium density dwelling types - e.g., semi-detached, terrace or townhouse, accounting for only six (6) percent of dwellings.[2]
- The LGA is characterised as a community with relatively high (i.e., higher than the Greater Sydney area) proportions of flats and apartments.[3]
- During community consultation (during Strathfield's Local Strategy Planning Statement (LSPS) process in 2019), local community views were mixed toward residential development, highlighting that some residents were concerned with over-development and that the low-density character of the community was not being retained.
- Consultation conducted a year later (as part of the 2020 Local Housing Strategy (LHS) process) also suggested that while participants were still reluctant to see additional density in the central Strathfield area, density might be suitable for certain parts of the LGA, such as close to major transport corridors.
- It was also noted that Strathfield has more restrictive planning controls for medium density in comparison to a few other LGAs where permissibility for medium density dwellings is primarily in the R3 zone.[4]
- Further complicating these issues is the recent emergence of fundamentally different demographic and employment land use drivers. Stemming in part from the COVID-19 pandemic, shifts in daily commuting patterns, work-from-home patterns and preferences have altered the landscape and fundamentals beneath strategic land use planning efforts. In particular, downward revisions to population growth projections (released in 2022 by the NSW Government) have translated to questions and challenges, at the local level, surrounding how best to account for and respond to residential dwelling demand/needs for Strathfield LGA.

As such, this Medium Density Housing Strategy takes its cues from the findings, conclusions and recommendations of these studies and efforts, pointed to a series of three key directives:

- Identify medium density around centres, including heights, typologies and overall densities.
- Review planning controls to identify opportunities to promote limited medium density development in high amenity character areas.
- Undertake annual review of medium density applications to track uptake of permissible uses.[5]

1.2 Project Context

Within the above-referenced context, and following from direction set by previous strategic and statutory planning efforts, this Medium Density Housing Strategy has been commissioned in recognition of the need to investigate the potential for greater dwelling diversity and medium density options in

[2] HillPDA & Strathfield Council, 2020, Strathfield Local Housing Strategy, p. 49
[3] Ibid., p. 49
[4] Ibid., p. 83
[5] Ibid., p. 110

Strathfield LGA, and to progress a strategy, recommended potential pathways and other considerations that respond to and address the issues summarised above.

Objectives

The output for this study is specifically a Medium Density Housing Strategy that makes recommendations regarding pathways to modify Strathfield's Local Environmental Plan (LEP) and Development Control Plan (DCP). Objectives of the project include:

- Conducting a robust and rigorous assessment of the evidence base around medium-density dwelling typologies, including review of current urban design guidelines, yield analysis, community sentiment (through multiple forms of consultation and engagement).
- Identify suitable medium density dwelling typologies for community consideration.
- Review the advantages and disadvantages of medium density dwelling typologies in a place-based context, including consideration around where medium density dwellings should be strategically located within the LGA.

At commencement of the study, discussion with Council also highlighted that the study should also consider the following:

- Facilitate incremental change across some areas.
- Permit more expansive change for some (relevant and appropriate) areas.
- Avoid comprehensive or universal changes.
- Facilitate and encourage change that preserves but enhances character of existing neighbourhoods.
- Maintain quality, look and feel of neighbourhoods that do not represent radical change.
- Encourage development that maximises access to schools, jobs and amenity.
- Note the timing of the Department's announcement of the low- and medium-density zoning reforms and the value that the findings of this study (in advance of the Department's deadline for submissions to exhibition period) – particularly the findings from the community survey.

Approach and Process

Strathfield Council has commissioned SGS Economics & Planning, alongside sub-consultants Architectus and Micromex, to complete a medium density housing strategy. The study involved five (5) stages. A summary of the method is provided in the following table.

TABLE 1: STUDY METHOD SUMMARY

Stage	Analysis and work completed
Stage 1 Project inception, background and demographic evidence base	▪ Project inception ▪ Review of recent state and local government policies, strategies and housing studies that are guiding dwelling development in Strathfield LGA ▪ Historical assessment of housing supply overtime using a range of data sources ▪ Historical and projected assessment of housing demand overtime using a range of data sources.
Stage 2 Development of medium density alternatives, opportunities and constraints	▪ Led by Architectus an urban design review of the local housing character in the LGA and consideration of medium density dwelling typology options. ▪ Yield analysis assessing the capacity within the local planning system to uptake alternative medium dwelling options.
Stage 3 Consultation	▪ Led by Micromex, a two stage phone and email survey (target of 500 local residents) to understand views around location and typologies that may be suitable for medium density dwellings in the LGA. The aim of the consultation is to test community sentiment around: - Housing diversity - Housing choice - Future needs - To understand the degree of support for gradual change to planning controls across a universal area vs. targeted area - Broader preferences for housing (such as access, security, privacy, ambience, energy efficiency). ▪ The survey would then be followed by two 'pop-up' stalls at the local plaza and library to understand in greater depth the community's understand of different medium density housing types, and their preferred medium density housing form.
Stage 4 Feasibility testing	▪ Identification of sites and scenarios for testing ▪ Feasibility testing ▪ Revision of dwelling yield estimates.
Stage 5 Recommendations and reporting	▪ Development of a medium density housing strategy ▪ LEP/DCP recommendations.

Source: SGS Economics & Planning, 2023

2. Regulatory & planning context

This section provides an overview of the relevant regulatory and planning context at the state and local government levels.

2.1 State government

The NSW State Government is responsible for structuring, planning and governing major land use and housing policy settings across the state. They undertake large, state-significant planning assessments, help evaluate infrastructure priorities, oversee state/metropolitan level land use planning controls and decisions and conduct major precinct planning.

Regulation

Planning regulation controls the form, density and degree of development of residential housing. This section details the relevant pieces of regulation framing housing and dwelling diversity for NSW.

- Exempt and Complying Development Codes State Environmental Planning Policy (2008) – Part 3B Low Rise Medium Density Housing Code: Dual occupancies, manor houses and terraces can be built as complying development under the SEPP. The Code applies across all of NSW, in the R1, R2, R3 and RU5 zones, where dual occupancies, manor houses and multi-dwelling housing are permitted under a Council's LEP. A complying development must meet all the development standards in the code and the design criteria in the Low-Rise Housing Diversity Design Guide for complying development. The Code allows the concurrent development and subdivision of dual occupancies, manor houses or multi dwelling housing (terraces) as complying development, only where a council's LEP permits these types of housing in a R1, R2, R3 or RU5 zones.
- State Environmental Planning Policy (Housing) 2021: The principal of the Housing SEPP is to enable and encourage the development of affordable and diverse housing. The SEPP incentivises the provision of affordable housing across numerous built form typologies including boarding houses, built-to-rent, group homes and secondary dwellings. It does this through providing floor space bonuses and specifying zones where this type of development can occur. The Housing SEPP applies to the State. Councils are to have regard to the Housing SEPP when assessing development applications.

Proposed Reforms

The following summarises the relevant proposed programmatic and regulatory structures to be introduced statewide with direct impact on local control.

- Transport Oriented Development Program – State Led Rezoning Around Station Precincts (2023): The program was announced December 2023 and encourages mixed-use development around a total of 45 locations (Tier 1 precincts x 8 and Tier 2 precincts x 37). Tier 1 of the program involves the state-led rezoning of land within 1200 metres of eight heavy rail and Metro stations: Bankstown, Bays West, Bella Vista, Crows Nest, Homebush, Hornsby, Kellyville and Macquarie Park.

Tier 2 of the program will focus on areas 400 metres of 37 train stations to create capacity for 138,000 new homes over a 15 year period. The new planning controls applied to these precincts will allow the development of more multi-storey housing. Relevant to Strathfield Council is Tier 1 of the program where the Homebush TOD precinct has been selected as a priority growth area for state-led masterplanning around transport hubs.

- Low- and Mid-Rise Housing Reforms (2023): Late 2023, the Government announced changes that will allow residential flat buildings of 3-6 storeys, terraces, townhouses, duplexes and smaller 1-2 storey apartment blocks in suburbs where they are not currently allowed. The changes are outlined in detail below:

    1. Dual occupancies (two separate homes on a single lot), such as duplexes, will be permissible in all R2 low density residential zones across all of NSW.
    2. Terraces, townhouses and two storey apartment blocks near transport hubs and town centres will be permissible in R2 low density residential zones across the Greater Sydney region, Hunter, Central Coast and Illawarra (the Six Cities region).
    3. Mid-rise apartment blocks (3-6 storey apartment buildings that are freestanding or mixed-use) will be permissible in R3 medium density zones that are within 800m of transport hubs, town centres and appropriate employment zones.

  The Government will introduce a State Environmental Planning Policy (SEPP) to enact these changes while simultaneously encouraging councils to add these types of dwellings to their own planning rules. For Strathfield LGA, it is expected that all of the above reforms will apply. It is likely that the centres referred to above will include all of the station precincts within Strathfield.[6]

- Pre-Approved Building Designs (2023): The NSW Government announced that it was developing a pattern book of endorsed housing designs for both low-rise and mid-rise (up to six storeys) buildings. It is expected the pattern book will be available for use late 2024 to early 2025. The NSW Government Architect, is leading a process of developing the pre-approved list of designs, alongside established private-sector architects, as well as the community, as part of a comprehensive consultation process. As part of this process, the Government will launch an international competition, calling on Australian and international architects and architecture schools to design a best-practice Sydney terrace and mid-rise apartment for the 21st century. The winning designs will be included in the pattern book. Developers who choose to adopt the endorsed pattern book designs will have an accelerated approval pathway.

Plans and Studies

Further reflecting the development in the state regulatory environment, the NSW Government has also undertaken housing plans and studies during the past five (5) years to inform strategic planning and

[6] In 2023, Strathfield Council met with DPHI to discuss the progress and intended outcome of this study. DPHI advised Council that the study may be paused to allow for alignment and consideration of DPHI's Explanation of Intended Effects (EIE). Therefore, the findings of this study, as available to that point, were included and used in Council's response to the EIE.

changes to planning controls. A few of these recent studies undertaken have had a direct bearing on strategic and statutory planning efforts at the local level in Strathfield.

- Greater Sydney Commission - Eastern City District Plan (2018): Strathfield LGA is identified as a significant area in the Eastern City context to deliver housing. The 0-5 year housing supply target for Strathfield is 3,650 between 2016-2021. It is noted that the LGA had particular potential for Transit Orientated Development. The Plan notes Councils are in the best position to identify the parts of the LGA that are suited to additional medium density opportunities and that investigations should also consider:
  - Transitional areas between urban renewal precincts and existing neighbourhoods
  - Residential land around local centres where links for walking and cycling help promote a healthy lifestyle
  - Areas with good proximity to regional transport where more intensive urban renewal is not suitable due to challenging topography or other characteristics
  - Lower density parts of suburban Greater Sydney undergoing replacement of older housing stock
  - Areas with existing social housing that could benefit from urban renewal, and which provide good access to transport and jobs.

2.2 Local government

Local governments in most states are generally responsible for implementing and complying with strategic and statutory frameworks established by state planning agencies, preparing planning proposals for local level land use changes like rezonings, and the approval of development applications. This section traces the evolution of Strathfield's strategic and statutory planning efforts, including the regulatory framework and plans and studies undertaken.

Regulation

Local government planning regulations direct development in the local area and how it will be formed with the intent of reducing land use conflict.

- Strathfield Local Environmental Plan 2012: The current LEP permits the following medium density housing types in the residential zones.

TABLE 2: STRATHFIELD LEP RESIDENTIAL CLAUSES

Zone	Permitted with consent
R2 Low Density Residential	Attached dwellings Secondary dwellings Semi-detached dwellings Dual occupancies (Greenacre only Schedule 1 (2))

R3 Medium Density Residential	Attached dwellings Dual occupancies Multi dwelling housing Residential flat buildings Secondary dwellings Semi-detached dwellings
R4 High Density Residential	Multi dwelling housing Secondary dwellings Residential flat buildings

Source: Strathfield LEP, 2012

- Strathfield Development Control Plan (2005):

  PART B of the Strathfield Consolidated Development Control Plan relates to Dual Occupancy Housing. The aim is to 'achieve residential development within the Strathfield Municipal Council Area which is sympathetic and appropriate for the natural and built environment, acceptable to the community and economically feasible'.[7] Dual occupancy development consent will not be granted by Council if the bulk, scale, and character of the proposal is not compatible with the existing area. At a minimum, dual occupancy is not permitted on allotments less than 560 sqm in area and site coverage is not to exceed 65 per cent of the total site area. Other controls consider frontage, setbacks, density, bulk and scale, energy efficiency and water conservation, open space and landscaping, and security.

  PART C of the Strathfield Consolidated Development Control Plan relates to 'Multiple-Unit Housing'. Similar to Part B, the aim is to achieve residential development that is appropriate for the natural and built environment and that it is acceptable to the community and compatible with the streetscape.[8] Multiple-unit housing is not permitted on allotments less than 1000 sqm in area and 30 metres in width. Again, it also includes the section includes controls that relate to site design, bulk and scale, building design, energy efficiency and water conservation, streetscape and building orientation, heritage and conservation, open space and landscaping, access, parking and other matters that are ancillary to medium density development. Controls are generally consistent with the expected form and design of medium density residential development throughout Greater Sydney. Objectives related to design principles and density, bulk and scale support site layout and building design that considers the existing characteristics, amenity and environment.

- Strathfield LEP - Draft Planning Proposal (drafted June 2021, withdrawn 2023): The Planning Proposal was to establish the Strathfield LEP 2021 which would be the first stage in implementing the Strathfield Local Strategic Planning Statement. Key changes relevant to medium density residential proposed under the draft Planning Proposal are documented below. The subject

[7] Strathfield DCP, 2005, Part B. p. 87
[8] Strathfield DCP, 2005, Part C. p. 126

Planning Proposal was withdrawn in 2023; the findings of this study may inform the preparation of a new Planning Proposal in the future.

TABLE 3: DRAFT PLANNING PROPOSAL - PROPOSED CHANGES SUMMARY

Proposed change	Description
Introduction of a R1 General Residential zone.	A number of areas within Strathfield are currently zoned R3 and cannot be separated into the new R3 Zone or R4 Zone with certainty. For these areas, the R1 General Residential Zone will apply. All permitted uses in the current R3 zone will be included in the new R1 zone.
Removal of 'Residential Flat Buildings' from Permitted with Consent in the R3 Medium Density Zone	To improve urban design outcomes and to have an R3 zone that truly reflects medium density areas. A number of R3 zones are proposed to be re-zoned to R1 or R4.
Increase of minimum lot size for dual occupancies to 650 sqm	To increase the minimum lot size for dual occupancies from 560 sqm to 650 sqm.
Reduce minimum lot size for dual occupancies to 600 sqm for Greenacre	Due to the existing subdivision pattern of the area and ability to provide housing affordability, it is proposed to reduce the minimum lot size for dual occupancies in Greenacre to 600 sqm.
Remove Greenacre from Schedule 1 – Additional Permitted Uses	The intention to re-zone the R2 zone Greenacre Housing Investigation Area (bounded by Wentworth St and Juno Parade) to R3 Medium Density.
Introduction of minimum subdivision lot size for dual occupancies	Proposed that dual occupancies will only be permitted within the R1 and R3 zones and add a minimum lot size for the subdivision of a dual occupancy.
Introduction of minimum subdivision requirements in R2 Low Density Residential	To specify the minimum site width for subdivision of land as identified under the DCP

Source: Draft Planning Proposal, Strathfield Council, 2021

Plans & Studies

Housing plans and studies conducted at the local government level are generally guided by state government targets and policy settings. Recent studies conducted by Strathfield Local Government consider the potential for increased medium density housing in the LGA.

- Strathfield Local Housing Strategy (2020): The objective of the Strategy is to plan for up to approximately 13,500 additional dwellings (2016 to 2036) to meet the needs of a growing population. The vision for housing in Strathfield is to provide a 'choice of sustainable housing in quality designed buildings for its growing population'.[9] Based on the DPE 2019 dwelling projections, it is expected the LGA will contain 30,805 dwellings by 2036. Approximately 14 per cent are expected to be medium density dwellings (4,382) and 62 per cent apartments (19,008). The Strategy notes there are currently few opportunities for medium density housing to be delivered in Strathfield LGA and that planning controls could be refined to encourage more medium density development. Some recommended changes include:
  - Prohibiting residential flat building use in the R3 Medium Density Residential zone
  - Implementing Development Control Plan (DCP), height and floor-space-ratio controls to allow for a variety of competitive medium density housing types
  - This recommendation was then incorporated into the amended SLEP 2021 Planning Proposal that was eventually withdrawn.
- DPE Strathfield Local Housing Strategy - Letter of Approval (September 2021): The letter notes Council's aim to deliver 3,800 dwellings for the period 2021-2026. This is considered consistent with the GSC's 6-10 year target. DPE notes there is theoretical housing capacity within the existing controls, and future major housing projects occurring within the LGA. However, Council is required to confirm the impacts of the Stage 1 LEP planning proposal on housing targets and make necessary changes to the LHS. In relation to medium density housing, DPE states to 'ensure housing diversity is achieved by 2026, there is a requirement by Council to confirm how the Stage 1 LEP planning proposal submitted in 2021 is consistent and achieves the outcomes and targets of the LHS, in particular that the introduction of new/revised medium density and high density controls across the R2 Low Density Residential, R3 Medium Density Residential, and R4 High Density Residential zones, and the change in dual occupancy controls will not have an adverse impact on Council's ability to achieve its 6-10 year housing target.'[10]
- Strathfield Housing Implementation and Delivery Plan – Part 1 & 2 (2022): The Plan outlines the approach to be taken by Council to deliver the actions of the Strathfield LHS. The following table outlines relevant medium density housing projects for Strathfield.

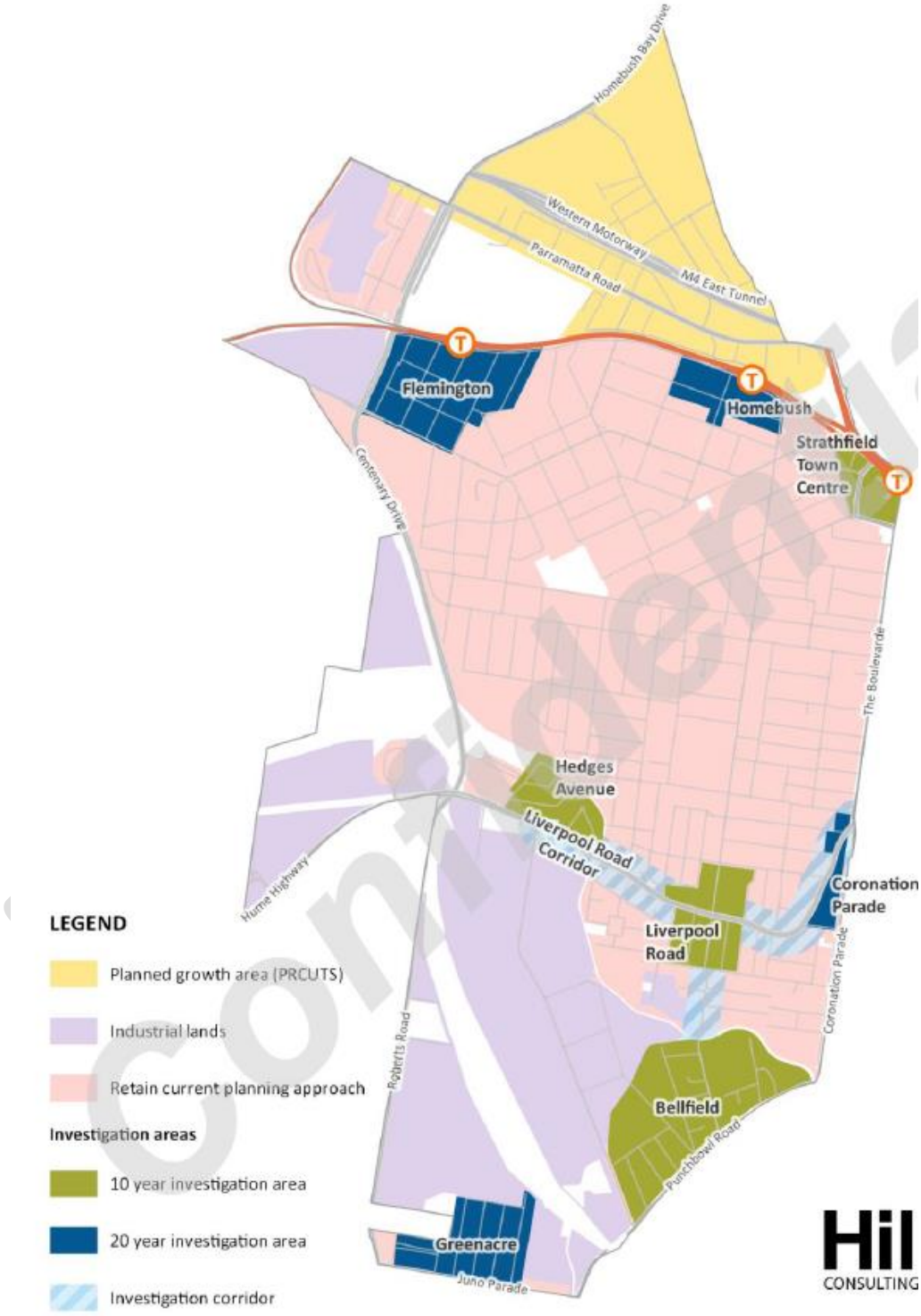
[9] HillPDA, op. cit., 2020, p. 9
[10] DPE, 2021, Letter of Approval, p. 4

TABLE 4: PROJECTS AND DWELLING YIELD

Project	Dwelling yield	Status
#3: Feasibility and economic analysis Greenacre HIA ▪ LEP 2021 Stage 1 ▪ Testing to include feasibility of new/revised controls across R2, R3, R4 and change in medium density controls.	2,000 dwellings 6-10 + years	Completed
#7: Feasibility testing and analysis Homebush West Town Centre/Flemington HIA ▪ LEP 2021 Stage 2 Short Term (2021-2026) ▪ Testing to include feasibility of new/revised controls across R2, R3, R4 and change in medium density controls.	1,091 dwellings 6-10 + years	Completed
#9: Feasibility testing and economic analysis Strathfield Town Centre and Strathfield Station ▪ LEP 2021 Short Term (2021-2026) ▪ Testing to include feasibility of new/revised controls across R2, R3, R4 and change in medium density controls.	Yield TBC	Q2 2023-Q2 2024
#11: Feasibility testing and analysis Hedges Avenue ▪ LEP 2021 Stage 2 Short term (2021-2026) ▪ Testing to include feasibility of new/revised controls across R2, R3, R4 and change in medium density controls.	714 dwellings 6-10 + years	Completed
#13: Feasibility testing and analysis Liverpool Road Centre ▪ LEP 2021 Stage 2 Short term (2021-2026) ▪ Testing to include feasibility of new/revised controls across R2, R3, R4 and change in medium density controls.	866 dwellings 6-10 + years	Completed
#15 Feasibility testing and analysis Belfield ▪ LEP 2021 Stage 2 (2021- 2026) ▪ Testing to include feasibility of new/revised controls across R2, R3, R4 and change in medium density controls.	1,577 dwellings 6-10 + years	Completed
#17 Housing Diversity ▪ Review of housing diversity typologies within the LGA to be consistent with neighbourhood character	Yield TBC	Q3 2023

Source: LHS Implementation and Delivery Plan, Strathfield Council, 2022

FIGURE 1: POTENTIAL HOUSING DELIVERY INVESTIGATION AREAS (10 AND 20 YEARS)



Source: Strathfield LHS, 2022, p. 103

3. Housing Supply and Demand

This section presents population, household and housing supply data for Strathfield LGA compared to the Eastern Harbour City and Greater Sydney geographies.

Population growth is a major driver of housing demand, while the size and make-up of households can influence the type of housing required. The following sections delve into these two factors compared to the Eastern Harbour City and Greater Sydney geographies. The final section presents housing supply in the Strathfield LGA pipeline.

3.1 Housing demand

Between 2011 and 2021, the population of Strathfield LGA grew by approximately 30 per cent to 45,593 persons (see Table 5). This growth was higher than that of the Eastern Harbour City and Greater Sydney at 13 per cent and 19 per cent respectively. Strathfield LGA accounted for 4.3 per cent of the Eastern Harbour City's growth in that time period. The average annual change for Strathfield was an increase of around 1,041 person or 2.6 per cent (compared to annual average growth of 1.2 per cent in the Eastern Harbour City).

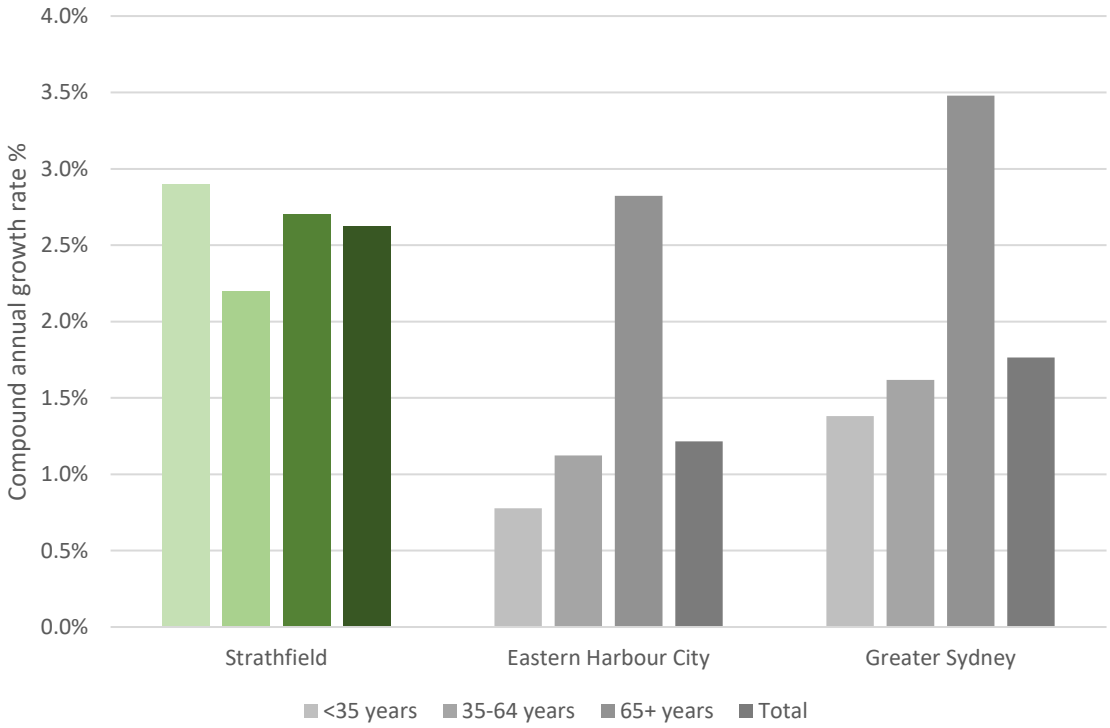
TABLE 5: CHANGE IN POPULATION (2011-2021)

	2011	2021	2011-2021 Change			
			Growth	Total Change	Ann.	Ann.%
Strathfield LGA	35,187	45,593	30%	10,406	1,041	2.6%
Eastern Harbour City	1,883,627	2,125,638	13%	242,011	24,201	1.2%
Greater Sydney	4,391,616	5,231,052	19%	839,436	83,944	1.8%

Source: Australian Bureau of Statistics, 2011 and 2021

As seen in Figure 2, compound annual growth rates for change in population by age shows Strathfield LGA as having a more uniform rates of growth across the different age cohorts than compared to the Eastern Harbour City and Greater Sydney. As such, housing in the LGA would have to cater to a wide diversity of age groups. For example, although Strathfield had slightly lower growth rates than the broader geographies in the 65+ years segment, growth rates in the under 35 years old segment were significantly higher.

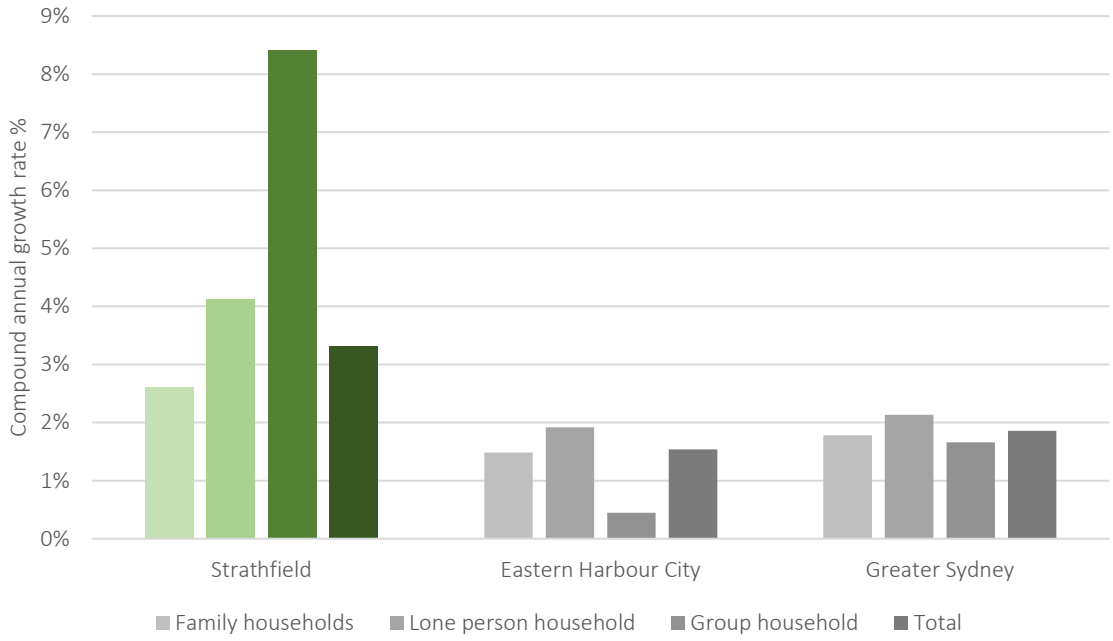
FIGURE 2: CHANGE IN POPULATION BY AGE (2011-2021)



Source: Australian Bureau of Statistics, 2011 and 2021

Figure 3 shows between 2011 and 2021, Strathfield LGA generally had higher growth of all household types compared to the Eastern Harbour City and Greater Sydney. Family households grew by 1,073 or around 2.7 per cent. Lone person households grew by 1,073 or around 4.0 per cent. Group households had the highest annual rate at around 8.4 per cent, however this was from a low base. Overall growth in group households was 762.

FIGURE 3: HOUSEHOLD BY TYPE (2011-2021)



Source: Australian Bureau of Statistics, 2011 and 2021

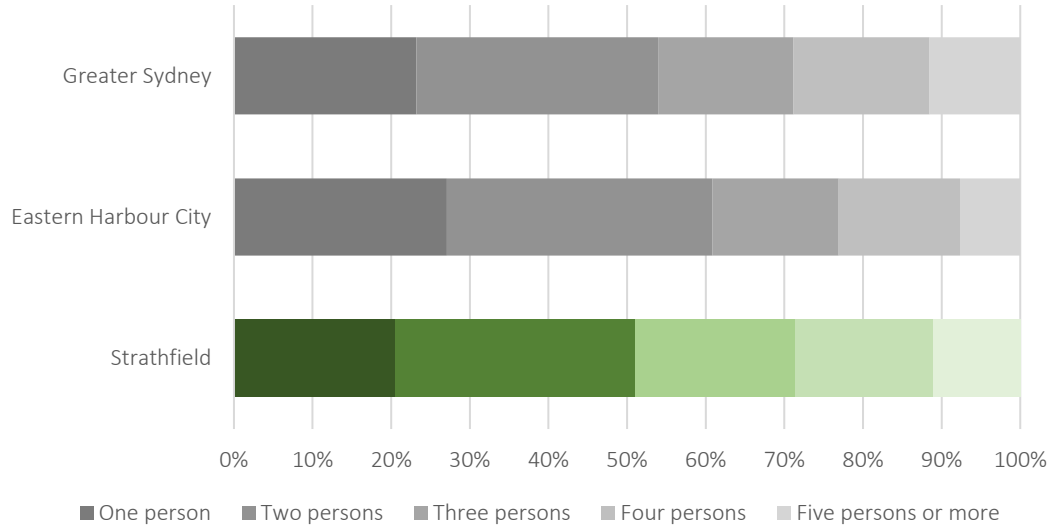
Table 6 highlights households by size between 2011 and 2021. For Strathfield LGA, two person households exhibited the most growth with 1,653 households at 52 per cent. This was followed by one person households at 1,073 (50 per cent). When compared to the Eastern Harbour City and Greater Sydney for 2021, Strathfield LGA has a slightly smaller proportion of one and two person households, and slightly more large households (four or five persons), see Figure 4.

TABLE 6: HOUSEHOLDS BY SIZE (2011-2021)

Strathfield	2011	2021	Total growth	Percentage growth	Annual growth rate
One person	2,151	3,224	1,073	50%	4.1%
Two persons	3,161	4,814	1,653	52%	4.3%
Three persons	2,372	3,194	822	35%	3.0%
Four persons	2,180	2,763	583	27%	2.4%
Five persons or more	1,509	1,745	236	16%	1.5%

Source: Australian Bureau of Statistics, 2011 and 2021

FIGURE 4: HOUSEHOLD SIZE IN 2021



Source: Australian Bureau of Statistics, 2021

3.2 Housing supply

Between 2011 and 2021, Strathfield LGA had a 43 per cent increase in total dwellings (around 554 dwellings per annum). This was significantly higher than the Eastern Harbour City at 16 per cent, and Greater Sydney at 21 per cent.

TABLE 7: CHANGE IN TOTAL HOUSING SUPPLY (2011-2021)

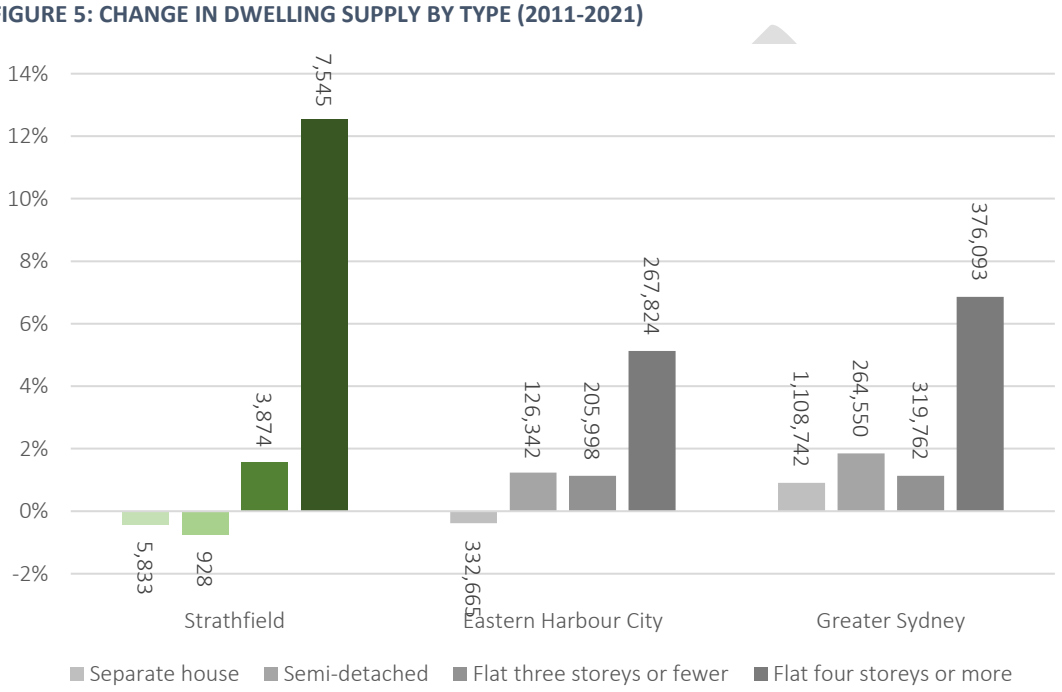
	2011	2021	Total change	As %	Ann.	Ann.%
Strathfield	12,745	18,287	5,542	43%	554	3.7%
Eastern Harbour City	808,657	937,394	128,737	16%	12,874	1.5%
Greater Sydney	1,723,057	2,079,250	356,193	21%	35,619	1.9%

Source: ABS 2011, 2021

Figure 5 displays the change in dwelling supply by typology between 2011 and 2021. Additional supply for Strathfield was driven by four storey flats and above, a trend also seen in the Eastern Harbour City and Greater Sydney. Semi-detached dwellings decreased in the LGA (-928 dwellings), as opposed to the Eastern Harbour City (+126,342 dwellings) and Greater Sydney (+264,550 dwellings).

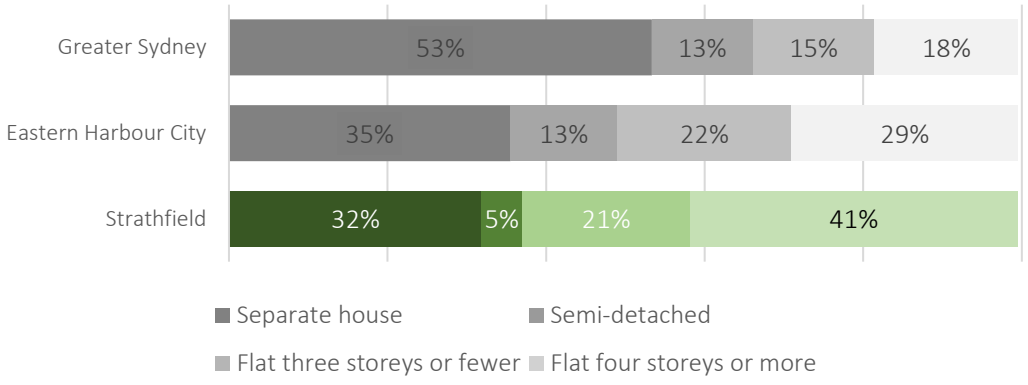
Flats over four storeys are now the dominant typology in the LGA at 41 per cent (see Figure 6). This differs from Greater Sydney where separate houses are still the most common typology at 53 per cent. For the Eastern Harbour City, the distribution of housing typologies is more varied.

FIGURE 5: CHANGE IN DWELLING SUPPLY BY TYPE (2011-2021)



Source: Australian Bureau of Statistics, 2011 and 2021

FIGURE 6: HOUSING SUPPLY BY TYPE (2021)

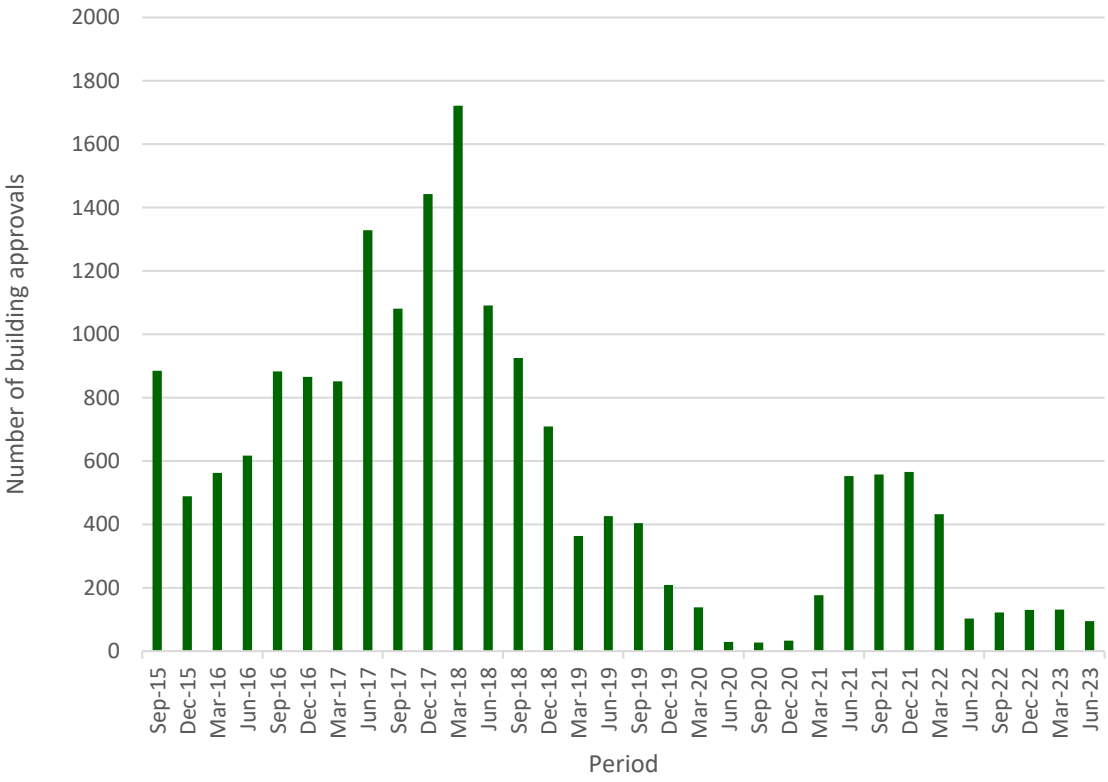


Source: Australian Bureau of Statistics, 2021

In terms of residential development in the pipeline for Strathfield LGA, most developments are due for delivery between 2023 and 2027. Appendix A lists residential developments over $10 million in value that are in the pipeline. The vast majority are higher density residential developments six storeys and above. There are several mixed use developments that will include ground floor retail and commercial uses. One development in Homebush West (completed in 2022) was a four storey development.

More recently however, Strathfield LGA has seen a general downward trend in the total number of building approvals since December 2021. Table 8 below shows building approvals between September 2015 and June 2023. In March 2022, building approvals for Strathfield LGA were 432. This dropped to 103 by June 2022.

TABLE 8: BUILDING APPROVALS FOR STRATHFIELD LGA (SEPTEMBER 2015 – JUNE 2023)



Source: NSW Government, Greater Sydney Urban Development Program Dashboard, 2024

3.3 Key Findings

The preceding analysis of secondary data sources suggests the following key findings:

- In the last decade, the LGA had stronger population growth than the Eastern Harbour City and Greater Sydney.
- Growth rates by age cohort were generally uniform, implying that housing in the LGA would have to cater to a wide diversity of age groups.

- Growth rates across family, lone-person and group households types were also stronger than growth rates for these household types at the Eastern Harbour City and Greater Sydney geographies.
- The LGA has also seen stronger housing supply growth compared to the Eastern Harbour City and Greater Sydney.
- Growth in supply has largely been concentrated in the development of flats four storeys or more. These developments now account for a predominant housing type in the LGA at 41 per cent of the overall supply, whereas semi-detached dwellings only account for five (5) per cent of housing in the LGA (compared to 13 per cent in the Eastern Harbour City and Greater Sydney respectively).

As related to the formulation of a medium density housing strategy, the following narrative emerges:

- Housing supply in the LGA has traditionally catered to larger families in single storey dwellings, and more recently, to high-rise apartment living.
- On the basis that population growth in Strathfield LGA has been fairly uniform across different age cohorts and trending toward an increase in smaller households, Strathfield should plan to meet more diverse housing needs through 'middle housing market' built forms (i.e., semi-detached, dual occupancy, multi dwelling housing and flats with fewer storeys), rather than merely relying on the low intensity (single storey) and high intensity (high rise) ends of the spectrum.

4. Urban Design

This section presents a review of the local built form and permissible housing typologies in Strathfield LGA.

Architectus conducted a review of the built-form characteristics and broader existing development guidelines framework in the Strathfield LGA. This chapter is a summary of the outcomes of this evaluation. The full Urban Design report prepared by Architectus is provided at Appendix B.

4.1 Existing Urban Fabric

The character of Strathfield has been shaped over time by the evolution of a regulatory framework guiding built-form controls. This has resulted in residential areas with a distinct lower-density urban fabric reflected in the analysis conducted as part of Strathfield's LHS (2020). The two primary regulatory structures giving shape to the residential character of Strathfield are the:

- Strathfield Local Environmental Plan (LEP) 2012 includes controls that stipulate the permissibility and scale of allowable residential development within the LGA
- Strathfield Development Control Plan (DCP) 2005, which provides detailed design considerations relating to residential development.[11]

As Council looks to guide future residential development, these documents are key tools to guide built-form outcomes in the LGA. An analysis of these areas has been undertaken below.

R2 Low Density Residential

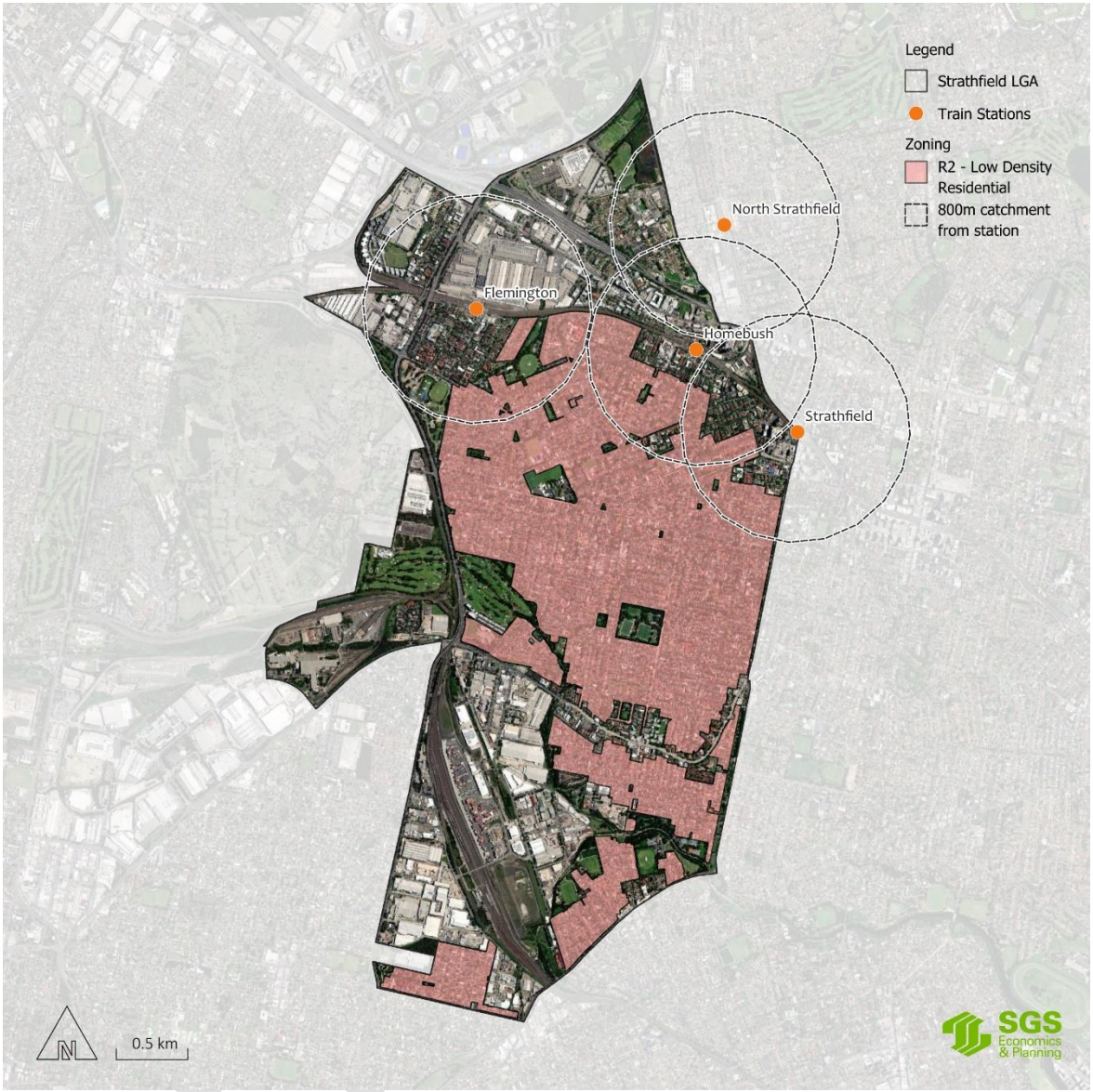
The R2 zoned areas constitute the largest land use zone in the Strathfield LGA, composed of:

- A large area spanning Homebush and Strathfield between the Main Suburban rail line and the Hume Highway
- An area in Strathfield South between the Hume Highway and the Cooks River
- An area of Strathfield South between the Cooks River and Punchbowl Road
- An area of Greenacre between the Enfield rail yard and Juno Parade.

These areas are somewhat varied in character but share the typical form of low scale separate dwellings on generously sized lots, located along tree lined streets, interspersed with heritage items and heritage conservation areas. The majority of R2 zoned land comprises lots that cannot be subdivided, due to restrictive minimum lot size controls under the existing framework. Furthermore, the restricted permissibility of development makes the densification of R2 zoned land extremely challenging.

[11] The discussion in Section 2.2 on page 14 provides a detailed description of these documents.

FIGURE 7: LOCATION OF THE R2 LOW DENSITY RESIDENTIAL ZONE – STRATHFIELD LGA



Source: SGS Economics & Planning, 2024

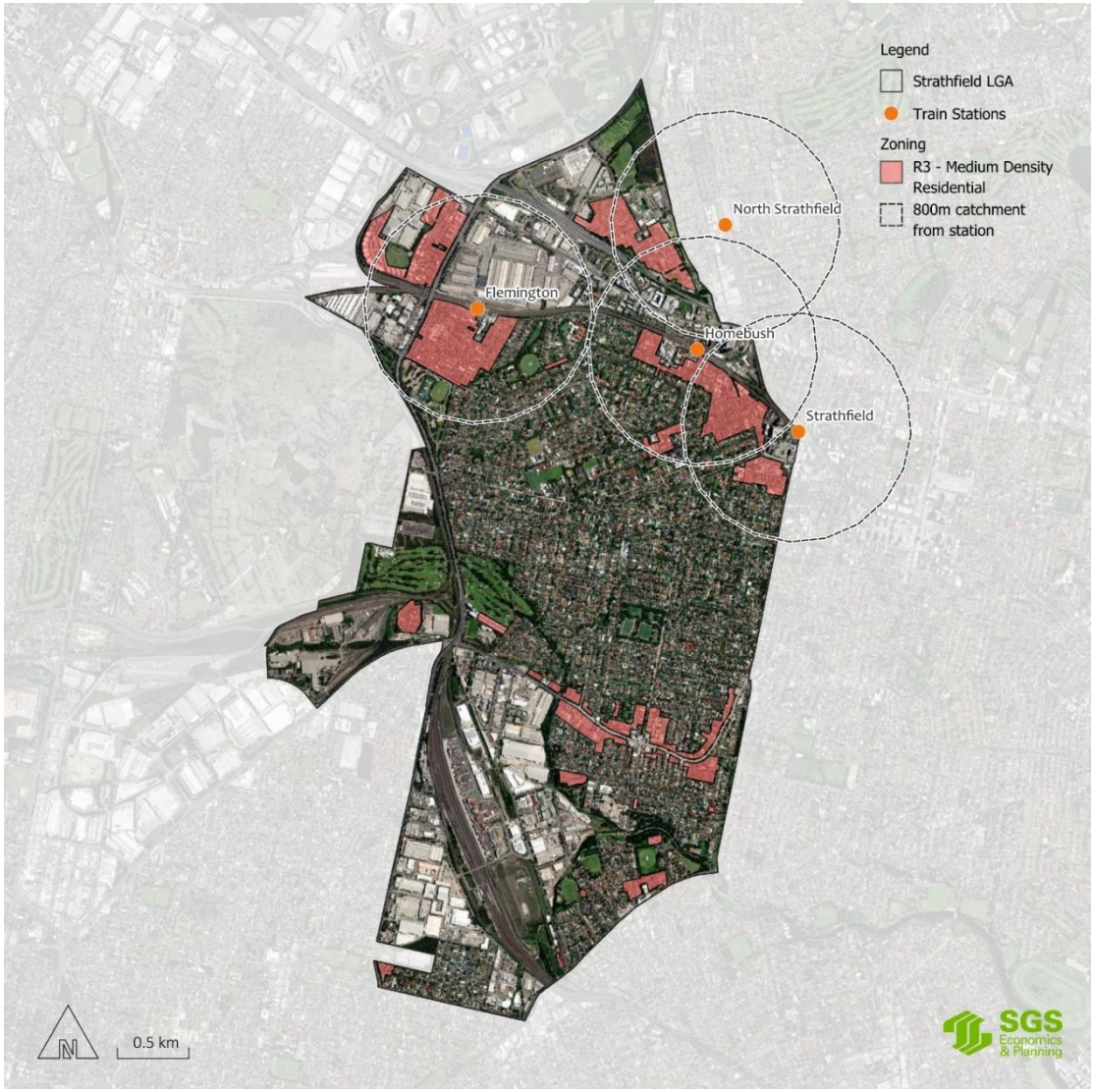
R3 Medium Density Residential

These zones are distributed in the vicinity of major road and rail infrastructure including:

- Significant precincts in Homebush West, Homebush and Strathfield lying on and around the Main Suburban rail line and Parramatta Road
- A significant corridor along the Hume Highway straddling Strathfield and Strathfield South
- Scattered pockets in Greenacre and Strathfield South.

These areas consist of a mix of dwelling typologies, including single dwellings, semi-detached and dual occupancy developments, multi-unit housing and residential flat buildings, with an overall density higher than the R2 areas. The land is subject to fairly stringent built form controls, but does allow for a mix of medium density dwelling typologies.

FIGURE 8: LOCATION OF THE R3 MEDIUM DENSITY RESIDENTIAL ZONE – STRATHFIELD LGA

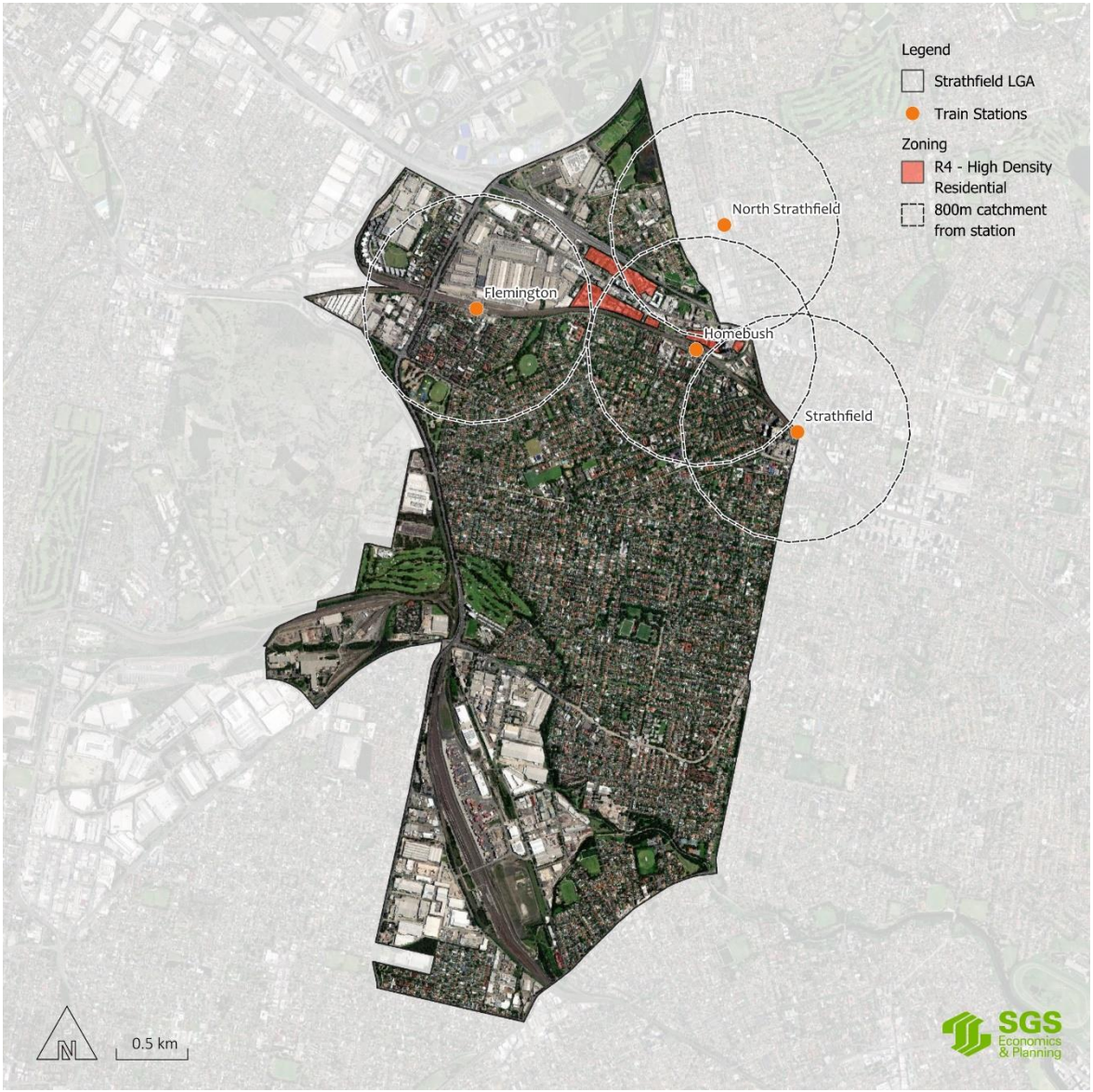


Source: SGS Economics & Planning, 2024

R4 High Density Residential

These zones comprise three small precincts in Homebush between Parramatta Road and the Main Suburban rail line. These areas consist of a mix of dwelling typologies, including single dwellings, semi-detached and dual occupancy developments, multi-unit housing and residential flat buildings.

FIGURE 9: LOCATION OF THE R4 HIGH DENSITY RESIDENTIAL ZONE – STRATHFIELD LGA



Source: SGS Economics & Planning, 2024

It is noted that some residential development is permissible within the B4 'Mixed Use' zone, namely high density residential flat buildings and shop-top housing. Given the focus of this study is to look at the provision of medium density dwellings, however, no analysis has been undertaken in these areas.

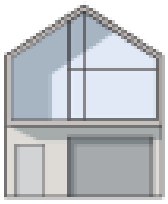
4.2 Housing Typologies

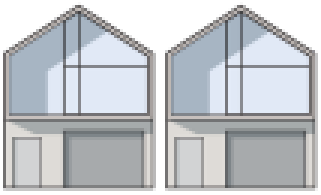
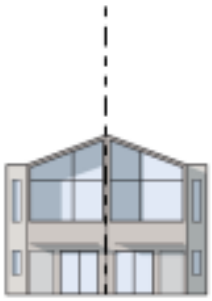
Within the above identified residential areas, there exist numerous allowable dwelling typologies. The table below outlines the characteristics of different dwelling types present within these areas, arranged progressively by typical dwelling density.

It should be noted that the following typologies do not exist in isolation of one another. They often present similarly to the street with many of these dwelling types occurring within the same areas and resembling each other closely in terms of built form and impact on urban character. What distinguishes them from the diversity and density of typologies contemplated in a Medium Density Housing Strategy, however, is the quantum of dwellings deliverable under each type.

It is noted that typologies with a higher number of dwellings are generally subject to more stringent development controls. There is the opportunity to relax these controls for certain typologies, which would allow for greater provision of medium density typologies within historically low-density areas.

TABLE 9: DWELLING TYPOLOGIES

Type	Dwelling House	
Description	This dwelling form includes a single dwelling building, located on one lot.	
Dwellings Per Type	1	
Dwellings Per Lot	1	
Permissible Zone and other controls	Permissible: R2, R3 Prohibited: R4 Subdivision: 560m^2	
Type	**Secondary Dwelling**	
Description	This dwelling form comprises secondary dwellings (attached or detached) as currently described by the Strathfield LEP, namely as dwellings on the same lot as a principal dwelling and whose maximum area is the greater of 60m² and 20 per cent of the area of the principal dwelling.	
Dwellings Per Type	1	
Dwellings Per Lot	2	

Permissible Zone and other controls	Permissible: R2, R3, R4 The greater of 60m² and 20 per cent of the primary dwelling	
Type	**Dual Occupancy**	
Description	This dwelling form includes dual occupancies (attached or detached) as well as any arrangement of two single-dwelling lots (attached, semi-detached or detached) produced by developing and subdividing an existing single-dwelling lot.	
Dwellings Per Type	1	
Dwellings Per Lot	2	
Permissible Zone and other controls	Permissible: R2 (Greenacre only), R3 Prohibited: in other R2 zones and R4 Minimum lot size: 560m^2	
Type	**Semi Detached Dwellings**	
Description	This dwelling form includes a single dwelling building, located on one lot. A common wall divides the adjoining property.	
Dwellings Per Type	1	
Dwellings Per Lot	1	
Permissible Zone and other controls	Permissible: R2, R3 Prohibited: R4 Subdivision: 560m^2	
Type	**Attached Dwellings**	
Description	Attached dwellings contain 3 or more dwellings. Dwellings are attached to another by a common wall. Each dwelling is on its own lot of land.	

Dwellings Per Type	1	
Dwellings Per Lot	1	
Permissible Zone and other controls	Permissible: R2, R3 Prohibited: R4 Subdivision: 560m^2	
Type	Multi Dwelling Housing (Terraces)	
Description	Multi dwelling housing (terraces) is a subtype of multi dwelling housing, arranged with side-by-side frontage to the street. Usually produced by subdividing an existing single-dwelling lot.	
Dwellings Per Type	3+	
Dwellings Per Lot	3+	
Permissible Zone and other controls	Permissible: R3, R4 Prohibited: R2 Minimum lot size: 1000m^2	
Type	Multi Dwelling Housing	
Description	This dwelling form includes multiple dwellings within the one built form, consisting of any arrangement of three or more single-dwelling lots produced by subdividing an existing single-dwelling lot.	
Dwellings Per Type	3+	
Dwellings Per Lot	3+	
Permissible Zone and other controls	Permissible: R3, R4 Prohibited: R2 Minimum lot size: 1000m^2	

Type	Residential Flat Buildings	
Description	This dwelling form includes a building containing multiple dwellings in a vertical arrangement. Generally seen on larger, consolidated lots. Smaller existing residential lots effectively prohibit this development type.	
Dwellings Per Type	3+	
Dwellings Per Lot	3+	
Permissible Zone and other controls	Permissible: R3, R4 Prohibited: R2 Minimum lot size: 1000m^2	

Source: SGS Economics and Planning, 2023

4.3 Key Urban Design Outcomes (Built Form Scenarios)

Based on the review of existing urban design characteristics, existing neighbourhood character, review of the relevant statutory frameworks, planning studies and investigations, and a consideration for Strathfield's objectives in this Medium Density Housing Strategy, Council, SGS and Architectus formulated four separate future scenarios aimed at increasing the presence of medium density housing in different areas and zones of the LGA.

The aim was largely to retain built form and scale of the R2 and R3 areas, whilst allowing for progressively more dense building typologies. Detailed analysis of existing built form conditions and allowable housing typologies influenced the final makeup of these scenarios, which are outlined below:

- **Base Dwelling Yield:** Situation under existing development controls.
- **Scenario 1A Dual Occupancies**: Allowing dual occupancies in the R2 and R4 zones, with a minimum lot size of 560 sqm and frontage of 15m.
- **Scenario 1B Multi-Dwellings**: Allowing multi dwelling housing in the R2 zone, with a minimum lot size of 1000 sqm and frontage of 30m.
- **Scenario 2 Lot Size & Frontage**: Reducing the minimum lot size (post-subdivision) of dual occupancies, attached dwellings and multi dwelling housing to 280 sqm and 7.2m frontage across the R2, R3 and R4 zones.
- **Scenario 3 Residential Flat Buildings**: Allowing residential flat buildings in the R2 zone with a minimum lot size of 560 sqm and frontage of 15m.

The proposed built form controls allow for a variety of development typologies to occur on different sites (under various scenarios). This development will occur where it is feasible and will take on a built

form reflecting the market demand and design preferences of the developer. The typologies themselves will differ in their design depending on the area they are constructed in and by whom they are designed.

In addition to using key built form assumptions (such as FSRs, minimum lot sizes, frontages, etc.) to quantify the residential yield across the LGA from such potential control changes, key aspects of these scenarios were also summarised and put to the community through consultation in the form of a community survey as well as engagements such as pop-ups, discussed in Chapter 6.

5. Dwelling Yield

This section provides estimates of dwelling yields related to the built form scenarios as outlined in the previous chapter.

This work was undertaken to quantify the effect of various built form scenarios within the LGA and provide sufficient evidence that such changes can contribute to housing targets. The key findings showed:

- Strathfield's existing built form controls have a theoretical dwelling yield of 874 dwellings across the entire LGA (described as Option 1 in Chapter 5) and 743 dwellings within 800m of a train station and 400m of Liverpool Road (described as Option 2 in Chapter 5).
- The (initial) dwelling yield analysis completed identified a series of dwelling yields for Scenarios 1A, 1B, 2 and 3, as related to Option 1 and Option 2.
- Scenario 3 resulted in the highest yield of 7,636 dwellings (above the existing built form controls) when LEP changes were applied uniformly across the LGA (Option 1).
- Scenario 3 resulted in a yield of 3,771 dwellings (above the existing built form controls) when LEP changes were applied across only selected areas (Option 2).
- The results show that the LGA has significant capacity to accommodate additional dwelling yields without the TOD redevelopment.

Outlined in the sections below is SGS's approach and methodology for quantifying the dwelling yield from these scenarios and a detailed summary of the findings.[12]

5.1 Objectives

As outlined in Chapter 1, Strathfield Council's objectives for this Medium Density Housing Strategy included documentation of a robust and rigorous evidence base around the permissibility of medium-density dwelling typologies, supply and demand conditions related to such residential housing diversity, an exploration of potential modifications and an incorporation of community sentiment regarding such potential changes through a survey and other consultation formats.

The dwelling yield analysis is intended to assist Council in considering the value and effectiveness of the proposed built form control scenarios outlined in the previous chapter.

Additionally, housing strategies in the NSW planning system should demonstrate evidence that such changes to zoning or built form controls contribute to local housing targets. As such, this chapter provides such quantifications of each built form scenarios as outlined in the previous chapter.

Specifically, and even before the proposed scenarios were formulated, the objectives of the dwelling yield analysis were to:

- Highlight the (incremental and cumulative) impact changes to built-form controls might have on dwelling yields across the LGA.
- Provide a quantification of the extent to which such modifications may increase the Council's ability to meet housing targets.
- Test a reasonable range of medium density built form scenarios representative of plausibly supportable planning controls.
- Conduct the analysis using a methodology sensitive to heritage and streetscape character preservation.
- Use the results of the yield analysis, in part, to guide incremental change.

5.1 Methodology

SGS employed its in-house GIS-based housing capacity model. The following section describes the model, its inputs, assumptions and outputs both conceptually and specific to this project.

Modelling Framework

SGS's housing capacity model calculates theoretical dwelling yield (above the baseline of existing structures) on a site-by-site or parcel-by-parcel basis. It utilises specific assumptions, such as planning controls, development assumptions and a variety of limitations to identify the additional volume of dwellings across a broad geography (i.e., the entire LGA) that could result from a change in such specific built form controls.[13] The model was initially developed in partnership with NSW Government and since applied across many Councils for a variety of similar strategic and statutory planning purposes. A detailed description of the methodology is provided for reference in Appendix D.

Terminology

For the purpose of fully understanding the outputs of the yield analysis and drawing clear distinctions between results, there are a few terms used in the context of the housing capacity model that can be clarified.

[13] Following the completion of this chapter, SGS was scoped to complete additional work to supplement the evidence base for Council's planning proposal. This additional work included: 1) viability testing for a selection of sites representative of different typologies, locations and built form scenarios reflected in the built form scenarios, and 2) viability capacity modelling, which extends the evidence base to incorporate both the viability testing and the GIS-based yield analysis discussed in this chapter. Chapter 7 presents the results of the viability testing, and Chapter 8 presents the results of the viable capacity modelling.

TABLE 10: DWELLING YIELD TERMINOLOGY

Term	Definition
Baseline Dwelling Yield	Quantification of the number of dwellings (over and above the number of existing dwellings) that could be achieved under current built form controls.
Additional Dwelling Yield	Quantification of the number of dwellings (over and above the baseline dwelling yield) that could be achieved under different scenarios of proposed built form controls.

Source: SGS Economics & Planning, 2024

Modelling Steps

The methodology involves a series of steps and process of data collection, manipulation and analysis:

- Data collection: the first step in the process is the collection of spatial data on existing parcels and zoning, including layers that spatially represent land uses, zoning, overlays including heritage, strata ownership patterns, lot characteristics including shape, area and location, and other uses that relate to infrastructure which may act to deter development.
- Available land identification: the second step in the process is the identification of available land, defined specifically as every property hypothetically available for (in this study) residential development or redevelopment. The quantum of available land is estimated by excluding properties and/or areas that have significant development constraints, such as heritage overlays or strata ownership patterns. Specifically, exclusions were made on the basis of the following criteria:
  - Strata lots
  - Lots containing a heritage item(s)
  - Lots within heritage conservation areas
  - Infrastructure (schools, parks and assets which can fall within residential zones)
  - Lots for dual occupancy development
  - Lots with more than one (1) dwelling
  - For multi-dwelling housing and residential flat buildings
  - Lots with more than three (3) dwellings.
  - Lots within the North Homebush TOD Area (see section discussing this below).

  Following the exclusion of parcels with any or all of the above-mentioned criteria, the remainder of lots were identified as available land for development or redevelopment.
- Built form control scenarios: the third broad step in the process involves quantitatively representing the proposed built-form scenarios in a modelling structure – i.e., representative of the following scenarios:

- **Baseline Dwelling Yield:** the model applies the current built form controls to all available land and estimates theoretical dwelling yields. This is an important step in benchmarking existing dwelling yield.
- **Scenario 1A Dual Occupancies**: the current built form controls are modified to reflect the permissibility of dual occupancies in the R2 and R4 zones, and to reflect the permissibility of minimum lot sizes of 560 sqm as well as frontages of 15m.
- **Scenario 1B Multi-Dwellings**: the current built form controls are modified to reflect the permissibility of multi dwelling housing in the R2 zone, and to reflect the permissibility of with a minimum lot size of 1000 sqm as well as frontages of 30m.
- **Scenario 2 Lot Size & Frontage**: built form controls are further modified in this scenario to reflect a reduction of the minimum lot size (post-subdivision) of dual occupancies, attached dwellings and multi dwelling housing to 280 sqm, and the modification of frontages to 7.2m across the R2, R3 and R4 zones.
- **Scenario 3 Residential Flat Buildings**: built form assumptions are further modified for this final proposed scenario to reflect the permissibility of RFBs in the R2 zone, as well as reflective of a minimum lot size of 560 sqm and frontages of 15m.

- **Options:** The scenarios listed above were then tested under the following two options:
  - **Option 1:** All residentially zoned lots that are available for development across the LGA.
  - **Option 2:** All residentially zoned lots that are available for development and are located only within 800m of a train station and / or 400m of Liverpool Road.[14]
- **Yield assumptions**: before estimating resulting dwelling yields, specific dwelling characteristics are translated into yield assumptions that can be applied to each site, including:
  - Planning controls (i.e., FSR)
  - Number of dwellings (in the case of dual occupancies)
  - Apartment size (in the case of multi dwelling housing and residential flat building).
- **Results**: the final step in the process is the aggregate estimate of dwelling yield in tabular and geospatial (mapped) form, as discussed below.[15]

[14] This scenario represents a group of selected lots which are available for development and sit within 800m of a train station and 400m of Liverpool Road.
[15] Note the model identifies the highest and best land use on each lot. i.e. If, under given assumptions, both a dual-occupancy and an RFB are permissible, then the model will revert to the RFB.

Homebush Transit Orientated Development (TOD) Precinct

In late 2023, Homebush train station precinct was identified by the Department of Planning, Housing and Infrastructure (DPHI) as a 'priority high growth area' and was marked for accelerated rezoning. This was done under the Transport Orientated Development (TOD) program[16].

It is expected that the proposal will result in a significant increase to the development yield within the station precinct, which (whilst not yet confirmed) is likely to be located north of the main east-west rail line and east of Centenary Drive.

The proposed Homebush TOD area will be subject to its own planning process being undertaken by DHPI in consultation with Strathfield Council. As such, this area has not been included in the yield analysis undertaken for this project.

Notwithstanding this, the results of the project indicate that the LGA still has significant capacity to accommodate additional dwelling yields excluding the TOD redevelopment area.

[16] Department of Housing, Planning and Infrastructure (DPHI) (2024). *Transport Oriented Development – Accelerated Precincts*. Available online at: https://www.planning.nsw.gov.au/policy-and-legislation/housing/transport-oriented-development-program/accelerated-precincts; as discussed in Section 2.1

5.2 Key Findings

The key findings of the analysis have been described in detail below.

Baseline Dwelling Yield

Under existing built form controls there exists a theoretical yield of 874 dwellings across all residentially zoned land in the LGA. Under Option 2, 743 of these theoretical dwellings are located within 800m of a train station and 400m of Liverpool Road. These results are shown in the table below.

TABLE 11: BASELINE DWELLING YIELD[17]

Scenario	Option 1 – All LGA	Option 2 – Selected lots
BASE	874	743

Source: SGS Economics and Planning, 2024

Additional Dwelling Yield

Table 12 below shows the total yield for each development scenario[18] under both options. It is noted that these totals show additional yield above the baseline.

Option 1, Scenario 3 results in the highest potential yield of 7,636 dwellings (above baseline) and represents the most liberal of the potential options. This is compared to Option 2, Scenario 1A which resulted in a yield of 756 dwellings, representing the most conservative option explored. The remaining Scenarios fall between these two in terms of total yield, density of dwellings and overall geographical coverage.

Detailed results have been explored below (note - the results have been divided into two sections; the first looking at Option 1; and the second looking at Option 2).

TABLE 12: ADDITIONAL DWELLING YIELD BY OPTION AND DEVELOPMENT TYPE

Scenario	Option 1 – All LGA	Option 2 – Selected lots
1A	2,390	756
1B	4,301	1,242
2	6,117	2,252
3	7,636	3,771

Source: SGS Economics and Planning, 2024

[17] Note the dwelling yield is calculated by determining total dwelling capacity on a site minus the number of existing dwellings on a site.
[18] Scenarios as outlined in Section 4.3

Option 1: All LGA

Option 1 included running analysis for each development scenario, across the entire LGA.

- Yield assessment: Table 14 below shows the dwelling yield between each successive Scenario *within each residential zone* under Option 1 (above base).
  - Most of the identified yield is located within the R2 zone across all scenarios. This is compared with zero or minimum additional yield identified within the R3 zones under scenario 1A and 1B. This is largely because the development typologies chosen for each scenario are already permissible within this zone, and thus this yield is already accounted for within the base scenario.
  - The largest jump in yield is within the R2 zone between Scenario 1A to 1B. This is resulting from the introduction of multi dwelling housing within the R2 zone in Scenario 1B.
- Spatial distribution: Analysis was undertaken to determine the spatial distribution of net dwelling yield for each scenario.
  -

- Figure 10 identifies, under the base scenario, there exists minimal yield within the central and southern areas of the LGA, with most of the existing yield being located within 800m of a train station or within 400m of Liverpool Road.
- Scenario 1A, as shown in Figure 11, shows many lots identified as having a net yield of 1 additional dwelling. Most of these are located within the central and southern region of the LGA. This reflects the addition of dual occupancy development within these areas.
- Figure 12 shows the results for Scenario 1B which show a marked increase in the potential yield of the areas discussed above in Scenario 1A, with yield jumping from 1 additional dwelling to some lots showing an additional 2-4 dwellings and others taking on up to 8 additional dwellings. This reflects the intensification of the built form density through the allowance of multi dwelling housing within the R2 zone. It is noted that, save for a region located centrally within the LGA, the additional yield is evenly distributed across these areas.
- Figure 13 reveals an increase in lots under Scenario 2 with the yield for an additional dwelling, with these being located evenly across the available land. This reflects the relaxed controls relating to the subdivision of dual occupancies.
- Figure 14 shows a marked increase in net dwelling yield under Scenario 3, within the areas that are within 800m of a train station or 400m of Liverpool Road. This reflects the addition of residential flat buildings within these areas. The most marked increase is seen in the areas surrounding Homebush and Strathfield train stations and Liverpool Road.

TABLE 13: THEORETICAL YIELD UNDER CURRENT DEVELOPMENT CONTROLS BY RESIDENTIAL ZONE (OPTION 1)

Scenario	R2	R3	Grand Total
BASE	108	766	1,695

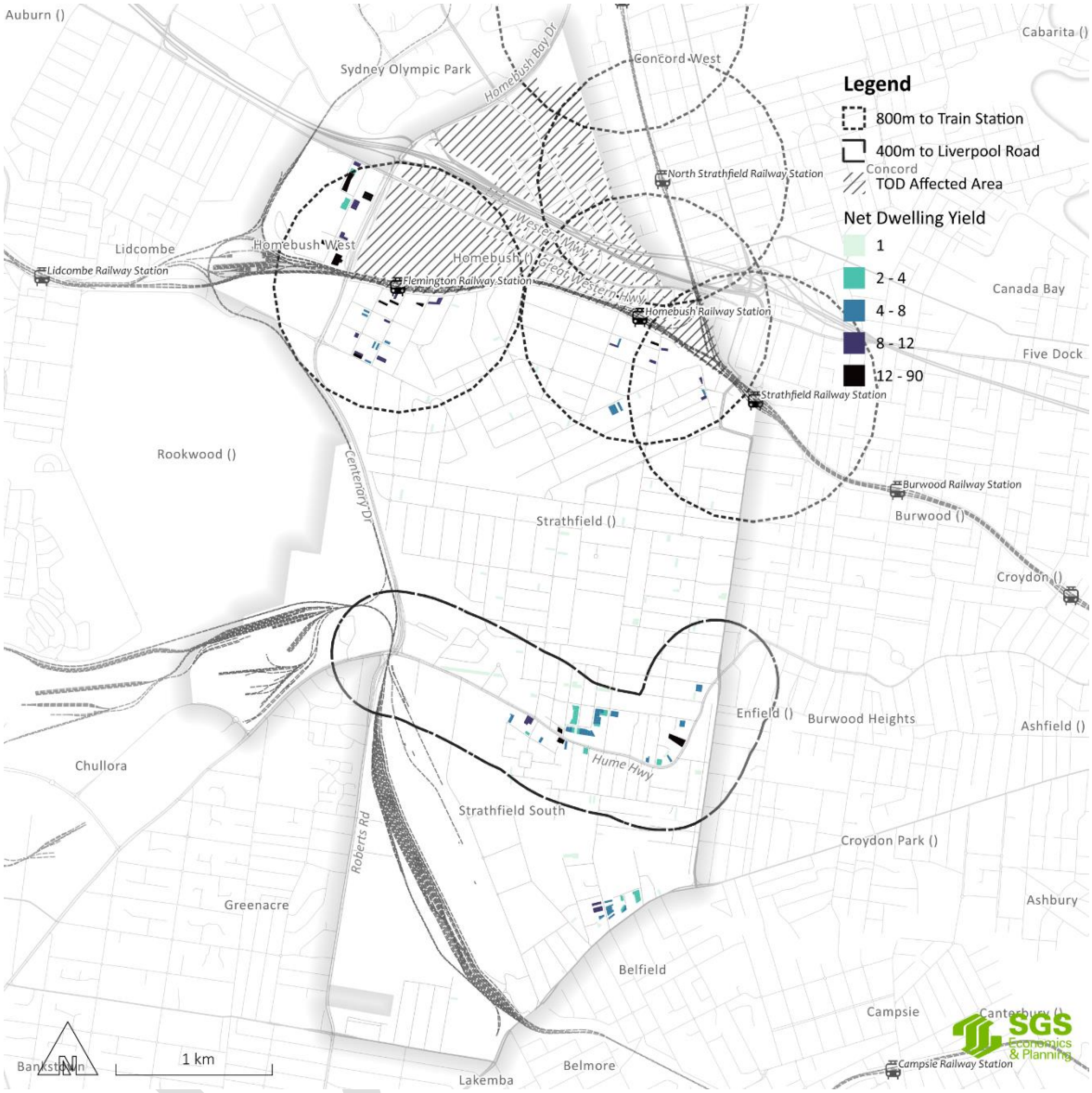
Source: SGS Economics and Planning, 2023

TABLE 14: DWELLING YIELD PER SCENARIO ABOVE BASE (OPTION 1)

Scenario	R2	R3	Grand Total
1A	2,390	0	2,390
1B	4,301	0	4,301
2	5,968	149	6,117
3	7,487	149	7,636

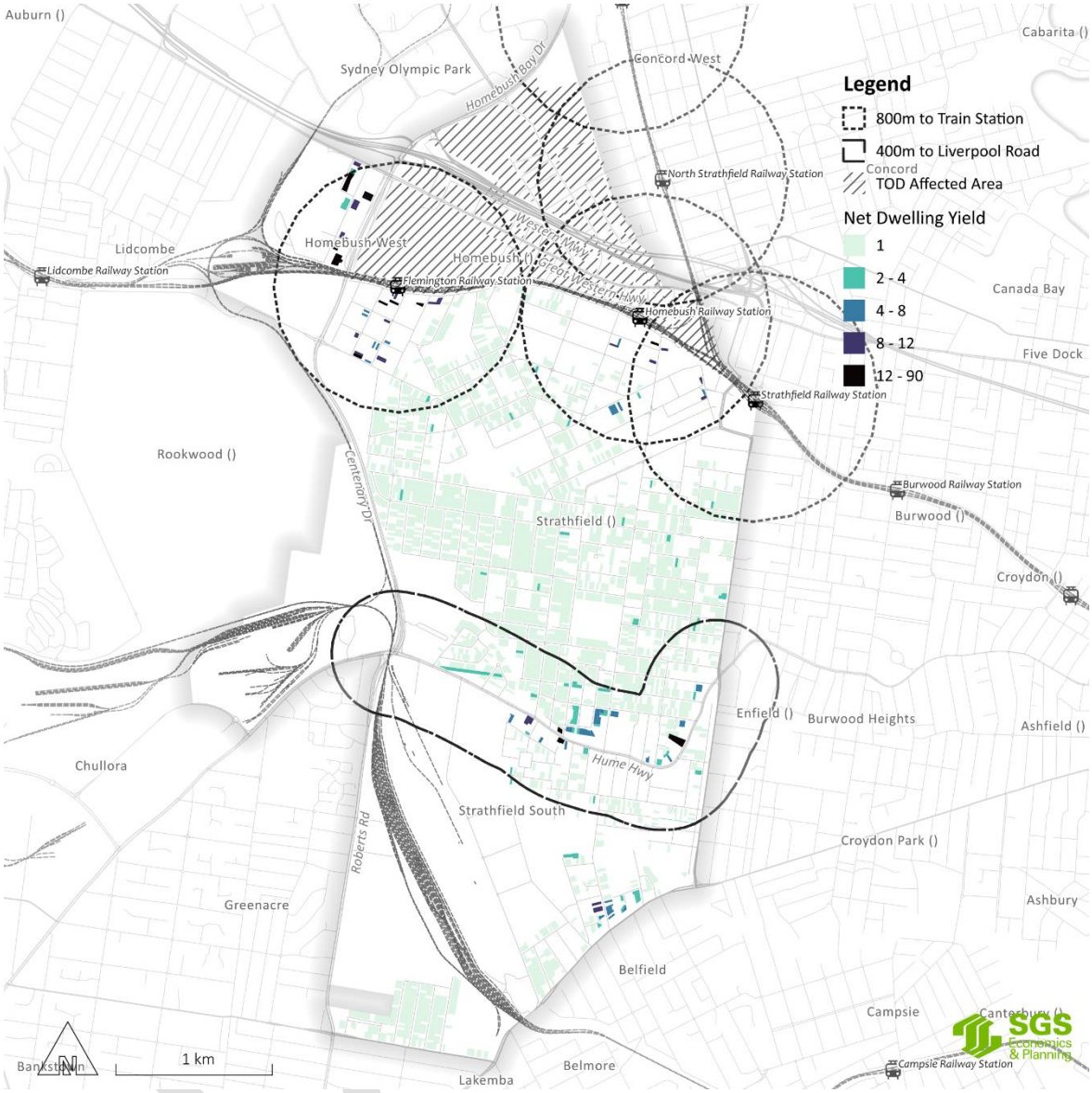
Source: SGS Economics and Planning, 2023

FIGURE 10: SPATIAL DISTRIBUTION OF YIELD – BASE SCENARIO, OPTION 1



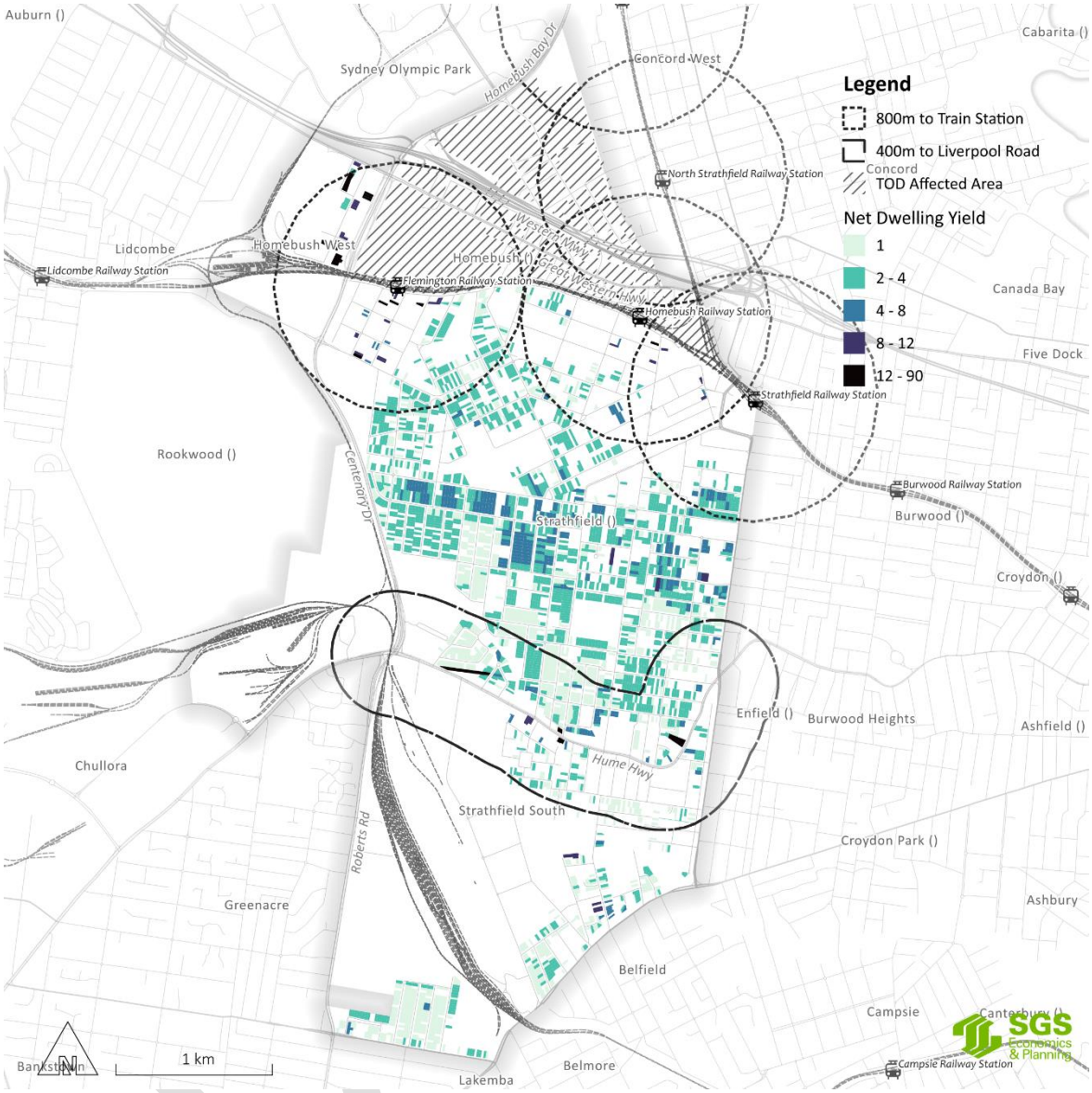
Source: SGS Economics and Planning, 2023

FIGURE 11: SPATIAL DISTRIBUTION OF YIELD – SCENARIO 1A, OPTION 1



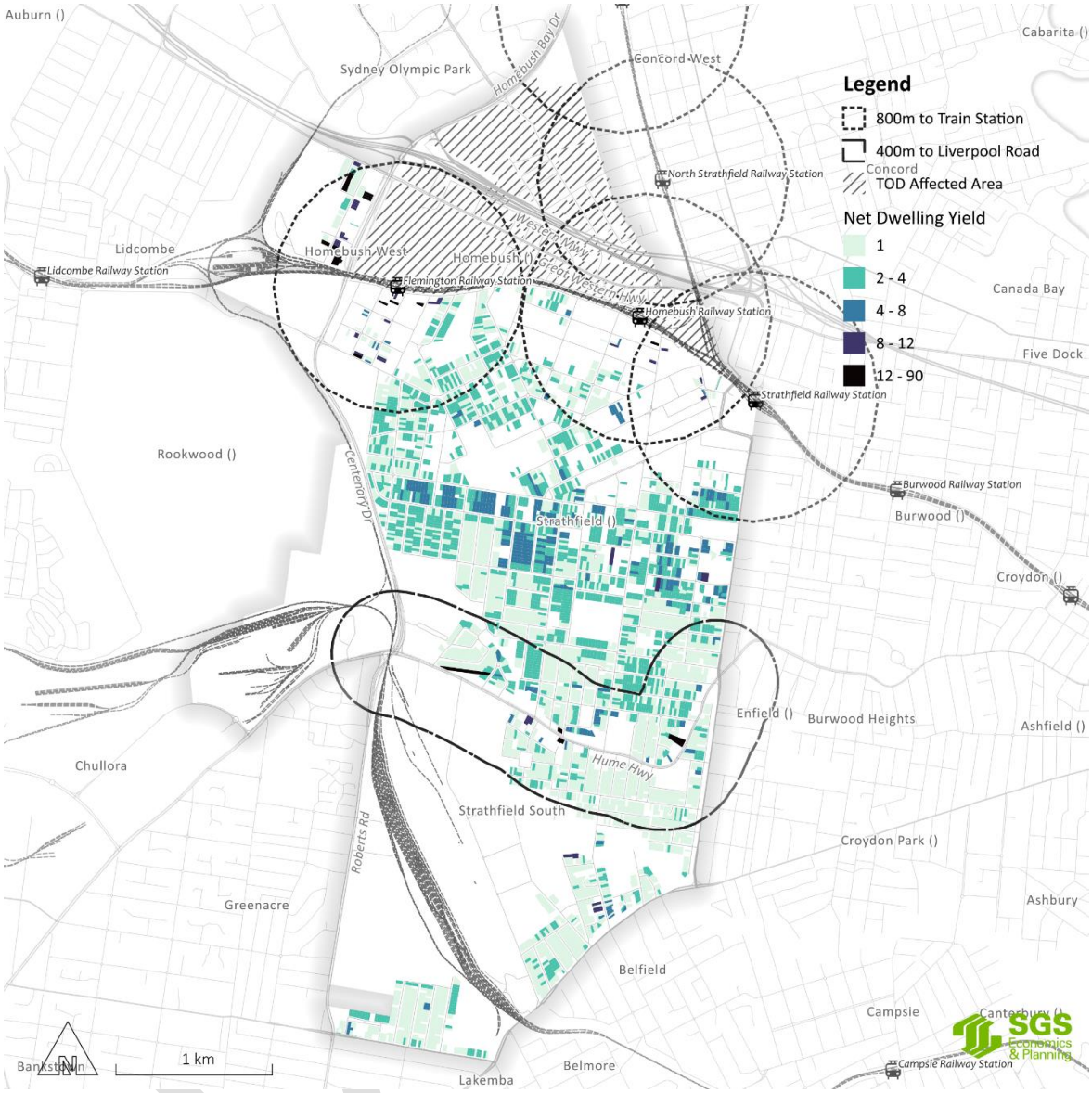
Source: SGS Economics and Planning, 2023

FIGURE 12: SPATIAL DISTRIBUTION OF YIELD – SCENARIO 1B, OPTION 1



Source: SGS Economics and Planning, 2023

FIGURE 13: SPATIAL DISTRIBUTION OF YIELD – SCENARIO 2, OPTION 1



Source: SGS Economics and Planning, 2023

FIGURE 14: SPATIAL DISTRIBTUION OF YIELD – SCENARIO 3, OPTION 1

Source: SGS Economics and Planning, 2023

Option 2: Selected Areas

Option 2 included running analysis for each development scenario, for lots:

- That are within 800m of a train station.
- That are within 400m of Liverpool Road.

- Yield assessment:
  - As with Option 1, Table 16 shows that the R2 zone has the most additional yield compared to the other zones. Once again, this is largely because the development typologies chosen for each scenario are already permissible within these zones, and thus, this yield is accounted for within the Base Scenario.
  - Scenario 3 is the highest yielding scenario, with a net increase of 4514 (743 base plus 3,771 additional dwellings).
- Spatial distribution: Analysis was undertaken to determine the spatial distribution of net dwelling yield for each scenario. Spatially, under Option 2 the distribution of net dwellings under each scenario is the same as Option 1, however Option 2 only includes lots within 800m of a train station and within 400m of Liverpool Road.
  - The base scenario for Option 2, shown in Figure 15, is comparable to the Base Scenario for Option 1 (shown in

- Figure 10), in that the majority of net yield is located within 800m of a train station and within 400m of Liverpool Road.
- Figure 16 shows that, under Option 2 Scenario 1A, there exists many lots identified as having a net yield of 1 additional dwelling. Most of these are located on the outskirts of the buffered areas, drawing toward the central region of the LGA.
- Figure 17 shows that scenario 1B results in the densification of these same areas, with the addition of the multi dwelling housing typology.
- Figure 18 shows that scenario 2 shows a marked increase in the number of lots being seen on the southern side of Liverpool Road.
- Figure 19 shows scenario 3 resulting in the densification of dwelling yield within 800m of the train stations and 400m of Liverpool Road, reflecting the introduction of the residential flat building typology.

TABLE 15: THEORETICAL YIELD UNDER CURRENT DEVELOPMENT CONTROLS BY RESDIENTIAL ZONE (OPTION 2)

Scenario	R2	R3	Total
BASE	52	691	743

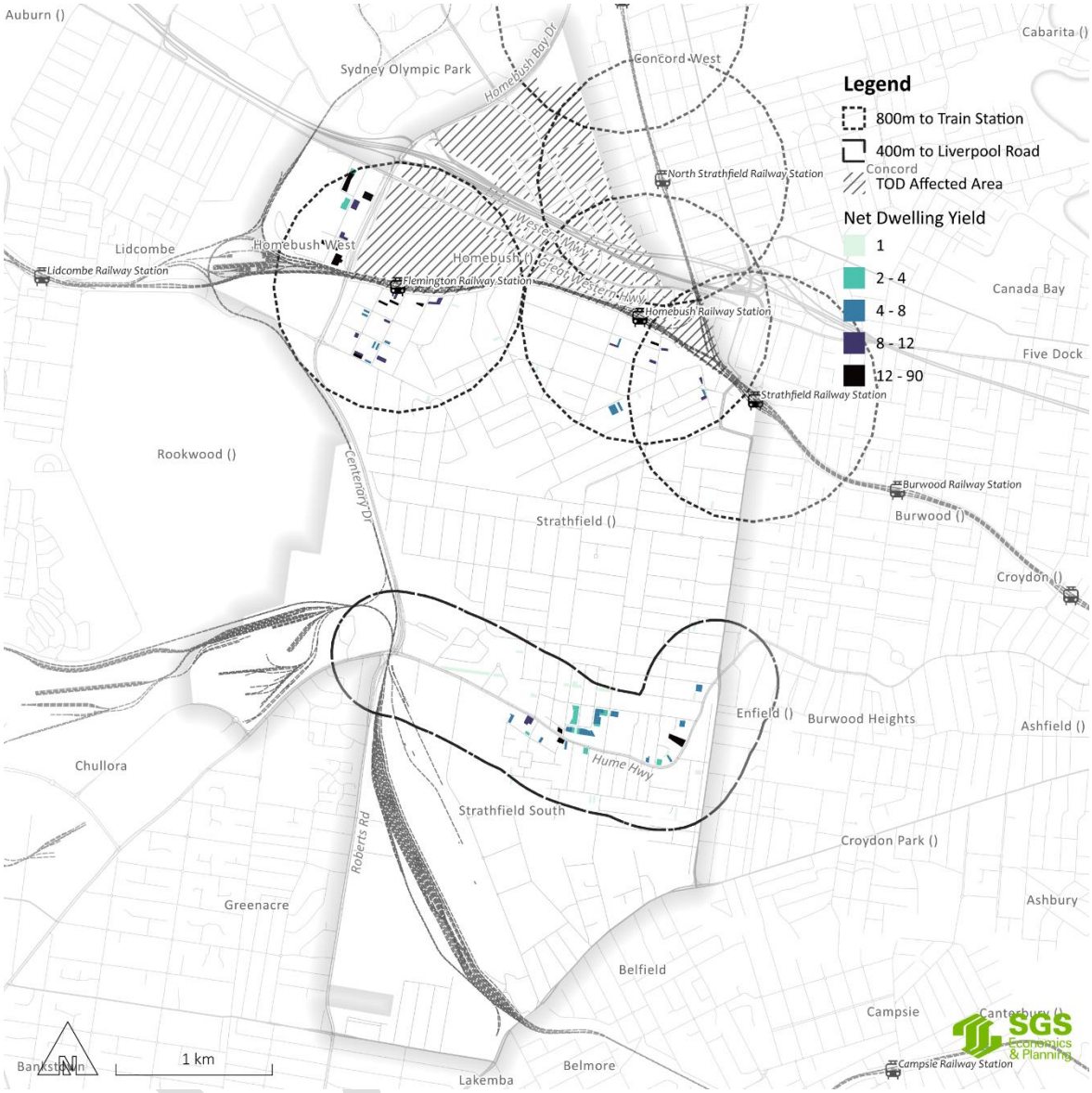
Source: SGS Economics and Planning, 2023

TABLE 16: DWELLING YIELD PER SCENARIO ABOVE BASE (OPTION 2)

Scenario	R2	R3	Total
1A	756	0	756
1B	1,242	0	1,242
2	2,133	119	2,252
3	3,652	119	3,771

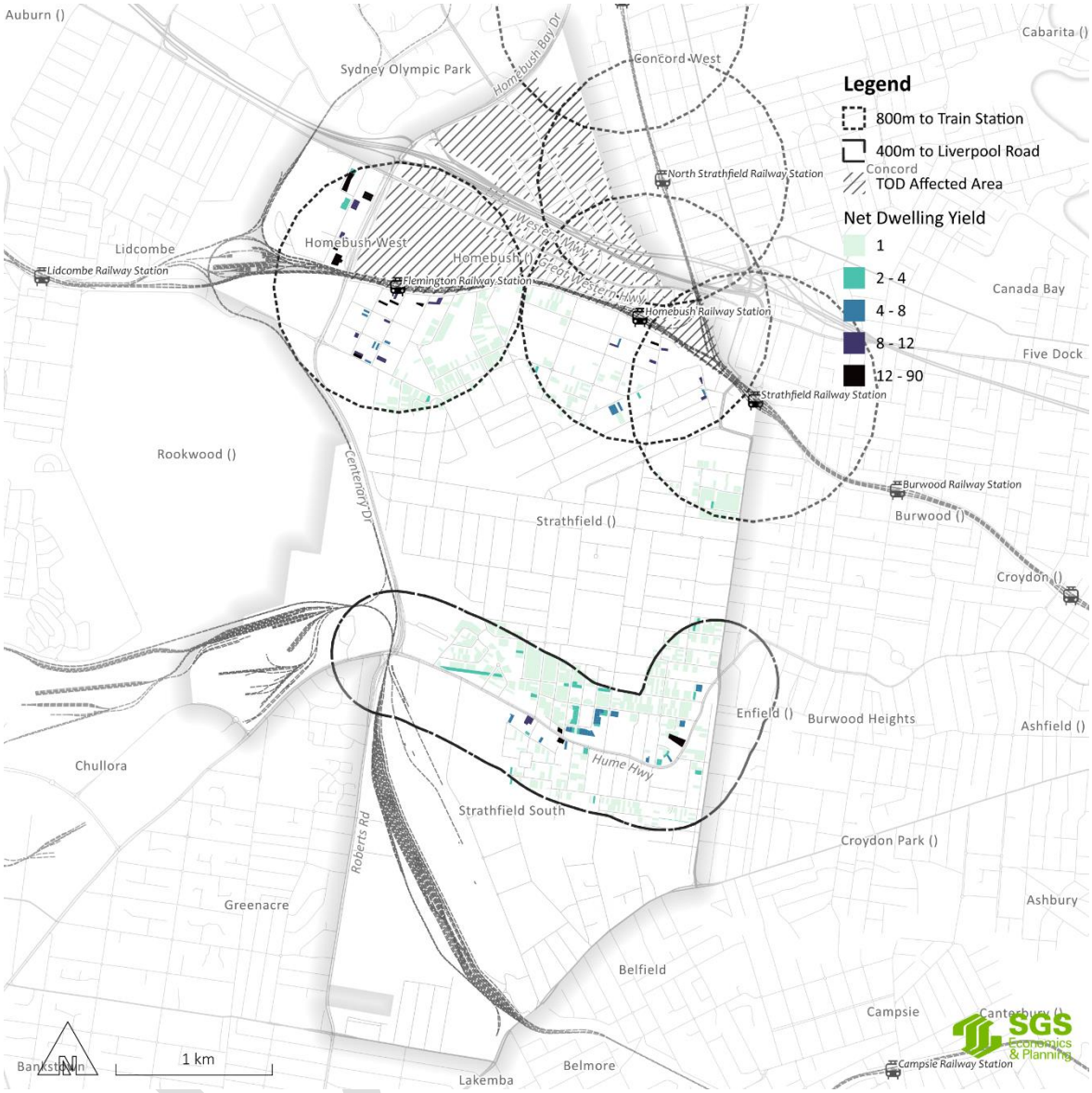
Source: SGS Economics and Planning, 2023

FIGURE 15: SPATIAL DISTRIBUTION OF YIELD – BASE SCENARIO, OPTION 2



Source: SGS Economics and Planning, 2023

FIGURE 16: SPATIAL DISTRIBTUION OF YIELD – SCENARIO 1A, OPTION 2



Source: SGS Economics and Planning, 2023

FIGURE 17: SPATIAL DISTRIBTUION OF YIELD – SCENARIO 1B, OPTION 2

Source: SGS Economics and Planning, 2023

FIGURE 18: SPATIAL DISTRIBTUION OF YIELD – SCENARIO 2, OPTION 2

Source: SGS Economics and Planning, 2023

FIGURE 19: SPATIAL DISTRIBTUION OF YIELD – SCENARIO 3, OPTION 2

Source: SGS Economics and Planning, 2023

5.3 Summary

In summary, the above results show:

- The analysis demonstrates that the most (theoretical) dwelling yield could be achieved when LEP changes are made across the LGA uniformly.
- However, higher dwelling yield is not necessarily synonymous with better outcomes.
- Place-based considerations will need to be made given the results of the community consultation (following section) as to the acceptability of such outcomes.
- Scenario 3, Option 2 maximises the dwelling yield whilst ensuring such changes are contained within 800m of a train station and 400m of Liverpool Road.
- The proposed Homebush TOD area will be subject to its own planning process being undertaken by DHPI and in consultation with Strathfield Council. Notwithstanding this, the results of the project indicate that the LGA still has significant capacity to accommodate additional dwelling yield while excluding the TOD redevelopment area.

6. Community Consultation

This section presents key findings from community consultation which investigated the general population sentiment towards medium density housing in Strathfield LGA.

Micromex conducted community consultation in two stages as part of the study. The objective of the consultation was to determine general population sentiment towards medium density housing in Strathfield LGA.

In Stage 1, a recruitment survey and recontact survey were conducted by phone and online. For Stage 2, an opt-in online survey was conducted via Council's 'Have Your Say' page, as well as two information pop-up sessions in the field. Micromex produced two reports. These form Attachment C.

Survey results refer to respondents living in three geographic areas within the LGA. 'Homebush West' is towards the north of the LGA, 'Strathfield' refers to the central area of the LGA, and 'Strathfield South/Greenacre' towards the south of the LGA.

6.1 Stage 1 - Method

Under Stage 1 of community consultation, Micromex conducted random surveys with residents living in Strathfield LGA. The surveys involved:

- 1 Recruitment Survey: A random sample of LGA residents were contacted via phone and were asked to participate in a research program about planning for Council via an online link or a mailed out pack of information. To ensure a representative sample of the community were captured by the survey, background questions were asked of those residents. Residents were also asked a few high level questions around their attitudes to planning and housing in Strathfield LGA. This was conducted between 30 November 2023 and 11 December 2023.
- 2 Recontact Survey: Residents that agreed to participate in the research program were then provided an information pack. It included an explanation and visual examples of different medium density dwelling types. Respondents were sent this information pack (via an online link or via mail) which was then used to inform more detailed follow up questions. This work was conducted between 5 December and 18 December 2023. Survey questions sought to understand:
  - What attributes are important to the participant in relation to housing choice
  - Whether or not they feel there are appropriate medium density housing opportunities in the LGA
  - What is their level of concern about the development of medium density housing in the LGA
  - What locations would the participant support an increase in medium density housing
  - What their future housing needs may be.

6.2 Stage 1 - Results

1 Recruitment Survey (514 residents contacted[19])

The profile of the recruitment respondent sample included 49 per cent female and 51 per cent male, and covered all age groups with a higher percentage of those in the 18-34 age bracket (44 per cent). More respondents were single or couple with one or more children at 29 per cent.

The majority of the recruitment survey respondents have lived in the LGA for longer than one year. Around 61 per cent of respondents have lived in the LGA between 1 and 20 years. Around 32 per cent of respondents have been lived in the area for 20 years or more. About 55 per cent live in a free standing house, 37 per cent in an apartment, and 65 per cent are ratepayers. The sample was weighted by age and gender to reflect the 2021 ABS Census for Strathfield LGA.[20]

When asked about their attitude towards housing access and affordability:

- Approximately 51 per cent of residents agree or strongly agree that there is sufficient, available housing the LGA.
- Approximately 47 per cent of residents agree or strongly agree the range of housing choice should be expanded in the LGA.
- Only 16 per cent of residents believed renting a home in the LGA is affordable, and 12 per cent believe buying a home in the LGA is affordable.[21]

When asked about the location of new housing in the LGA:

- Approximately 63 per cent of residents agree or strongly agree well designed townhouses or villas should be allowed to close to town centres.
- Approximately 62 per cent of residents agree or strongly agree that Council should help increase the range of housing types to improve affordability.
- Approximately 47 per cent of residents agree or strongly agree that to accommodate more housing in the LGA, high density housing like apartments with appropriate design should be considered.
- Approximately 34 per cent of residents agree or strongly agree that new housing should be through subdivision of land in existing areas, even though landscaping will be reduced.[22]

2 Recontact Survey (261 online surveys)

The profile of the recontact respondent sample included 49 per cent female and 51 per cent male, and covered all age groups with a higher percentage of those in the 18 to 34 age bracket (44 per cent). More respondents were single or a couple with one or more children at 34 per cent.

[19] Initially, the phone recruitment survey achieved a sample of 452 residents. Of the 452 residents, 199 responses were collected. To boost this sample, another 62 residents were recruited. Therefore, 261 responses were collected as part of the next stage – the recontact survey.
[20] Micromex, 2024, Housing Strategy Research, pp. 47-48
[21] Ibid., pp. 49-50
[22] Ibid., pp. 51-52

Many recontact survey respondents have been living in the LGA for more than one year. Around 24 per cent of respondents have lived in the LGA for 1-5 years. Approximately 16 per cent and 18 per cent of respondents have lived in the LGA for 6-10 years and 11-20 years respectively. Around 32 per cent of respondents have lived in the LGA for more than 20 years. Around 50 per cent of respondents live in a free standing house and 42 per cent in an apartment and 66 per cent are ratepayers. The sample was weighted by age and gender to reflect the 2021 ABS Census for Strathfield LGA.[23]

TABLE 17: RESPONSE TO QUESTIONS ABOUT DUAL OCCUPANCY DEVELOPMENT

Overall response from survey participants	Details
Overall 56 per cent of participants indicated they were supportive/very supportive of living **in a neighbourhood** with an increase in dual occupancy development	▪ The 18-34 year old cohort had the highest level of support at 62 per cent, as opposed to the 50-64 year old cohort at 53 per cent and 65+ years at 42 per cent. ▪ Residents from Homebush West (at 64 per cent) were more supportive than those from Strathfield and Strathfield South/Greenacre at 51 per cent and 57 per cent respectively.
Overall 52 per cent of participants were supportive/very supportive of allowing dual occupancy dwelling development **across the LGA**	▪ The 18-34 year old cohorts was more supportive at 62 per cent than the 50-64 year old cohort and 65+ years at 43 per cent and 28 per cent respectively. ▪ Residents from Homebush West (at 69 per cent) were more supportive than those from Strathfield at 38 per cent. ▪ Those residents living in a multi-unit dwelling (up to 3 storey) were more supportive at 65 percent, than those respondents in a free standing house at 42 per cent.
Overall 52 per cent of participants were supportive/very supportive of allowing dual occupancy development **around major road corridors**	▪ There was a small degree of variation between the different age cohorts and resident locations. ▪ Households with children were more supportive (58 per cent) than SINK/DINK[24] households (41 per cent).
Overall 54 per cent of participants were supportive/very supportive of allowing dual occupancy development **near train stations**	▪ The 18-34 year old cohort was more supportive at 58 per cent compared to the 65+ year old cohort at 47 per cent.

[23] Ibid., pp. 5-6
[24] SINK (single income, no kids); DINK (dual income, no kids)

	▪ Residents living in Homebush West were more supportive at 73 per cent, as opposed to those residents of Strathfield at 41 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey) were more supportive at 70 per cent than those in a free standing house at 44 per cent.

Source: Micromex, 2024, Housing Strategy Research, pp. 14-18

TABLE 18: RESPONSE TO QUESTIONS ABOUT TOWNHOUSES/TERRACES DEVELOPMENTS

Overall response from survey participants	Details
Overall 59 per cent of participants were supportive/very supportive of living **in a neighbourhood** with an increase in townhouses/terraces	▪ The 18-34 year old cohort was more supportive of this type of development at 72 per cent than 65+ year olds at 34 per cent. ▪ Residents living in Homebush West were more supportive at 77 per cent than those living in Strathfield at 47 per cent.
Overall 52 per cent of participants were supportive/very supportive of allowing townhouse/terrace development **across the LGA**	▪ The 18-34 year old cohort were more supportive of this type of development at 60 per cent, as opposed to the 50-64 year old cohort and 65+ years at 40 per cent and 33 per cent respectively. ▪ Residents living in Homebush West were the most supportive at 72 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey) were the most supportive at 66 percent. ▪ Participants living in a household with children were more supportive at 58 per cent.
Overall 48 per cent of participants were supportive/very supportive of allowing townhouse/terrace development **around major road corridors**	▪ The 50-64 year old cohort were the most supportive of this type of development at 64 per cent.
Overall 53 per cent of participants were supportive/very supportive of allowing townhouse/terrace development **near train stations**	▪ Residents living in Homebush West were the most supportive of this type of development at 77 per cent, as opposed to those living in Strathfield 41 per cent.

Source: Micromex, 2024, Housing Strategy Research, pp. 19-23

TABLE 19: RESPONSE TO QUESTIONS ABOUT LOW SCALE APARTMENTS DEVELOPMENTS

Overall response from survey participants	Details
Overall 41 per cent of participants were supportive/very supportive of living **in a neighbourhood** with an increase in low scale apartment developments	▪ The 18-34 year old cohort had the highest level of support for low scale apartment development in a neighbourhood at 54 per cent, as opposed to the 50-64 year cohort and 65+ cohort at 23 per cent and 26 per cent respectively. ▪ Residents living in multi-unit dwellings (up to 3 storey) were the most supportive at 56 per cent, as well as those living in Homebush West at 60 per cent.
Overall 40 per cent of participants were supportive/very supportive of allowing low scale apartment development **across the LGA**	▪ The 18-34 year old cohort had the highest level of support for low scale apartment development across the LGA 54 per cent, as opposed to the 65+ cohort at 18 per cent. ▪ Residents living in multi-unit dwellings (4+ storey) were the most supportive, as well as those living in Homebush West.
Overall 51 per cent of participants were supportive/very supportive of allowing low scale apartment development **around major road corridors**	▪ There was a fairly even response rate across the different age cohorts and residential locations when considering low scale apartment development around major road corridors (generally between 47 per cent to 54 per cent).
Overall 53 per cent of participants were supportive/very supportive of allowing low scale apartment development **near train stations**	▪ The 18-34 year old cohort had the highest level of support for low scale apartment development close to train stations at 68 per cent, as opposed to the 65+ cohort at 30 per cent. ▪ Both residents in multi-unit dwellings (up to 3 storey and 4+ storey) were supportive, as well as those residents living in Homebush West (74 per cent).

Source: Micromex, 2024, Housing Strategy Research, pp. 24-28

Attitude to Housing in the LGA

When respondents were asked about their level of concern towards medium density development in the LGA, around 75 per cent of participants indicated they were either somewhat concerned, concerned or very concerned. Results are in the table below.

TABLE 20: RESPONSE TO QUESTIONS ABOUT DEGREE OF CONCERN FOR MEDIUM DENSITY HOUSING

Degree of Concern	%	Description
Very concerned	20%	▪ Residents with more concern tended to be located in Strathfield, older in age and living in a free standing house. ▪ Not wanting the character/aesthetic of the area to change (18 per cent); overdevelopment (16 per cent); increase in traffic (15 per cent); overpopulation and overcrowding (15 per cent) were the most prominent concerns of these respondents.
Concerned	21%	
Somewhat concerned	34%	-
Not very concerned	19%	▪ Residents who were not very concerned or not concerned at all felt growth is needed/are supportive of development (52 per cent) and felt the developments do not necessarily impact or concern them (28 per cent).
Not at all concerned	6%	

Source: Micromex, 2024, Housing Strategy Research, pp. 30-31

Importance of housing attributes

Residents were asked about a range of housing attributes and the level of importance placed on these attributes. Safety and security were the highest priority, while living in a neighbourhood where dwellings are the same size and style was the lowest priority.

TABLE 21: IMPORTANCE OF HOUSING ATTRIBUTES

	Response
Primary	▪ Sense of safety and security (94%) ▪ Sense of privacy (90%) ▪ Access to public transport (85%) ▪ Access to and variety of shopping facilities (82%) ▪ Access to green open spaces/recreational areas (81%)
Secondary	▪ Energy efficiency (77%) ▪ Leafy, green look and feel (77%)

	▪ Access to parking/commuter parking (76%) ▪ Access to and variety of schooling options (72%) ▪ Low maintenance (70%) ▪ Aesthetic design of local development (69%) ▪ Access to and variety of local amenities (62%)
Tertiary	▪ Access to local job opportunities (55%) ▪ Living in a neighbourhood with a variety of housing types (54%) ▪ Local heritage (47%) ▪ Living in a neighbourhood where housing is generally the same size and style (41%)

Source: Micromex, 2024, Housing Strategy Research, pp. 32-34

Housing stock diversity and opportunities[25]

- Approximately 50 per cent of residents agree there is an appropriate diversity of medium density housing opportunities in the LGA. Those respondents living in the Strathfield central area of the LGA were more likely to agree.
- Just under half (46 per cent) of residents agree that the current choice of housing stock in the LGA would be able to meet *their* future needs. Older residents (65+) living in a free standing housing were more likely to agree.
- When asked whether the current choice of housing stock would meet *future resident* needs, 39 per cent of respondents agreed.

Planning for the Future[26]

Respondents were asked a series of questions in relation to their future plans and dwelling preferences.

- Approximately 59 per cent of respondents indicated they were likely to move from their current home in the next 1-5 years. Those respondents located in Homebush West, multi-dwelling units, and newcomers to the LGA were the most likely to move.
- Approximately 34 per cent of respondents indicated they would move within Strathfield LGA, 34 per cent indicated they would move outside the LGA, and 32 per cent were unsure.
- Of those intending to move in the next 1-5 years, 73 per cent of respondents are seeking to own their future home, 53 per cent are seeking a larger home and 43 per cent are seeking a free standing home.

[25] Micromex, 2024., op. cit., pp. 35-37
[26] Ibid., pp. 40-45

6.3 Stage 2 – Method

The second stage of consultation involved an online survey and in-person pop-up sessions in the LGA.

- 1 'Have Your Say' Opt-In Survey: A survey link with the questionnaire was available to residents on Strathfield Council's Have Your Say webpage (28 November 2023 to 8 March 2024).
- 2 Pop-Ups Session: Two pop-up events were held at Strathfield Plaza outside the station and at Strathfield Library. Council staff and Micromex staff were present on the day to assist the community with tasks and answer questions. The distribution of Council's information pack and survey link was the key objective of the pop-up events. The two sessions were held on 22 February and 2 March 2024.

6.4 Stage 2 – Results

1 'Have Your Say' Opt-In Survey[27]

For the 'Have Your Say' Opt-In Survey, 146 responses were collected. The profile of opt-in survey respondents included 49 per cent female, 48 per cent male and 3 per cent self-describe. Responses were captured for all age cohorts with a greater proportion in the 35-49 age cohort (33 per cent) and 50-64 age cohort (31 per cent). About a third of respondents were single or couple with one or more children under 18 at home. About 40 percent of respondents had lived in the area for more than 20 years, while 4 per cent had lived in the area for less than 1 year. Approximately 88 per cent were ratepayers and 73 per cent live in a free standing house.[28]

TABLE 22: RESPONSE TO QUESTIONS ABOUT DUAL OCCUPANCY DEVELOPMENT

Overall response from opt-in survey participants	Details
Overall 55 per cent of participants indicated they were supportive/very supportive of living **in a neighbourhood** with an increase in dual occupancy development. This was in-line with the Stage 1 representative community sample at 56 per cent.	▪ Residents from Strathfield South/Greenacre (at 86 per cent) were more supportive than those from Strathfield at 36 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey and 4+ storey) were more supportive between 74-78 per cent than those in a free standing house at 47 per cent.
Overall 52 per cent of participants were supportive/very supportive of allowing dual occupancy dwelling development **across the LGA.** This was in-line with the Stage 1 representative community sample at 52 per cent.	▪ Residents from Strathfield South/Greenacre (at 84 per cent) were more supportive than those from Strathfield at 32 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey) were more supportive at 78 per cent

[27] 146 responses were collected as part of the 'Have Your Say' Opt-In Survey. Another 40 responses were generated after the pop-up sessions were held. Therefore, in total 186 responses were collected. 185 from residents living in the area (these are included in the analysis), and 1 from a respondent outside the area.
[28] Micromex, 2024, Stage 2 Online Opt-in Survey/Pop Up Sessions, pp. 6-7

	than those in a free standing house at 45 per cent.
Overall 46 per cent of participants were supportive/very supportive of allowing dual occupancy development **around major road corridors.** This was slightly lower than the Stage 1 representative community sample at 52 per cent.	-
Overall 49 per cent of participants were supportive/very supportive of allowing dual occupancy development **near train stations.** This was slightly lower than the Stage 1 representative community sample at 54 per cent.	▪ Residents living in Strathfield South/Greenacre were more supportive at 67 per cent, compared to those residents in Strathfield at 35 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey and 4+ storey) were more supportive at 67 and 74 per cent respectively than those in a free standing house at 41 per cent.

Source: Micromex, 2024, Stage 2 Online Opt-in Survey/Pop Up Sessions, pp. 18-21

TABLE 23: RESPONSE TO QUESTIONS ABOUT TOWNHOUSES/TERRACES DEVELOPMENTS

Overall response from survey participants	Details
Overall 55 per cent of participants were supportive/very supportive of living **in a neighbourhood** with an increase in townhouses/terraces. The Stage 1 representative community sample was slightly higher at 59 per cent.	▪ Residents living in Strathfield South/Greenacre and Homebush West were more supportive at 84 ad 74 per cent respectively than those living in Strathfield at 32 per cent. ▪ Residents living in multi-unit dwellings (up to 4 storey+) were more supportive at 91 per cent than those in a free standing house at 46 per cent.
Overall 48 per cent of participants were supportive/very supportive of allowing townhouse/terrace development **across the LGA.** This was relatively in-line with the Stage 1 representative community sample at 52 per cent.	▪ Residents living in Strathfield South/Greenacre and Homebush West were more supportive at 79 and 68 per cent respectively, compared to those in Strathfield at 23 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey and 4+ storey) were more supportive at 74 and 83 per cent respectively, compared to those in a free standing house at 37 percent.
Overall 54 per cent of participants were supportive/very supportive of allowing townhouse/terrace development **around major road corridors.** This was slightly higher than the Stage 1 representative community sample at 48 per cent.	-

Overall 48 per cent of participants were supportive/very supportive of allowing townhouse/terrace development **near train stations.** This was slightly lower than the Stage 1 representative community sample at 53 per cent.	▪ Residents living in Strathfield South/Greenacre and Homebush West were more supportive of this type of development at 67 and 64 per cent respectively, compared to those living in Strathfield 31 per cent.

Source: Micromex, 2024, Stage 2 Online Opt-in Survey/Pop Up Sessions, pp. 22-26

TABLE 24: RESPONSE TO QUESTIONS ABOUT LOW SCALE APARTMENTS DEVELOPMENTS

Overall response from survey participants	Details
Overall 28 per cent of participants were supportive/very supportive of living **in a neighbourhood** with an increase in low scale apartment developments. This was significantly lower than the results from the Stage 1 representative community survey at 41 per cent.	▪ Residents living in Homebush West were more supportive at 55 per cent than those in Strathfield at 17 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey) were more supportive at 48 per cent compared to those in a free standing house at 22 per cent.
Overall 25 per cent of participants were supportive/very supportive of allowing low scale apartment development **across the LGA.** This was significantly lower than the results from the Stage 1 representative community survey at 40 per cent.	▪ Residents living in Homebush West were more supportive at 46 per cent than those in Strathfield at 14 per cent. ▪ Residents living in multi-unit dwellings (up to 3 storey) were more supportive at 43 per cent compared to those in free standing homes at 21 per cent.
Overall 43 per cent of participants were supportive/very supportive of allowing low scale apartment development **around major road corridors.** This was slightly lower than the Stage 1 representative community sample response at 51 per cent.	-
Overall 37 per cent of participants were supportive/very supportive of allowing low scale apartment development **near train stations.** This was significantly lower than the results in the Stage 1 representative community survey at 53 per cent.	▪ Residents living in Homebush West were more supportive at 60 per cent than those in Strathfield at 27 per cent. ▪ Residents in multi-unit dwellings (up to 3 storey) were more supportive at 56 per cent, compared to residents in free standing homes at 30 per cent.

Source: Micromex, 2024, Stage 2 Online Opt-In Survey/Pop Up Sessions, pp. 28-31

2 Pop-up Session Outcomes

The main aim of the pop-up session was to distribute Council's information pack and survey link and answer questions. Following the pop up sessions, an additional 40 online survey responses were generated.

At the pop-up counters, the community were also provided with some questions about medium density housing and materials that they could respond to (for example, post-it note boards, dot density responses and medium density visuals).

Community responses included the following:

- When asked about the next best housing option to a free standing home the response was mixed: two storey dual occupancy (4 counts), two storey townhouse/terraces (4 counts), and low scale apartments (3 counts).[29]
- When asked to specify what type of medium density housing they supported, 6 responses were received. Two responses supported townhouses/terraces as they felt these developments are suitable for small families and growing families and because they provide some green space. Dual occupancy was supported by one respondent. Two responses supported low scale apartments. One response did not support low scale apartments as the respondent felt this type of development is not done well in the area.[30]
- When asked where medium density housing development should occur, 2 responses indicated along well serviced corridors and 2 responses indicated well serviced centres.[31]
- Important housing attributes were noted by these respondents as:
  - Affordability (6 counts)
  - Close to public transport (5 counts)
  - Living space (3 counts)
  - Energy efficiency (3 counts)
  - Security and safety (3 counts)
  - Neighbourhood character (2 counts)
  - Privacy (2 counts)
  - Close to shops and services (1 count)
  - Low maintenance (1 count).[32]

[29] Ibid., p. 33
[30] Ibid., p. 32
[31] Ibid., p. 35
[32] Ibid., p. 36

Response to questions about degree of concern for medium density housing

Overall, the level of concern towards medium density housing was significantly higher in the opt-in survey (60 per cent), compared to the representative community survey at 41 per cent. Higher concern was seen for those aged over 35, living in Strathfield in larger homes.

When asked about specific concerns related to medium density development, the top concerns were generally similar between the two survey groups, in relation to not wanting to change the character/aesthetic of place, overpopulation and overcrowding.

TABLE 25: DEGREE OF CONCERN FOR DEVELOPMENT OF MEDIUM-DENSITY HOUSING

	Stage 1 Representative Community Survey	Stage 2 Opt-In Survey	Stage 2 Opt-In Survey
Very concerned	20%	47%	▪ Residents with more concern tended to be located in Strathfield (78 per cent). ▪ For those respondents concerned or very concerned, the most prominent concerns related to: not wanting the character/aesthetic of the area to change (25 per cent); increase in traffic (9 per cent); overpopulation and overcrowding (9 per cent) and wanting variety/don't want medium density (8 per cent).
Concerned	21%	13%	
Somewhat concerned	34%	9%	-
Not very concerned	19%	11%	▪ Residents who were not very concerned or not concerned at all tended to live in Strathfield South/Greenacre (65 per cent). ▪ Reasons why respondents felt not at all or not very concerned included: growth is needed/housing is needed (45 per cent); medium density housing is good for downsizing/those wanting smaller homes (31 per cent); and it would improve affordability (17 per cent)
Not at all concerned	6%	20%	

Source: Micromex, 2024, Stage 2 Online Opt-In Survey/Pop Up Sessions, pp. 38-39

When asked about what housing attributes are important, the respondents in the opt-in survey rated safety and security, a sense of privacy, access to public transport and access to open spaces highly which was similar to the representative community survey. Living in a neighbourhood with a variety of housing types and living in a neighbourhood where housing is the same size and style was lower in importance for both survey groups.

TABLE 26: IMPORTANCE OF HOUSING ATTRIBUTES

	Stage 1 Representative Community Survey	Stage 2 Opt-In Survey
Primary	▪ Sense of safety and security (94%) ▪ Sense of privacy (90%) ▪ Access to public transport (85%) ▪ Access to and variety of shopping facilities (82%) ▪ Access to green open spaces/recreational areas (81%)	▪ Sense of safety and security (83%) ▪ Sense of privacy (80%) ▪ Access to public transport (80%) ▪ Access to green open spaces/recreational areas (74%) ▪ Leafy, green look and feel (74%) ▪ Aesthetic design of local dev. (72%)
Secondary	▪ Energy efficiency (77%) ▪ Leafy, green look and feel (77%) ▪ Access to parking/commuter parking (76%) ▪ Access to and variety of schooling options (72%) ▪ Low maintenance (70%) ▪ Aesthetic design of local development (69%) ▪ Access to and variety of local amenities (62%)	▪ Access to and variety of shopping facilities (68%) ▪ Access to and variety of schooling options (64%) ▪ Access to and variety of local amenities (63%) ▪ Low maintenance (59%) ▪ Energy efficiency (57%) ▪ Access to parking/commuter parking (56%) ▪ Local heritage (53%)
Tertiary	▪ Access to local job opportunities (55%) ▪ Living in a neighbourhood with a variety of housing types (54%) ▪ Local heritage (47%) ▪ Living in a neighbourhood where housing is generally the same size and style (41%)	▪ Living in a neighbourhood with a variety of housing types (40%) ▪ Living in a neighbourhood where housing is generally the same size and style (37%) ▪ Access to local job opportunities (35%)

Source: Micromex, 2024, Stage 2 Online Opt-In Survey/Pop Up Sessions, pp. 40-42

Housing stock diversity and opportunities

- Slightly less respondents in the opt-in Survey (41 per cent) believe there is an appropriate diversity of medium density housing opportunities in the LGA, compared to 50 per cent in the representative community survey.[33]
- Just under half (43 per cent) of residents agree that the current choice of housing stock in the LGA would be able to meet *their* future needs. Older residents (65+) living in a free standing housing were more likely to agree. This was a similar outcome to the representative community survey at 46 per cent.[34]
- When asked whether the current choice of housing stock would meet *future resident* needs, 35 per cent of respondents agreed which was in line with the representative community survey at 39 per cent.[35]

Planning for the Future

Respondents were asked a series of questions in relation to their future plans and dwelling preferences.

- Around 25 per cent of respondents indicated they were likely/very likely to move from their current home in the next 1-5 years, in contrast to the community representative survey at 59 per cent. Younger respondents, those located in Greenacre/Strathfield South, newcomers and those in multi-unit dwellings were more likely to move soon.[36]
- Around 37 per cent of respondents indicated they would move within Strathfield LGA, 25 per cent indicated they would move outside the LGA, and 38 per cent were unsure. This was a slight variation on the results from the representative community survey which was around a third for each option.[37]
- Of those intending to move in the next 1-5 years, 90 per cent of respondents are seeking to own their future home which was higher than the representative community survey at 73 per cent; 39 per cent are seeking a larger home which was lower than the previous survey at 52 per cent. Around 33 per cent are seeking a free standing home, which is lower than the previous survey at 43 per cent.[38]

6.5 Key Findings

The preceding summary presented community sentiment towards the four potential medium density housing strategy scenarios and various related aspects such as built form, typologies, locations, heights,

[33] Ibid., p. 43
[34] Ibid., p. 44
[35] Ibid., p. 45
[36] Ibid., p. 48
[37] Ibid., p. 49
[38] Ibid., p. 50

housing issues, safety, and amenity. The following key findings were documented as part of the community consultation.

- Dual occupancies:
  - 56 per cent of respondents (Stage 1 Survey) and 55 per cent of respondents (Stage 2 Survey) indicated that living in a neighbourhood with an increase in dual occupancy development is supported / very supported.
  - When asked about their level of support to allow dual occupancies to develop across the LGA, 52 per cent of respondents for both the Stage 1 Survey and Stage 2 Survey indicated it was a scenario that was supported / very supported.
  - 52 per cent of respondents (Stage 1 Survey) and 46 per cent of respondents (Stage 2 Survey) indicated that allowing dual occupancies development around major road corridors is supported / very supported.
  - When asked about their level of support to allow dual occupancies to develop near train stations (15 minute walk), 54 per cent of respondents (Stage 1 Survey) and 49 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.
- Townhouse/terraces:
  - 59 per cent of respondents (Stage 1 Survey) and 55 per cent of respondents (Stage 2 Survey) indicated that living in a neighbourhood with an increase in townhouses or terrace development is supported / very supported.
  - When asked about their level of support to allow townhouses or terrace development across the LGA, 52 per cent of respondents (Stage 1 Survey) and 48 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.
  - 48 per cent of respondents (Stage 1 Survey) and 54 per cent of respondents (Stage 2 Survey) indicated that allowing townhouse or terrace development around major road corridors is supported / very supported.
  - When asked about their level of support to allow townhouses or terrace developments near train stations (15 minute walk), 53 per cent of respondents (Stage 1 Survey) and 48 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.
- Low scale apartments:
  - 41 per cent of respondents (Stage 1 Survey) and 28 per cent of respondents (Stage 2 Survey) indicated they are supportive / very supportive of living in a neighbourhood with an increase in low scale apartment developments.
  - When asked about their level of support to allow low scale apartment developments across the LGA, 40 per cent of respondents (Stage 1 Survey) and 25 per cent of respondents indicated it was a scenario that was supported / very supported.
  - 51 per cent of respondents (Stage 1 Survey) and 43 per cent of respondents (Stage 2 Survey) indicated that allowing low scale apartment developments around major road corridors is supported / very supported.

- When asked about their level of support for allowing low scale apartment developments near train stations (15 minute walk), 53 per cent of respondents (Stage 1 Survey) and 37 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.

- Concern for development:
  - 41 per cent of respondent (Stage 1 Survey) are concerned / very concerned about the development of medium density housing in Strathfield LGA. Key concerns that were raised included increased traffic, overdevelopment, overpopulation, and changes to the character and visual aspect of the area.
  - 60 per cent of respondents (Stage 2 Survey) indicated they are concerned / very concerned about the development of medium density housing in the LGA. Key concerns that were raised included changes to the character and visual aspect of the area, overdevelopment, crowding and traffic.

7. Viability Testing

7.1 Objectives

The purpose of viability testing is to provide further quantitative evidence for Council's Medium Density Housing Strategy. The results characterise the extent to which there is likely to be market take-up (i.e., redevelopment) following a change of built form controls. Specifically, the testing addresses the following project objectives:

- Identify the extent to which the changes to built form controls (as contemplated by the built form scenarios) are viable in today's market and/or under reasonably conservative projections of market (cost and realisable value) conditions over the next five (5) to 10 years.
- Identify which dwelling typologies may be challenged by today's market conditions and result in lower market take-up.
- Identify which dwelling typologies may not be as challenged and result in higher market take-up (i.e., a reflection of their being initially more viable than other typologies in redevelopment).
- Inform the SGS team's recommended option for LEP and DCP changes.
- Provide quantitative information to support Council's planning proposal to DPHI.

The typologies and market areas identified for the viability testing were identified specifically in line with the recommended scenario and aim to understand the impact of the preferred scenario in this report. This testing accordingly develops an understanding of how the changes proposed in the preferred scenario would result in development under today's market conditions.

7.2 Methodology

For the purposes of this study, SGS used a static financial model to account for built form aspects of the different dwelling typologies being evaluated, an approximation of each site's existing uses and values, as well as the realisable value and array of development costs associated with each dwelling typology and scenarios of possible highest-and-best uses. This modelling is often referred to as Residual Land Value (RLV) modelling, in part, because a key output in determining viability is the difference between the RLV and a site's existing value (discussed below).

Terminology

For clarification, a few terms used throughout the following sections relate to the modelling results and findings.

TABLE 27: VIABILITY TESTING TERMINOLOGY

Term	Definition
Feasibility	A condition in which a development project's revenues exceed its development costs by a sufficient margin, such that it can be developed with sufficient risk-adjusted investment returns.
Viability	A condition in which a developer's willingness to pay for land in a feasible redevelopment exceeds the existing use value of the parcel land to be redeveloped. The development is considered viable because the underlying land transaction may proceed.

Source: SGS Economics & Planning, 2024

Modelling framework

Generally, RLV modelling determines the viability of redevelopment by estimating the realisable value of a development site, subtracting relevant development costs and developer profit and comparing the resulting RLV to the site's existing use value (EUV). The RLV is considered to be the maximum that a developer would be willing to pay to acquire the site. As noted in the definitions above, where the RLV is greater than the EUV, the dwelling typology would be considered viable.

Methodology for projecting market conditions

SGS also considered the viability of development in the future. The RLV modelling tests each site's development program under the assumption that costs and realisable values escalate over time, where realisable values typically escalate faster than costs. As such, the outputs illustrate *when* a proposed development may become viable (in number of years). Specifically, the modelling estimates when the RLV exceeds or is at least equal to the EUV, i.e., the point at which the modelled development becomes viable. In this modelling, SGS specifically tested realisable values increasing at a rate of one (1) per cent higher per annum than costs.

7.3 Inputs and assumptions

This section details the inputs and assumptions required to be gathered for the viability analysis, and provides justification for the selected criteria. The relevant elements of the RLV modelling framework are:

- Development characteristics – built form outcomes of proposed redevelopment typologies. These were provided by Architectus.
- Development costs – including hard costs (e.g., building), soft costs (e.g., professional fees, legal, financing, contingency, etc.), and fees and charges (e.g., stamp duty, GST, DA fees, 7.11/12 fees, etc.). These costs were taken from relevant sources including Rawlinsons Construction Cost Guide, Council, and State Government agencies.

- **Development margin and risk** – an estimate of the minimum margin a developer would seek in developing such a project that is adjusted for the various risks associated with such development (e.g., timing, land cost, construction cost, market, environment, etc.).
- **Realisable values** – a method to derive the end value of the proposed development. These were developed from sales evidence provided by CBRE.
- **Existing use value** (EUV) – a method to derive the current market value of a site, considering the existing built form and statutory controls. These were developed from sales evidence provided by CBRE.

Development characteristics

Sites and their development characteristics were selected in reference to the options developed earlier in the study, and in consultation with Architectus, CBRE, and Council. This exercise aimed to select sites and redevelopment characteristics which were reflective of the range of redevelopment outcomes based on:

- The different market areas of the Strathfield LGA where medium density redevelopment would take place.
- What subdivision patterns the different market areas exhibit, and how these lend themselves to redevelopment (including if amalgamation is required).
- What redevelopment built forms would be likely, given the findings of the urban design study.

Identified development typologies were considered which are analogous to those considered under section 4.2 are provided in **Table 28**. The sites selected accordingly consider a broad range of medium-density outcomes that could exist across various areas in Strathfield. Characteristics are summarised in **Table 29** below.

TABLE 28: DEVELOPMENT TYPOLOGIES CONSIDERED IN THE VIABILITY TESTING

Dual Occupancy	Multi Dwelling Housing	Residential Flat Buildings
	 OR 	

Source: SGS Economics and Planning, 2023

TABLE 29: TEST SITE DEVELOPMENT CHARACTERISTICS USED IN THE VIABILITY TESTING ANALYSIS

Test site	Market area	Description	Existing typology on site	Typology to be tested	Lot size	Existing GFA	Proposed Redevelopment FSR	Height (storeys)	No. of dwellings/ units	GFA per dwelling/ NLA per unit	Parking proposed (per dwell and any visitors)	Parking location
1	Station precinct	Typical R2 lot	One detached dwelling	Multi dwelling housing	740	200	0.6	2.4	4	120	8 + 1 visitor = 9	At grade
2	Station precinct	Typical R2 lot	One detached dwelling	Residential flat buildings	740	200	1.1	3.0	8	85	12 + 2 visitor = 14	B1
3	Station precinct	Larger R2 lot	One detached dwelling	Multi dwelling housing	1,230	200	0.8	2.4	8	120	16 + 2 visitor = 18	At grade
4	Station precinct	Larger R2 lot	One detached dwelling	Residential flat buildings	1,230	200	1.2	3.0	13	95	20 + 3 visitor = 23	B1
5	Station precinct	Amalgamation of two R2 lots	Two detached dwellings	Multi dwelling housing	1,040	350	0.7	2.4	6	115	12 + 2 visitor = 14	At grade
6	Station precinct	Amalgamation of two R2 lots	Two detached dwellings	Residential flat buildings	1,040	350	1.0	3.0	10	90	15 + 2 visitor = 17	B1
7	Station precinct	Typical R3 lot	Existing residential flat building	Residential flat buildings	950	840	2.5	6.0	23	90	35 + 5 visitor = 40	B1 + B2
8	Station precinct	Amalgamation of two R3 lots	Two detached dwellings	Residential flat buildings	1,140	670	2.2	6.0	24	90	36 + 5 visitor = 41	B1 + B2
9	General Strathfield residential area	Mid-block R2 lot	One detached dwelling	Dual occupancy	700	530	0.8	2.8	2	270	4 (no visitor parking for typology)	At grade
10	General Strathfield residential area	Mid-block R2 lot	One detached dwelling	Multi dwelling housing	700	530	0.8	2.8	4	135	8 + 1 visitor = 9	At grade

Test site	Market area	Description	Existing typology on site	Typology to be tested	Lot size	Existing GFA	Proposed Redevelopment FSR	Height (storeys)	No. of dwellings/ units	GFA per dwelling/ NLA per unit	Parking proposed (per dwell and any visitors)	Parking location
11	General Strathfield residential area	Corner R2 lot	One detached dwelling	Dual occupancy	710	240	0.6	2.4	2	230	4 (no visitor parking for typology)	At grade
12	General Strathfield residential area	Corner R2 lot	One detached dwelling	Multi dwelling housing	710	240	0.6	2.4	4	115	8 + 1 visitor = 9	At grade
13	Liverpool Rd corridor	Typical R2 lot	One detached dwelling	Multi dwelling housing	740	240	0.6	2.4	4	115	8 + 1 visitor = 9	At grade
14	Liverpool Rd corridor	Typical R2 lot	One detached dwelling	Residential flat buildings	740	240	1.0	3.0	7	90	11 + 2 visitor = 13	B1
15	Liverpool Rd corridor	Amalgamation of two R2 lots	Two detached dwellings	Multi dwelling housing	650	180	0.5	2.4	3	110	6 + 1 visitor = 7	At grade
16	Liverpool Rd corridor	Amalgamation of two R2 lots	Two detached dwellings	Residential flat buildings	650	180	0.8	3.0	5	90	8 + 1 visitor = 9	B1
17	Belfield residential area	Typical R2 lot	One detached dwelling	Multi dwelling housing	740	160	0.6	2.4	4	110	8 + 1 visitor = 9	At grade

Source: SGS Economics & Planning, Architectus, 2024

FIGURE 20: TEST SITE MARKET AREAS AS USED IN VIABILITY TESTING

Source: SGS Economics & Planning, 2024

Development costs

Hard Costs

SGS used construction costing information and assumptions from Rawlinsons Construction Cost Guide (including Q1 escalations to represent costs at the time of analysis), as per Table 30 below.

TABLE 30: HARD COST ASSUMPTIONS USED IN VIABILITY TESTING

Item	Concordance with Medium-Density Housing Typology	Cost (mid)
Townhouse High (per sqm of gross building area)	Dual occupancy and multi dwelling housing	$3,032
Multi Unit Construction Medium (per sqm of gross building area)	Residential flat buildings	$3,190
Parking – underground, per car space	Residential flat buildings	$65,000
Parking – at grade, internal	Dual occupancy and multi dwelling housing	$12,979
Balcony (per dwelling)	Residential flat buildings	$16,078

Source: Rawlinsons Construction Cost Guide, 2024
[Note 1]: Each of these construction cost factors represents the average of the low and high construction costs per sqm

Margin

A development margin was assumed at 20 per cent. The development margin accounts for a standard business premium, land cost, construction cost, market, timing, environmental and approvals risks. Each risk is assigned a premium, generally between 0.5 per cent and approximately 4.5 per cent. These premiums account for the possible risks of, for example, unforeseen increases in construction costs, land acquisition costs, slower market absorption (i.e., sales) of residential dwellings or lease-up of non-residential space.

Soft Costs

Soft costs were calibrated to industry standards and assumed as per Table 31:

TABLE 31: SOFT COST ASSUMPTIONS USED IN VIABILITY TESTING

Assumption	Rate
Professional Fees factor (of hard costs)	5.0%
Marketing & Advertising factor (of gross realisable value)	1.5%
Legal Fees factor (per unit)	$2,000
Contingency factor (of hard costs, professional fees, marketing, and legal fees)	7.5%
Land acquisition fee (of RLV)	0.5%
Finance assumptions	
Cost of finance (p.a.)	8.0%
Loan to value ratio	65.0%

Source: SGS Economics & Planning, 2024

Fees and charges

SGS sourced cost assumptions for planning fees, development charges and infrastructure contributions from appropriate authorities. Fees and charges were assumed as within Table 32 below:

TABLE 32: FEES AND CHARGES APPLIED IN VIABILITY TESTING

Fee or charge	Rate
Housing and productivity contribution - per strata dwelling	$10,000
Local 7.11 infrastructure contribution	$20,000 per dwelling
Stamp Duty	per NSW Revenue schedules
Application fees	per NSW SSDA fee schedules
GST	10% on new residential property
Long service levy (of hard costs)	0.25%
Sydney Water DSP (per dwelling)	$834

Source: SGS Economics & Planning, 2024, via NSW Department of Planning, Housing, and Environment, Strathfield Council, and Sydney Water

Realisable values

Realisable values (the price which brand new dwellings are expected to sell for) were calibrated using inputs from CBRE and are provided on a per square metre of net saleable area basis for each site. These are based on the built form and location of each prototype, using not only local sales evidence, but also sales evidence of similar typologies in other comparable markets to Strathfield. The CBRE market analysis report is provided as Appendix E.

The CBRE market analysis showed that the General Strathfield Residential Area and Station Precincts had the highest realisable values, with the Liverpool Road Corridor and Belfield Residential Area having lower prices in comparison.

Adopted realisable value prices (on a per square metre basis) also reflect the differences between typologies. Dual occupancies showed the highest realisable values, as they are more likely to be presented as analogous to standalone houses and include amenities like private gardens. Multi dwelling housing, by contrast, is typically a smaller product than dual occupancies, whilst still offering individual courtyards and gardens for residents. Residential flat buildings are a more mature product in the LGA and similar market areas, and have the lowest relative realisable values of the tested typologies. This typology is usually the smallest and provides apartments at a range of dwelling sizes.

Adopted realisable values are shown in Table 33.

Table 33

TABLE 33: REALISABLE VALUE ASSUMPTIONS FOR THE MODELLED MARKET AREAS AND TYPOLOGIES USED IN THE VIABILITY TESTING

Market Area	Typology	Price/sqm net saleable area
Station precinct	Multi dwelling housing	$14,000
Station precinct	Residential flat buildings	$12,500
General Strathfield residential area	Dual occupancy	$16,000
General Strathfield residential area	Multi dwelling housing	$14,500
Liverpool Rd corridor	Multi dwelling housing	$13,000
Liverpool Rd corridor	Residential flat buildings	$12,000
Belfield residential area	Multi dwelling housing	$13,000

Source: SGS Economics & Planning, 2024

Existing Use Values

EUVs were calibrated using market analysis from CBRE, which provided market evidence for existing, medium- to lower-quality dwelling sales in the identified market areas. This is to provide an understanding of the stock which is most likely to redevelop.

Across the market areas tested, the General Strathfield Residential Area had the highest identified prices on a per square metre of land basis for the identified stock used in the analysis. The Station Precinct and Liverpool Road corridors had relatively similar prices, and the Belfield/ Strathfield South area had lower prices.

Sites were valued on a per square metre of land basis, with the exception of Site Seven (7), which represents the redevelopment of an existing residential flat building within the R3 zone in the Station precinct. This site was valued based on the square metres of existing development (as current apartments), as mid- to low-quality stock.

Where multiple lots are required to create a redevelopment site, there is often a need to incentivise landowners to sell their properties. Particularly in situations, such as site assemblage, there can be pressure to expedite and coordinate the acquisition of parcels need for redevelopment.

Amalgamation premiums paid can represent up to 50 per cent of the theoretical EUV of a single property. In viability testing, consultants supporting Councils have used amalgamation premiums of up to 25 per cent, however 20 per cent is more common. Accordingly, sites which require the sale of more than one dwelling have had an amalgamation premium of 20 per cent applied.

TABLE 34: EXISTING USE VALUES USED FOR THE VIABILITY TESTING

Site	Lot size (sqm)	Market Area	Existing Typology	Amalgamation Premium	Adopted EUV	Adopted EUV/sqm land
1	740	Station precinct	One detached dwelling	0%	$2,738,000	$3,700
2	740	Station precinct	One detached dwelling	0%	$2,738,000	$3,700
3	1,230	Station precinct	One detached dwelling	0%	$4,305,000	$3,500
4	1,230	Station precinct	One detached dwelling	0%	$4,305,000	$3,500
5	1,040	Station precinct	Two detached dwellings	20%	$4,617,600	$4,440
6	1,040	Station precinct	Two detached dwellings	20%	$4,617,600	$4,440
7	950	Station precinct	Existing residential flat building	20%	$6,249,600	$6,579
8	1,140	Station precinct	Two detached dwellings	20%	$5,608,800	$4,920
9	700	General Strathfield residential area	One detached dwelling	0%	$4,270,000	$6,100
10	700	General Strathfield residential area	One detached dwelling	0%	$4,270,000	$6,100
11	710	General Strathfield residential area	One detached dwelling	0%	$4,331,000	$6,100
12	710	General Strathfield residential area	One detached dwelling	0%	$4,331,000	$6,100
13	740	Liverpool Rd corridor	One detached dwelling	0%	$2,960,000	$4,000
14	740	Liverpool Rd corridor	One detached dwelling	0%	$2,960,000	$4,000
15	650	Liverpool Rd corridor	Two detached dwellings	20%	$3,120,000	$4,800
16	650	Liverpool Rd corridor	Two detached dwellings	20%	$3,120,000	$4,800
17	740	Belfield residential area	One detached dwelling	0%	$2,220,000	$3,000

Source: SGS Economics & Planning, 2024

7.4 Outputs and results

The following section presents discussion of the modelling outputs for the selected redevelopment prototypes. Outputs are provided for the following modelling constructs:

- Viability at the proposed density for the identified redevelopment prototypes. These outputs illustrate the relationship between costs, revenues, and land values, to determine current viability.
- Viability including additional uplift. These outputs illustrate how additional density in a proposed redevelopment prototype affects the viability of development.
- Viability under a projection of market conditions. Using assumptions around anticipated escalations in costs and revenues, this modelling indicates (for prototypes which are not currently viable) *when* viability might occur.

Viability results with redevelopment typologies as recommended

Table 35 illustrates the viability of proposed redevelopment typologies, under current market conditions. This includes key modelling components for each site, including net project revenues, total development costs (less margin), margin and the resulting RLV. Additionally, the EUV and the difference between the RLV and EUV is presented as the primary determinant of viability. Where the RLV exceeds EUV, development is considered viable.

- Only one test site is viable under current market conditions, with the remaining sites illustrating various variances between the RLV and EUV. The primary consideration here is that, whilst the RLVs are all positive, they are not adequate to overcome the EUVs.

TABLE 35: VIABILITY TESTING RESULTS WITH PROPOSED REDEVELOPMENT TYPOLOGIES

Test Site	Area	Net revenue	Development costs (net of margin and land value)	Margin	RLV	EUV	Difference (RLV-EUV)
1	740 sqm	$6,109,091	$2,353,884	$1,221,818	$2,533,389	$2,738,000	-$204,611
2	740 sqm	$7,727,273	$4,793,264	$1,545,455	$1,388,554	$2,738,000	-$1,349,446
3	1,230 sqm	$12,218,182	$4,713,762	$2,443,636	$5,060,784	$4,305,000	$755,784
4	1,230 sqm	$14,034,091	$8,476,634	$2,806,818	$2,750,638	$4,305,000	-$1,554,362
5	1,040 sqm	$8,781,818	$3,452,716	$1,756,364	$3,572,738	$4,617,600	-$1,044,862
6	1,040 sqm	$10,227,273	$6,230,527	$2,045,455	$1,951,291	$4,617,600	-$2,666,309
7	950 sqm	$23,522,727	$14,762,267	$4,704,545	$4,055,915	$6,249,600	-$2,193,685
8	1,140 sqm	$24,545,455	$15,062,134	$4,909,091	$4,574,230	$5,608,800	-$1,034,570
9	700 sqm	$7,854,545	$2,628,469	$1,570,909	$3,655,167	$4,270,000	-$614,833
10	700 sqm	$7,118,182	$2,711,263	$1,423,636	$2,983,283	$4,270,000	-$1,286,717
11	710 sqm	$6,690,909	$2,261,772	$1,338,182	$3,090,956	$4,331,000	-$1,240,044
12	710 sqm	$6,063,636	$2,357,017	$1,212,727	$2,493,892	$4,331,000	-$1,837,108

Test Site	Area	Net revenue	Development costs (net of margin and land value)	Margin	RLV	EUV	Difference (RLV-EUV)
13	740 sqm	$5,436,364	$2,258,227	$1,087,273	$2,090,864	$2,960,000	-$869,136
14	740 sqm	$6,872,727	$4,404,906	$1,374,545	$1,093,276	$2,960,000	-$1,866,724
15	650 sqm	$3,900,000	$1,671,430	$780,000	$1,448,570	$3,120,000	-$1,671,430
16	650 sqm	$4,909,091	$3,169,147	$981,818	$758,126	$3,120,000	-$2,361,874
17	740 sqm	$4,800,000	$2,112,893	$960,000	$1,727,107	$2,220,000	-$492,893

Source: SGS Economics and Planning, 2024

Viability of redevelopment prototypes with additional uplift

The following reports on modelling completed to identify how close a redevelopment prototype might be to viability when factoring additional increments of FSR uplift. The results are reported as the difference between the RLV and EUV (also as reported in the last column of the previous table). The results also include a column which shows how much additional uplift would be required to achieve viability (up to 0.5:1 additional FSR). If a prototype requires more than 0.5:1 additional FSR to be viable, 'Uplift insufficient' is displayed.

- The findings of this analysis illustrate that, as additional uplift is added to the redevelopment typologies, the residual land value increases. This is because the marginal value of the additional floorspace is higher than the cost to construct it.
- With an additional 0.2:1 of FSR to the proposed built form, an additional four (4) redevelopment prototypes are viable. With an additional 0.5:1 of FSR, seven (7) from the 17 total redevelopment prototypes are viable.

TABLE 36: VIABILITY TESTING RESULTS WITH PROPOSED REDEVELOPMENT TYPOLOGIES AND UPLIFT

Site	Proposed FSR	Proposed + 0.1 FSR	Proposed + 0.2 FSR	Proposed + 0.3 FSR	Proposed + 0.4 FSR	Proposed + 0.5 FSR	Uplift required for viability	FSR req'd for viability
1	-$204,611	$201,323	$584,383	$976,392	$1,354,960	$1,746,969	Proposed + 0.1 FSR	0.7
2	-$1,349,446	-$1,219,149	-$1,017,650	-$887,354	-$685,855	-$555,559	Uplift insufficient	N/A
3	$755,784	$1,402,826	$2,036,427	$2,683,469	$3,330,511	$3,964,112	Proposed FSR	0.8
4	-$1,554,362	-$1,237,009	-$992,112	-$679,319	-$366,526	-$53,733	Uplift insufficient	N/A
5	-$1,044,862	-$479,924	$81,532	$623,340	$1,165,148	$1,693,514	Proposed + 0.2 FSR	0.9
6	-$2,666,309	-$2,418,537	-$2,170,766	-$1,922,995	-$1,675,224	-$1,427,453	Uplift insufficient	N/A
7	-$2,193,685	-$2,000,331	-$1,806,976	-$1,613,622	-$1,348,690	-$1,155,335	Uplift insufficient	N/A
8	-$1,034,570	-$765,288	-$496,005	-$226,723	-$28,421	$228,147	Proposed + 0.5 FSR	2.7

Site	Proposed FSR	Proposed + 0.1 FSR	Proposed + 0.2 FSR	Proposed + 0.3 FSR	Proposed + 0.4 FSR	Proposed + 0.5 FSR	Uplift required for viability	FSR req'd for viability
9	-$614,833	-$126,302	$360,839	$829,368	$1,311,339	$1,779,868	Proposed + 0.2 FSR	1
10	-$1,286,717	-$871,616	-$460,572	-$63,543	$333,274	$727,489	Proposed + 0.4 FSR	1.2
11	-$1,240,044	-$743,245	-$234,953	$248,707	$736,188	$1,210,228	Proposed + 0.3 FSR	0.9
12	-$1,837,108	-$1,416,869	-$1,011,591	-$597,340	-$197,105	$208,255	Proposed + 0.5 FSR	1.1
13	-$869,136	-$504,926	-$154,934	$200,589	$532,936	$877,257	Proposed + 0.3 FSR	0.9
14	-$1,866,724	-$1,756,299	-$1,574,672	-$1,464,247	-$1,282,620	-$1,172,194	Uplift insufficient	N/A
15	-$1,671,430	-$1,354,062	-$1,050,912	-$733,544	-$430,393	-$113,025	Uplift insufficient	N/A
16	-$2,361,874	-$2,209,528	-$2,129,077	-$1,977,254	-$1,826,377	-$1,746,701	Uplift insufficient	N/A
17	-$492,893	-$193,421	$115,276	$402,316	$702,984	$990,024	Proposed + 0.2 FSR	0.8

Source: SGS Economics and Planning, 2024

Viability under projected market conditions

Table 37 presents viability results for modelling, when projecting out the escalation of realisable values above development costs (excluding any existing ownership or holding costs). The outputs illustrate when development would become viable under the adopted assumptions (where the redevelopment prototypes are not currently viable).[39]

- Under the projection of market conditions analysis, four (4) of the redevelopment prototypes would be viable after 5 years. After 10 years, 11 of the redevelopment prototypes would be viable.

TABLE 37: PROJECTION OF MARKET CONDITIONS RESULTS WITH PROPOSED REDEVELOPMENT TYPOLOGIES

Site	Typology	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr	Yrs for RLV > EUV
1	MDH	$2.63m	$2.74m	$2.84m	$2.95m	$3.06m	$3.17m	$3.29m	$3.41m	$3.53m	$3.66m	**2 years**
2	RFB	$1.48m	$1.58m	$1.67m	$1.78m	$1.88m	$2.00m	$2.11m	$2.23m	$2.35m	$2.48m	**>10 yrs**
3	MDH	$5.25m	$5.45m	$5.65m	$5.86m	$6.08m	$6.30m	$6.53m	$6.77m	$7.02m	$7.27m	**N/A**
4	RFB	$2.92m	$3.10m	$3.28m	$3.47m	$3.67m	$3.87m	$4.08m	$4.30m	$4.51m	$4.73m	**8 years**
5	MDH	$3.71m	$3.86m	$4.01m	$4.17m	$4.33m	$4.50m	$4.67m	$4.84m	$5.02m	$5.20m	**6 years**
6	RFB	$2.08m	$2.20m	$2.34m	$2.48m	$2.62m	$2.77m	$2.93m	$3.09m	$3.26m	$3.43m	**>10 yrs**
7	RFB	$4.33m	$4.61m	$4.90m	$5.21m	$5.53m	$5.85m	$6.20m	$6.53m	$6.88m	$7.23m	**7 years**
8	RFB	$4.86m	$5.16m	$5.48m	$5.79m	$6.11m	$6.44m	$6.78m	$7.14m	$7.51m	$7.89m	**3 years**
9	Dual occ	$3.79m	$3.93m	$4.07m	$4.22m	$4.37m	$4.52m	$4.67m	$4.83m	$5.00m	$5.17m	**4 years**
10	MDH	$3.10m	$3.22m	$3.35m	$3.48m	$3.61m	$3.75m	$3.89m	$4.03m	$4.19m	$4.34m	**9 years**
11	Dual occ	$3.21m	$3.33m	$3.45m	$3.57m	$3.70m	$3.84m	$3.98m	$4.12m	$4.27m	$4.42m	**9 years**
12	MDH	$2.59m	$2.70m	$2.81m	$2.92m	$3.03m	$3.15m	$3.27m	$3.40m	$3.53m	$3.66m	**>10 yrs**
13	MDH	$2.18m	$2.27m	$2.36m	$2.46m	$2.55m	$2.66m	$2.76m	$2.87m	$2.98m	$3.10m	**8 years**
14	RFB	$1.17m	$1.25m	$1.34m	$1.43m	$1.52m	$1.62m	$1.72m	$1.82m	$1.93m	$2.04m	**>10 yrs**
15	MDH	$1.51m	$1.57m	$1.64m	$1.71m	$1.78m	$1.85m	$1.93m	$2.01m	$2.09m	$2.17m	**>10 yrs**
16	RFB	$.82m	$.88m	$.94m	$1.00m	$1.07m	$1.14m	$1.21m	$1.28m	$1.36m	$1.44m	**>10 yrs**
17	MDH	$1.80m	$1.88m	$1.96m	$2.04m	$2.12m	$2.21m	$2.30m	$2.39m	$2.48m	$2.58m	**6 years**

Source: SGS Economics and Planning, 2024

[39] Methodology and assumptions used for this analysis are provided under section 7.2 on page 71.

7.5 Key Findings

A summary of the viability findings in Table 38 shows that:

- Within the Station Precinct:
  - Multi-dwelling housing (Sites 1, 3, and 5) would be viable at an FSR of 0.8:1 under current market conditions, *or* at a 0.6:1 FSR after approximately two years. Where amalgamations are required, an FSR of 0.7:1 would not be viable, and would require an FSR of 0.9:1 to be viable. Alternatively, the modelled FSR would be viable after six (6) years.
  - Residential Flat Buildings in the R2 zone (Sites 2, 4, and 6) are not viable at an FSR of 1:1 to 1.2:1. Modelling shows that viability would not be achieved under a 1.7:1 FSR (indicating that higher uplift would be required). The projection of market conditions modelling indicates that this typology would be viable after eight (8) or more years (or longer, if lot amalgamation is required).
  - Residential Flat Buildings in the R3 zone. Site 7 (representative of an existing residential flat building being redeveloped for new, denser stock) would not be viable with uplift modelled. At the modelled FSR of 2.5:1, it would be viable after seven (7) years. This is indicative of the high existing use value and amalgamation premiums required to acquire an existing site in fragmented ownership. Site 8, which represents an amalgamation of two (2) detached dwelling houses, would not be viable at the modelled FSR of 2.2:1, but would be viable at an FSR of 2.7:1. At the modelled FSR, it would be viable after three (3) years.
- Within the General Strathfield Residential Area:
  - Dual occupancy typologies (Site 9 and 11) would be viable at an FSR of 0.9:1 to 1:1. If permitted at an FSR of 0.6:1, they would be viable after nine (9) years. If they were permitted at an FSR of 0.8:1, they would be viable after four (4) years.
  - Multi dwelling housing typologies would be viable at an FSR of 1.1:1 to 1.2:1. If they were permitted at an FSR of 0.8:1, they would be viable after nine (9) years. If they were permitted at an FSR of 0.6:1, they would be viable after more than ten years.
- Within the Liverpool Road Corridor:
  - Multi dwelling housing. Site 13 (where amalgamation is not required) is not viable at the modelled FSR of 0.6:1. An FSR of 0.9:1 would be viable. The modelled FSR would be viable after eight (8) years. Site 15 (where amalgamation is required) is not viable at the modelled FSR, or under uplift modelled. More than ten years would be required for viability.
  - Residential flat buildings (Site 14 and 16) are not viable under the modelled FSRs of 0.8:1 to 1:1, or under the additional uplift. More than 10 years would be required for viability.
- Within the Belfield/ Strathfield South Residential Area:
  - Multi dwelling housing (site 17) is not viable at the modelled FSR of 0.6:1, but would be viable under an FSR of 0.8:1. Under the modelled FSR, viability would be achieved after six (6) years.

General observations of the findings indicate:

- The overall outputs are illustrative of the challenging circumstances in which real estate development across the country is operating. Materials, labour and cost of capital have risen substantially since 2020, while the underlying forces which have affected them have also created headwinds for purchasing power on the demand side.
- As such, contemporary assessments of development viability should be considered with an appreciation for the reality that build out of new development controls will occur over 10+ years, not within the confines of today's market circumstances.
- On one hand, across the sites selected for viability testing, RFBs are generally less viable than other typologies for the following reasons:
  - 1) Below-grade parking adds significant costs to development
  - 2) RFBs command generally lower realisable values or price points than multi-dwelling structures
  - 3) RFBs often require amalgamation, adding a 20 per cent premium to land acquisition costs (as modelled and discussed at **Sites were** valued on a per square metre of land basis, with the exception of Site Seven (7), which represents the redevelopment of an existing residential flat building within the R3 zone in the Station precinct. This site was valued based on the square metres of existing development (as current apartments), as mid- to low-quality stock.

Where multiple lots are required to create a redevelopment site, there is often a need to incentivise landowners to sell their properties. Particularly in situations, such as site assemblage, there can be pressure to expedite and coordinate the acquisition of parcels need for redevelopment.

Amalgamation premiums paid can represent up to 50 per cent of the theoretical EUV of a single property. In viability testing, consultants supporting Councils have used amalgamation premiums of up to 25 per cent, however 20 per cent is more common. Accordingly, sites which require the sale of more than one dwelling have had an amalgamation premium of 20 per cent applied.

- Table 34).

- On the other hand, where higher-density RFBs are tested, viability can be achieved sooner (as seen in the Station Precinct).
- Multi dwelling housing within the Strathfield General Residential Area is less viable than in other areas – this is indicative of very high existing use values in that area.
- A requirement for amalgamation to occur is a significant challenge for viability – this shows that lots which do not require amalgamation would redevelop before sites which do.

TABLE 38: SUMMARY OF VIABILITY OUTPUTS WITH ADDITIONAL UPLIFT

Site	Market area	Typology to be tested	Proposed FSR	Uplift required for viability	FSR required for viability	Time to viability if no additional uplift
1	Station precinct	Multi dwelling housing	0.6	Proposed + 0.1 FSR	0.7	**2 years**
2	Station precinct	Residential flat building	1.1	Uplift insufficient		**>10 yrs**
3	Station precinct	Multi dwelling housing	0.8	Proposed FSR	0.8	**N/A**
4	Station precinct	Residential flat building	1.2	Uplift insufficient		**8 years**
5	Station precinct	Multi dwelling housing	0.7	Proposed + 0.2 FSR	0.9	**6 years**
6	Station precinct	Residential flat building	1	Uplift insufficient		**>10 yrs**
7	Station precinct	Residential flat building	2.5	Uplift insufficient		**7 years**
8	Station precinct	Residential flat building	2.2	Proposed + 0.5 FSR	2.7	**3 years**
9	General Strathfield residential area	Dual occupancy	0.8	Proposed + 0.2 FSR	1	**4 years**
10	General Strathfield residential area	Multi dwelling housing	0.8	Proposed + 0.4 FSR	1.2	**9 years**
11	General Strathfield residential area	Dual occupancy	0.6	Proposed + 0.3 FSR	0.9	**9 years**
12	General Strathfield residential area	Multi dwelling housing	0.6	Proposed + 0.5 FSR	1.1	**>10 yrs**
13	Liverpool Rd corridor	Multi dwelling housing	0.6	Proposed + 0.3 FSR	0.9	**8 years**
14	Liverpool Rd corridor	Residential flat buildings	1	Uplift insufficient		**>10 yrs**
15	Liverpool Rd corridor	Multi dwelling housing	0.5	Uplift insufficient		**>10 yrs**
16	Liverpool Rd corridor	Residential flat building	0.8	Uplift insufficient		**>10 yrs**

Site	Market area	Typology to be tested	Proposed FSR	Uplift required for viability	FSR required for viability	Time to viability if no additional uplift
17	Belfield residential area	Multi dwelling housing	0.6	Proposed + 0.2 FSR	0.8	**6 years**

Source: SGS, Economics & Planning, 2024

8. Viable Dwelling Yield

The content presented in this chapter builds on the findings of Chapter 5 in which theoretical dwelling yield for each proposed built form scenario was presented. This viable dwelling yield assessment applies components of the viability testing (Chapter 7) to the GIS-based parcel-by-parcel analysis (Chapter 5).

Reflecting a greater degree of attention given to the process (with Council) in formulating inputs and assumptions for the viability testing around each dwelling typology, the reader should note that overall dwelling yield estimates in this chapter differ from those summarised in Chapter 5. The underlying differences are discussed in greater detail in this chapter.

The reader should also note that the analysis for this chapter was completed to provide greater detail on quantifying the viable dwelling yield of the preferred scenario (see Chapter 9). This is due to the fact that key inputs this chapter were further refined and developed from the viability testing in the previous chapter.

8.1 Objectives

The purpose of the viable dwelling yield analysis is also to provide further quantitative evidence for Council's Medium Density Housing Strategy. By contrast to the results of the previous chapter, the results in this chapter provide a quantification of the spatial distribution of the viability testing as well as a quantification of the extent to which dwelling yield by typology may differ. Specifically, this testing addresses the following project objectives:

- Identify the LGA-wide dwelling yield for each proposed built form scenario
- Quantify the LGA-wide dwelling yield for each dwelling typology within the preferred scenario
- Inform the SGS team's recommendations
- Provide information to support Council's planning proposal to DPHI.

8.2 Methodology

The methodology employed in this section incorporates SGS's in-house GIS-based housing capacity model and viability testing. The following section describes the methodology, its inputs, assumptions and outputs both conceptually and specific to this project.

Modelling Framework

The viable dwelling yield modelling framework uses the following layers of calculation and analysis:

- Dwelling yield analysis (SGS's housing capacity model) – as described in Chapter 5, this first layer is a parcel-by-parcel GIS-based analysis that includes existing and proposed built form assumptions and quantitative overlays such as heritage conservation, strata ownership, etc. In addition to the

analysis conducted in Chapter 5, the following information was also overlaid to the dwelling yield analysis: 1) market area (discussed below) and 2) specific dwelling typologies.[40]

- **Viability testing** – the second layer of site-by-site modelling incorporates elements from the viability testing that represent different market areas and dwelling typologies. The elements included in this layer of analysis are: 1) development costs, 2) gross realisable values (GRV), 3) existing use values.
- **Land values** – the third layer of site-by-site analysis includes land value data from the NSW Valuer General. This layer of analysis makes parcel-by-parcel adjustments to specified viability assumptions, in particular the EUV and GRV. While not a perfect representation of redevelopment prospects for every site, this approach utilises best available information to approximate viability of redevelopment across a broad geography in which it is understood that a range of higher to lower market (EUV and GRV) assumptions would be encountered.

Market Areas

In consultation with CBRE, Architectus and Council, the following market areas were identified for the purpose of making distinctions between dwelling typology alternatives (reflective of the recommended scenario) and for the purpose of making distinctions between their GRV and EUV assumptions. The four (4) market areas are shown in **Table 39** and **Figure 21.** This modelling was done using the typologies identified for the viability modelling, as nominated by Architectus and Council.

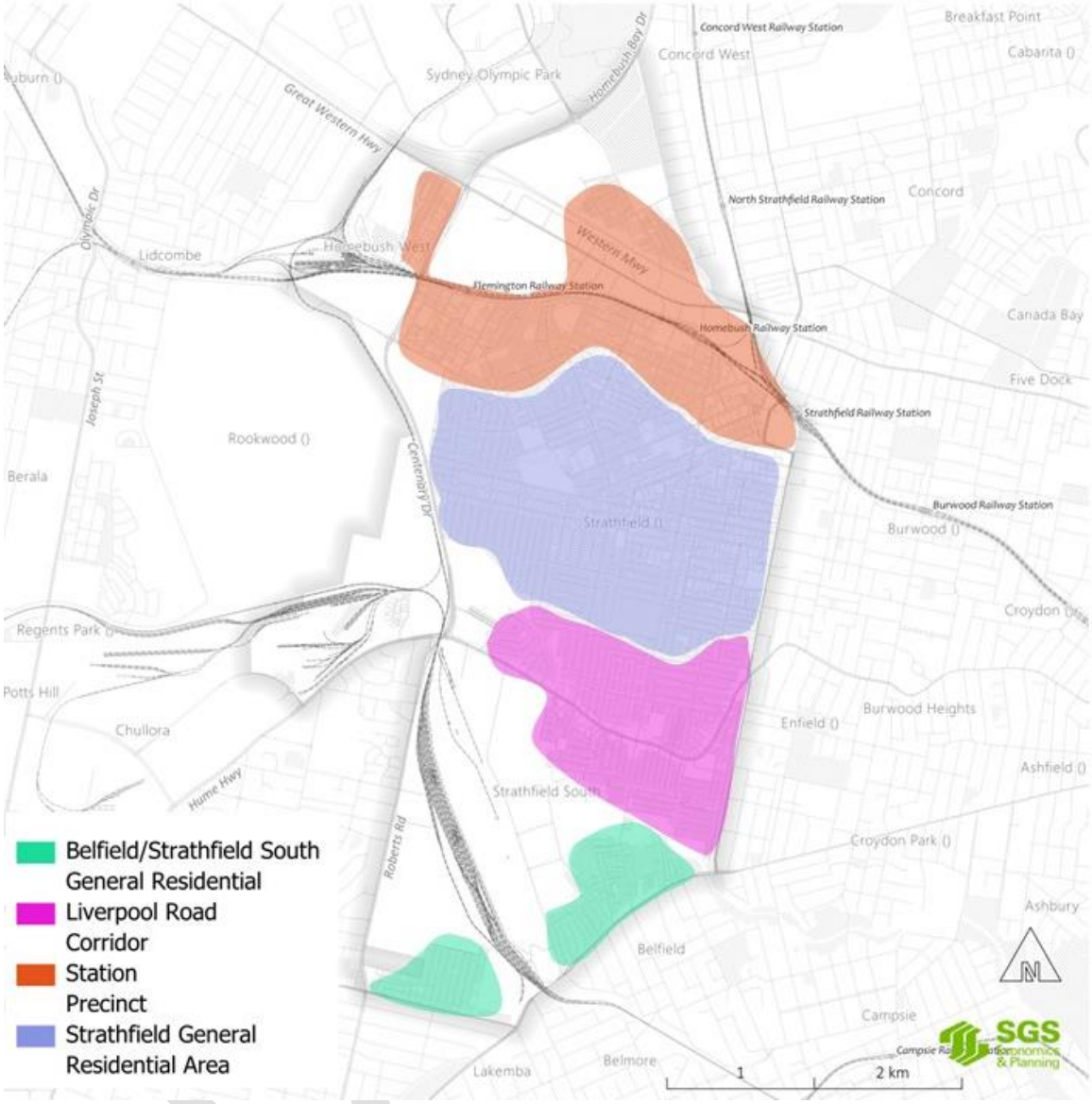
TABLE 39: VIABLE DWELLING YIELD MODELLING MARKET AREA DEFINITIONS

Market Area	Description	Dwelling Typologies Modelled
Station Precinct	Areas within 800 metres of train stations	▪ Multi dwelling housing ▪ Residential flat buildings
Liverpool Road Corridor	Areas within 400 metres of Liverpool Road	▪ Multi dwelling housing ▪ Residential flat buildings
Strathfield South	Belfield	▪ Multi dwelling housing
Strathfield General Residential Area	Areas outside the three previous areas, generally concentrated within the centre of the LGA	▪ Multi dwelling housing ▪ Dual occupancies

Source: SGS Economics & Planning, 2024

[40] The dwelling typology assigned to individual parcels represents the highest-and-best-use for the purpose of viability estimation. While it possible, under the assumption of high realisable values or low existing use values, that a lower intensity-built form (e.g., dual occupancy versus multi-dwelling housing) is viable, it is more likely that redevelopment in zones allowing for a combination of dwelling typologies (such as those contemplated in the scenarios) will maximise highest and best use.

FIGURE 21: VIABLE DWELLING YIELD MODELLING MARKET AREAS



Source: SGS Economics & Planning, 2024

8.3 Inputs and assumptions

The following section details assumptions used in the viable dwelling yield modelling, including built form characteristics, development costs, EUVs, realisable values, margin and the use of NSW Valuer General (VG) data.

Built form

Like the dwelling yield analysis presented in Chapter 5, the built form characteristics are critical to the estimation of theoretical dwelling yield above the baseline. As mentioned previously, because the dwelling yield analysis was completed prior to the completion of the viability testing and viable dwelling yield analyses, there are two series of outputs related to dwelling yield for Scenario 3 (as discussed below).

It is SGS's opinion that presenting both series of results provides 1) an important linkage to the results in Chapter 5 and 2) offers further consideration for Council's identification of appropriate FSRs to accompany LEP and DCP changes in the planning proposal.

- FSR assumptions used in initial dwelling yield analysis – as shown in Table 40, the FSR applied to the analysis of dwelling yield was 0.5:1 across the LGA in R2 zones, except for redevelopment yield assessed in the R3 zones.
- FSR assumptions used in viable dwelling yield analysis – more detailed assumptions of built form outcomes were developed with Council and Architectus in the process of identifying the 17 prototypes (discussed in Table 29). These FSR assumptions are shown in Table 41. For the R3 zone, the FSR control for residential flat buildings was revised to 2.2:1.

TABLE 40: ASSUMPTIONS USED IN INITIAL DWELLING YIELD ANALYSIS

Area	Typology	FSR	Avg dwelling size (sqm GFA)
Station Precinct	Multi dwelling housing	0.5	120
Station Precinct	Residential flat buildings	0.5	80[41]
Strathfield General Residential Area	Dual occupancy	0.5	N/A
Strathfield General Residential Area	Multi dwelling housing	0.5	120
Liverpool Road Corridor	Multi dwelling housing	0.5	120
Liverpool Road Corridor	Residential flat buildings	0.5	80
Belfield (Strathfield South) General Residential	Multi dwelling housing	0.5	120

Source: SGS Economics & Planning, Architectus, 2024

[41] The minimum size for a two bedroom, two bathroom apartment under the NSW Apartment Design Guide is 75 sqm. The average size of a unit in a given development will vary based on the adopted apartment mix and target market for each development.

TABLE 41: ASSUMPTIONS USED IN VIABLE DWELLING YIELD ANALYSIS

Area	Typology	FSR	Avg dwelling size (sqm GFA)
Station Precinct	Multi dwelling housing	0.7	115
Station Precinct	Residential flat buildings	1.1	90
Strathfield General Residential Area	Dual occupancy	0.7	N/A
Strathfield General Residential Area	Multi dwelling housing	0.7	115
Liverpool Road Corridor	Multi dwelling housing	0.6	115
Liverpool Road Corridor	Residential flat buildings	1	90
Belfield (Strathfield South) General Residential	Multi dwelling housing	0.6	115

Source: SGS Economics & Planning, Architectus, 2024

Development costs

The viable dwelling yield analysis incorporates development costs from the viability testing in the previous chapter. The viability testing allowed the identification of the total development costs – hard costs, soft costs, and fees and charges – on a per square metre of GFA basis, for each redevelopment typology. The total development costs for the redevelopment typologies is shown in Table 35Table 35, and was then divided by the total GFA of each typology. As shown in Table 42, these development cost factors are representative of different market areas and dwelling typologies.

TABLE 42: TOTAL DEVELOPMENT COST FACTORS USED IN VIABLE DWELLING YIELD ANALYSIS

Area	Typology	Costs
Station Precinct	Multi dwelling housing	$4,904
Station Precinct	Residential flat buildings	$6,846
Strathfield General Residential Area	Dual occupancy	$4,893
Strathfield General Residential Area	Multi dwelling housing	$5,124
Liverpool Road Corridor	Multi dwelling housing	$4,909
Liverpool Road Corridor	Residential flat buildings	$6,992
Belfield (Strathfield South) General Residential	Multi dwelling housing	$4,802

Source: SGS Economics & Planning, 2024

Existing Use Values (EUV)

The analysis incorporates EUV factors that represent 1) different market areas and 2) sites on which the gross floor area (GFA) of the existing structure is either: a) less than 50 per cent of the land area or b) more than 50 per cent of the land area. As shown in Table 43, these assumptions were informed by sales evidence from CBRE.

The existing structure on the site was used as a proxy to understand the quality of existing development. The sales evidence provided by CBRE indicated that new and prestige individual dwellings were likely to be large dwellings – this was associated with a higher value per square metre of land.

TABLE 43: EXISTING USE VALUE FACTORS USED IN VIABLE DWELLING YIELD ANALYSIS

Area	Existing GFA as a percentage of land area	Adopted EUV per sqm of land
Strathfield General Residential Area	Up to 50%	$6,100
Strathfield General Residential Area	More than 50%	$8,900
Station Precinct	Up to 50%	$3,700
Station Precinct	More than 50%	$7,500
Liverpool Road Corridor	Up to 50%	$4,000
Liverpool Road Corridor	More than 50%	$9,000
Belfield (Strathfield South) General Residential	Up to 50%	$ 3,000
Belfield (Strathfield South) General Residential	More than 50%	$6,000

Source: SGS Economics & Planning, CBRE, 2024

Realisable Values (RV)

Realisable values were identified using the outputs of the viability analysis. The factors shown in **Table 44** are expressed as a value per square metre of GFA. They also differ from those factors shown in **Table 33** because they exclude sales commissions, and GST which is applicable on the sale of new dwellings.

TABLE 44: REALISABLE VALUE FACTORS USED IN VIABLE DWELLING YIELD ANALYSIS

Area	Typology	Realisable Value (per square metre of GFA)
Station Precinct	Multi dwelling housing	$12,727
Station Precinct	Residential flat buildings	$11,364
Strathfield General Residential Area	Dual occupancy	$14,545
Strathfield General Residential Area	Multi dwelling housing	$13,182
Liverpool Road Corridor	Multi dwelling housing	$11,818
Liverpool Road Corridor	Residential flat buildings	$10,909
Belfield (Strathfield South) General Residential	Multi dwelling housing	$10,909

Source: SGS Economics & Planning, 2024

Land value data

The third layer of analysis in the viable dwelling yield incorporates land value information. The analysis uses the land value data (which is available for each parcel in NSW) to adjust assumptions on a parcel-by-parcel basis. This approach utilises the land value data as the best available information to approximate viability of redevelopment across a broad geography, in which it is understood that a range of higher to lower market (EUV and GRV) assumptions would be encountered.

To identify the variation across the market, a median land value per square metre was identified for each market area under analysis, which is shown in **Table 45**. The land value for each lot could then be compared to that median, to understand (at a high level) the relative value of that lot to its area. For instance, if a lot in the Strathfield General Residential Area has an identified land value of $4,000 per square metre, this shows that the lot is valued relatively higher than the area it is in.

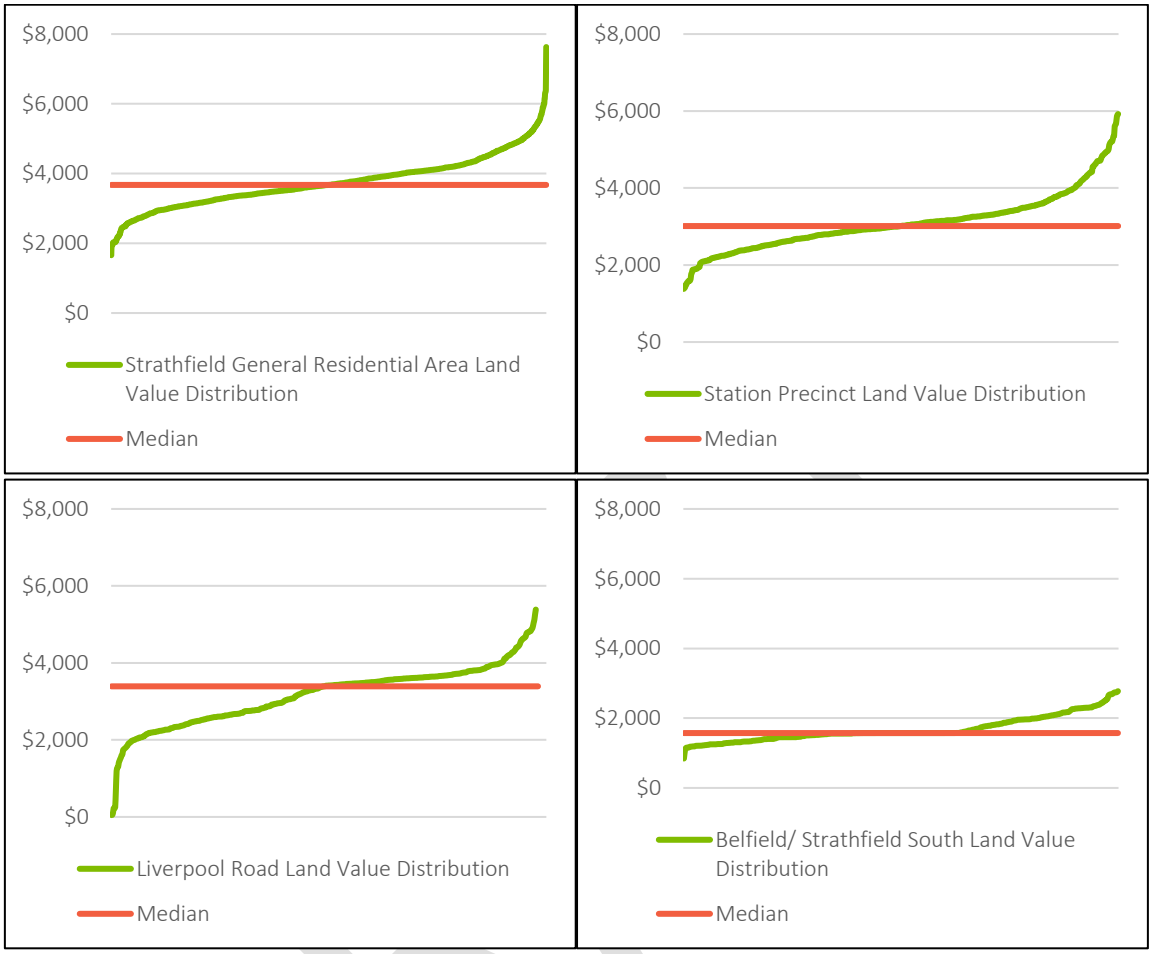
This was used to derive a ratio of valuation of all lots, relative to their areas. (i.e., in the example above, $4,000 is 109 per cent of the median land value in that area). These median ratios were utilised to adjust the identified existing use values, as well as the identified realisable values, of each lot.

TABLE 45: MEDIAN LAND VALUE PER SQM

Area	Median land value per square metre	Number of lots analysed under the viable dwelling yield analysis
Strathfield General Residential Area	$3,673	2,077
Station Precinct	$3,013	639
Liverpool Road Corridor	$3,392	589
Belfield (Strathfield South) General Residential	$1,573	379

Source: SGS Economics & Planning, 2024

FIGURE 22: LAND VALUE DISTRIBUTIONS AS USED IN THE VIABLE DWELLING YIELD ANALYSIS



Source: SGS Economics & Planning, 2024

Distributions of the VG land valuations for each area are shown in **Figure 22** – these provide an indication of the range of land values in the area. For instance, the Strathfield General Residential Area has both the most lots under analysis, and a relatively small number of lots for which the land value deviates significantly from the median. The Liverpool Road Corridor, however, has more outliers with lower land values.

Development margin

As incorporated into the viability testing in the previous chapter, the development margin is factored at 20 per cent of realisable value. After adjusting the realisable value and EUV assumptions at a parcel-by-parcel level, the margin will differ by market area, dwelling typology and by site.

8.4 Key Findings

Key findings from the viable dwelling yield modelling are discussed below. The findings relate only to the recommended Scenario 3, Option 2 – i.e., which permits for example RFBs in selected areas of the LGA only. Findings also exclude the area nominated as the Homebush Station TOD. As indicated earlier, the findings are presented in two ways:

- Dwelling yield with initial FSR assumptions – to represent the dwelling yield analysis discussed in Chapter 5. For Council's purposes in preparing the planning proposal, these could be considered the lower bound of dwelling yield related to the Medium Density Housing Strategy – i.e., applicable under the circumstance in which Council chooses NOT to simultaneously change FSRs for the R2 and R3 zones.
- Dwelling yield with revised FSR assumptions – to represent the assumptions developed in conjunction with Council and Architectus in identifying the built form characteristics to be tested in the viability testing. For Council's purposes in preparing the planning proposal, these could be considered the upper bound of dwelling yield related to the Medium Density Housing Strategy.

The summaries below also present the following breakdowns of the modelling:

- Viable dwelling yield by zone (R2 and R3)
- Viable dwelling yield by dwelling typology (dual-occupancies, multi-dwelling housing and RFBs)
- Viable dwelling yield by market area (Belfield, Liverpool Rd, Station Precinct, General Residential).

Viable Dwelling Yield with Initial FSR Assumptions

The following three (3) tables summarise different aspects of the results of the viable dwelling yield modelling. By zone as shown in Table 46, the following key observations can be drawn:

- Overall, two (2) per cent of dwelling yield from the proposed changes is viable under current market conditions.
- Within the R2 zones, no dwelling yield is viable due, in part, to low levels of uplift between existing and redevelopment FSRs.
- Within the R3 zones, 20 per cent of dwelling yield is viable due, in part, to relatively higher levels of uplift between existing and redevelopment FSRs.

Such findings suggest that Strathfield might observe, on average, uptake of R3 redevelopments sooner than update of R2 redevelopments.

TABLE 46: VIABLE DWELLING YIELD BY ZONE WITH INITIAL FSR ASSUMPTIONS

Zone	Viable	Not Viable	Total
Dwellings			
R2	0	9,290	9,290
R3	165	671	836

Total	**165**	**9,961**	**10,126[42]**
Dwellings (as % of Total)			
R2	0%	100%	100%
R3	20%	80%	100%
Total	**2%**	**98%**	**100%**

Source: SGS Economics & Planning, 2024

By typology as shown in **Table 47**, the following key observations can be drawn:

- As noted in the findings above, overall, two (2) per cent of dwelling yield from the proposed changes is viable under current market conditions.
- For sites on which dual-occupancies represent the highest-and-best use, no dwelling yield is viable due, in part, to low levels of uplift between existing and redevelopment FSRs, and to very high existing use values.
- For sites on which multi-dwelling housing represents the highest-and-best use, no dwelling yield is viable. This is due, in part, to low levels of uplift between existing and redevelopment FSRs, and to high existing use values.
- For sites on which RFBs represent the highest-and-best use, three (3) per cent of dwelling yield is viable due, in part, to relatively higher levels of uplift between existing and redevelopment FSRs, as well as to high existing use values.
- These findings provide additional evidence that Strathfield might observe, on average, uptake sooner across sites allowing RFBs.

TABLE 47: VIABLE DWELLING YIELD BY TYPOLOGY WITH INITIAL FSR ASSUMPTIONS

Typology	Viable	Not Viable	Total
Dwellings			
Dual-Occupancies	0	507	507
Multi-Dwelling Housing	0	4,104	4,104
RFBs	165	5,350	5,515
Total	**165**	**9,961**	**10,126[43]**
Dwellings (as % of Total)			
Dual-Occupancies	0%	100%	100%
Multi-Dwelling Housing	0%	100%	100%

[42] This total differs from the total dwelling estimated in the Dwelling Yield Analysis of Chapter 5. The Viable Dwelling Yield Analysis excluded dual-occupancies in Belfield, Liverpool Road Corridor and the Station Precinct. This is because these typologies were not anticipated to represent a significant amount of change in these market areas. The Viable Dwelling Yield Analysis also excluded RFBs in Belfield and the Strathfield General Residential Areas. This aligns with the recommended scenario and shows the potential scale of change.

[43] Ibid

RFBs	3%	97%	100%
Total	**2%**	**98%**	**100%**

Source: SGS Economics & Planning, 2024

By market area as shown in the table below, the following key observations can be drawn:

- As noted in the findings above, overall, two (2) per cent of dwelling yield from the proposed changes is viable under current market conditions.
- For sites within the Belfield market area, no dwelling yield is viable due, in part, to the typologies permitted within that market area being of relatively lower uplift, and due to lower realisable values observed in that market area.
- For sites within the Liverpool Road Corridor market area, no dwelling yield is viable due, in part, to the lower realisable values currently observed in that market area.
- For sites within the Station Precinct market area, eight (8) per cent of dwelling yield is viable due, in part, to the RFBs permitted within that market area, particularly within the R3 zones – where uplift is more likely to be adequate to overcome high existing use values and development costs.
- For sites within the Strathfield General Residential market area, no dwelling yield is viable due, in part, to the very high existing use values observed in this area. Despite the realisable values in the area also being high, they are unable to overcome the burden of high existing use values.
- These findings provide additional evidence that Strathfield might observe, on average, uptake sooner in areas where RFBs are permitted (i.e.., within the Station Precinct).

TABLE 48: VIABLE DWELLING YIELD BY MARKET AREA WITH INITIAL FSR ASSUMPTIONS

Area	Viable	Not Viable	Total
Dwellings			
Strathfield General Residential Area	0	3,964	3,964
Liverpool Road Corridor	0	3,509	3,509
Station Precinct	165	1,841	2,006
Belfield General Residential	0	646	646
Total	**165**	**9,961**	**10,126**[44]
Dwellings (as % of Total)			
Strathfield General Residential Area	0%	100%	100%
Liverpool Road Corridor	0%	100%	100%
Station Precinct	8%	92%	100%
Belfield General Residential	0%	100%	100%
Total	**2%**	**98%**	**100%**

Source: SGS Economics & Planning, 2024

[44] Ibid

Viable Dwelling Yield with Revised FSR Assumptions

The following three (3) tables summarise different aspects of the results of the viable dwelling yield modelling. By zone as shown in Table 49, the following key observations can be drawn:

- Overall, nine (9) per cent of dwelling yield from the proposed changes is viable under current market conditions.
- Within the R2 zones, five (5) per cent of dwelling yield is viable due, in part, to low levels of uplift between existing and redevelopment FSRs in that zone.
- Within the R3 zones, 51 per cent of dwelling yield is viable due, in part, to relatively higher levels of uplift between existing and redevelopment FSRs.
- Such findings suggest that Strathfield might observe, on average, uptake of R3 redevelopments sooner than update of R2 redevelopments.

TABLE 49: VIABLE DWELLING YIELD BY ZONE WITH REVISED FSR ASSUMPTIONS

Zone	Viable	Not Viable	Total
Dwellings			
R2	820	16,239	17,060
R3	910	892	1,802
Total	**1,731**	**17,131**	**18,862**
Dwellings (as % of Total)			
R2	5%	95%	100%
R3	51%	49%	100%
Total	**9%**	**91%**	**100%**

Source: SGS Economics & Planning, 2024

By typology as shown in Table 50, the following key observations can be drawn:

- As noted in the findings above, overall, nine (9) per cent of dwelling yield from the proposed changes is viable under current market conditions.
- For sites on which dual-occupancies represent the highest-and-best use, less than one (1) per cent of dwelling yield is viable due, in part, to low levels of uplift between existing and redevelopment FSRs, and high existing use values in the areas where this typology was modelled.
- For sites on which multi-dwelling housing represents the highest-and-best use, one (1) per cent of dwelling yield is viable due, in part, to low levels of uplift between existing and redevelopment FSRs.
- For sites on which RFBs represent the highest-and-best use, 14 per cent of dwelling yield is viable due, in part, to relatively higher levels of uplift between existing and redevelopment FSRs.
- These findings provide additional evidence that Strathfield might observe, on average, uptake sooner across areas allowing RFBs.

TABLE 50: VIABLE DWELLING YIELD BY TYPOLOGY WITH REVISED FSR ASSUMPTIONS

Typology	Viable	Not Viable	Total
Dwellings			
Dual-Occupancies	2	505	507
Multi-Dwelling Housing	85	6,518	6,602
RFBs	1,644	10,109	11,752
Total	**1,731**	**17,131**	**18,862**
Dwellings (as % of Total)			
Dual-Occupancies	0%	100%	100%
Multi-Dwelling Housing	1%	99%	100%
RFBs	14%	86%	100%
Total	**9%**	**91%**	**100%**

Source: SGS Economics & Planning, 2024

By market area as shown in **Table 51**, the following key observations can be drawn:

- As noted in the findings above, overall, nine (9) per cent of dwelling yield from the proposed changes is viable under current market conditions.
- For sites within the Belfield market area, nine (9) per cent of dwelling yield is viable due, in part, to the relatively lower existing use values in this area. Additionally, the modelling with the revised FSR assumptions provides for greater uplift than with the initial FSR assumptions, which results in both a higher overall dwelling yield, and more viable dwelling yield.
- For sites within the Liverpool Road Corridor market area, five (5) per cent of dwelling yield is viable due, in part, to the permissibility of RFBs both within the R2 and R3 zones. The modelling with the revised FSR assumptions provides for greater uplift than with the initial FSR assumptions, which results in both a higher overall dwelling yield, and more viable dwelling yield.
- For sites within the Station Precinct market area, 30 per cent of dwelling yield is viable due, in part, to the permissibility of RFBs both within the R2 and R3 zones, which have a higher level of uplift than other typologies. The modelling with the revised FSR assumptions provides for greater uplift than with the initial FSR assumptions, which results in both a higher overall dwelling yield, and more viable dwelling yield.
- For sites within the Strathfield General Residential market area, less than one (1) per cent of dwelling yield is viable. This is due, in part, to the low levels of uplift between existing and redevelopment FSRs for the typologies modelled within this market area. It is also due, in part, to the very high existing use values observed in this area. Despite the realisable values in the area also being high, they are unable to overcome the burden of high existing use values.
- These findings provide additional evidence that Strathfield might observe, on average, uptake sooner across market areas where RFBs are permitted.

TABLE 51: VIABLE DWELLING YIELD BY MARKET AREA WITH REVISED FSR ASSUMPTIONS

Area	Viable	Not Viable	Total
Dwellings			
Strathfield General Residential Area	2	6,208	6,210
Liverpool Road Corridor	400	7,140	7,540
Station Precinct	1,244	2,968	4,212
Belfield General Residential	85	815	900
Total	**1,731**	**17,131**	**18,862**
Dwellings (as % of Total)			
Strathfield General Residential Area	0%	100%	100%
Liverpool Road Corridor	5%	95%	100%
Station Precinct	30%	70%	100%
Belfield General Residential	9%	91%	100%
Total	**9%**	**91%**	**100%**

Source: SGS Economics & Planning, 2024

9. Findings and Recommendations

This chapter brings together findings and considerations from the entire project in the context of the SGS team's recommendations to Council regarding a Medium Density Housing Strategy. The chapter is divided into two main sections:

- Key findings and discussion – through which a case can be made with the evidence base and qualitative considerations for the pursuit of one of four (4) scenarios presented in Chapter 4.
- Recommended scenario – a discussion of the recommended scenario's alignment with overarching priorities and principles, and a brief discussion of why the other scenarios are not recommended (i.e. do not align well enough with the articulated priorities and principles).
- Recommended LEP/DCP changes – a summary of recommended clause changes or amendments and further consideration of their alignment with the evidence base.

9.1 Key Findings and Discussion

This section provides a final summary and discussion of the key findings from each relevant evidence base chapter of this report. Further qualitative considerations are made that speak to initial justification for pursuit of one or another scenario. Below are summaries of findings from each evidence base chapter followed by qualitative consideration as to the relevance of such findings to the development of a recommended scenario. These summaries cover the following chapter key findings:

- Housing supply and demand (Chapter 3)
- Dwelling yield (Chapter 5)
- Community consultation (Chapter 6) [45]
- Viability testing (Chapter 7)
- Viable dwelling yield (Chapter 8).

Housing Supply and Demand (Chapter 3)

Analysis of housing supply and demand data suggests:

- Housing demand drivers, such as population growth, in the last decade have been stronger in Strathfield than for the Eastern Harbour City and Greater Sydney.
- As a subset of this housing demand, population growth by age cohort have generally been uniform.
- As a subset of housing demand as well, household growth by household type has been stronger (than the Eastern Harbour City and Greater Sydney) in the LGA for family, lone-person and group household types.

[45] See Appendix C for full analysis and two reports as prepared by Micromex

- The housing supply has responded to such demand drivers in the LGA with stronger overall housing supply growth by comparison to the Eastern Harbour City and Greater Sydney.
- However, the market has supplied predominately flats in buildings with four (4) or more floors. As a result, such building typologies now account for 41 per cent of overall supply, whereas semi-detached dwellings only account for five (5) per cent of housing in the LGA (compared to 13 per cent in the Eastern Harbour City and Greater Sydney respectively).

Relevance to Formulation of Council's Medium-Density Housing Strategy

- There is a noticeable diversity of housing demand drivers, with Strathfield's population experiencing growth across all age cohorts as well as across household types.
- The diversity of demand drivers suggests that the market should (at a minimum) permit a greater diversity of dwelling typologies than are currently permissible.

Dwelling Yield (Chapter 5)

Findings from the initial dwelling yield analysis accounted for current FSR controls, zoning, development in the pipeline, heritage overlays, existing strata development sites, and anticipated housing development densities.

- Strathfield's existing built form controls have a theoretical dwelling yield of 874 dwellings across the entire LGA (described as Option 1 in Chapter 5) and 743 dwellings within 800m of a train station and 400m of Liverpool Road (described as Option 2 in Chapter 5).
- The (initial) dwelling yield analysis completed identified a series of dwelling yields for Scenarios 1A, 1B, 2 and 3, as related to Option 1 and Option 2.
- Scenario 3 resulted in the highest yield of 7,636 dwellings (above the existing built form controls) when LEP changes were applied uniformly across the LGA (Option 1).
- Scenario 3 resulted in a yield of 3,771 dwellings (above the existing built form controls) when LEP changes were applied across only selected areas (Option 2).
- The results show that the LGA has significant capacity to accommodate additional dwelling yields without the TOD redevelopment.

Relevance to Formulation of Council's Medium-Density Housing Strategy

- The analysis demonstrates that the most (theoretical) dwelling yield could be achieved when LEP changes are made across the LGA uniformly.
- However, higher dwelling yield is not necessarily synonymous with better outcomes.
- Place-based considerations will need to be made given the results of the community consultation (following section) as to the acceptability of such outcomes.

Community Consultation (Chapter 6)

The following key findings were documented as part of the community consultation. The findings are grouped into the following categories of consideration:

- General support for different dwelling typologies
- General concerns regarding development (e.g., traffic, neighbourhood character, etc.)
- Support for LEP changes made across the LGA (Option 1)
- Support for LEP changes made to selected areas (Option 2).

General Support for Dwelling Typologies

As representative of general sentiment, consultation findings suggest majority support for lower-intensity dwelling types such as dual-occupancies and townhouses/terraces but diminished support for low-scale apartments. Of note, support for the lower-intensity dwelling types did not wane between the Stage 1 and Stage 2 surveys; support did, however, wane noticeably for low-scale apartments between the two surveys.

- Dual-occupancies: 56 per cent of respondents (Stage 1 Survey) and 55 per cent of respondents (Stage 2 Survey) indicated that living in a neighbourhood with an increase in dual occupancy development is supported / very supported.
- Townhouses/terraces: 59 per cent of respondents (Stage 1 Survey) and 55 per cent of respondents (Stage 2 Survey) indicated that living in a neighbourhood with an increase in townhouses or terrace development is supported / very supported.
- Low scale apartments: 41 per cent of respondents (Stage 1 Survey) and 28 per cent of respondents (Stage 2 Survey) indicated they are supportive / very supportive of living in a neighbourhood with an increase in low scale apartment developments.

General Concerns for Development:

Also representative of general sentiment, consultation findings suggest that a large portion (between 41 per cent and 60 per cent) of the community are concerned (or very concerned) about medium-density housing in Strathfield.

- 41 per cent of respondent (Stage 1 Survey) are concerned / very concerned about the development of medium density housing in Strathfield LGA. Key concerns that were raised included increased traffic, overdevelopment, overpopulation, and changes to the character and visual aspect of the area.
- 60 per cent of respondents (Stage 2 Survey) indicated they are concerned / very concerned about the development of medium density housing in the LGA. Key concerns that were raised included changes to the character and visual aspect of the area, overdevelopment, crowding and traffic.

Support for Option 1 (LEP Changes Applied Across the LGA)

Regarding the suggestion of LEP changes made uniformly across the LGA, consultation findings suggest majority or near majority support for lower-intensity dwelling typologies but, as with the generalised sentiment above, low support for the permissibility of low-scale apartments across the LGA.

- Dual occupancies: When asked about their level of support to allow dual occupancies to develop across the LGA, 52 per cent of respondents for both the Stage 1 Survey and Stage 2 Survey indicated it was a scenario that was supported / very supported.
- Townhouses/terraces: When asked about their level of support to allow townhouses or terrace development across the LGA, 52 per cent of respondents (Stage 1 Survey) and 48 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.
- Low scale apartments: When asked about their level of support to allow low scale apartment developments across the LGA, 40 per cent of respondents (Stage 1 Survey) and 25 per cent of respondents indicated it was a scenario that was supported / very supported.

Support for Option 2 (LEP Changes Applied in Selected Areas)

Regarding the suggestion of LEP changes made to selected areas (near train stations and Liverpool Road), consultation findings suggest, again, majority or near majority support for lower-intensity dwelling typologies and slightly higher (than the generalised sentiment above) support for the permissibility of low-scale apartments in selected areas.

- Dual occupancies: 52 per cent of respondents (Stage 1 Survey) and 46 per cent of respondents (Stage 2 Survey) indicated that allowing dual occupancies development around major road corridors is supported / very supported. When asked about their level of support to allow dual occupancies to develop near train stations (15 minute walk), 54 per cent of respondents (Stage 1 Survey) and 49 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.
- Townhouse/terraces: 48 per cent of respondents (Stage 1 Survey) and 54 per cent of respondents (Stage 2 Survey) indicated that allowing townhouse or terrace development around major road corridors is supported / very supported. When asked about their level of support to allow

townhouses or terrace developments near train stations (15 minute walk), 53 per cent of respondents (Stage 1 Survey) and 48 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.

- Low scale apartments: 51 per cent of respondents (Stage 1 Survey) and 43 per cent of respondents (Stage 2 Survey) indicated that allowing low scale apartment developments around major road corridors is supported / very supported. When asked about their level of support for allowing low scale apartment developments near train stations (15 minute walk), 53 per cent of respondents (Stage 1 Survey) and 37 per cent of respondents (Stage 2 Survey) indicated it was a scenario that was supported / very supported.

Relevance to Formulation of Council's Medium-Density Housing Strategy

- Consultation findings yield an important series of results that speak to the community's general receptivity and concerns regarding medium-density dwelling redevelopment in the LGA.
- Such findings suggest that most (i.e., a majority) of the community supports lower-intensity dwelling typologies, but most do not support low-scale apartment development (i.e., a case against applying LEP changes uniformly across the LGA).
- Concerns raised include traffic, overdevelopment, neighbourhood character, visual, etc. (i.e., a case for making DCP amendments).
- Findings with regard to making LEP changes to selected areas (referred to as Option 2), however, indicate relatively higher support for low-scale apartments (i.e., a stronger case for permitting RFBs in specified areas with strong provisions for maintaining high-quality design standards).

Viability Testing (Chapter 7)

Findings from the viability testing indicated:

- Viability testing of current and projected market conditions suggests that 11 out of 17 prototypes across the LGA (as representative of the scenarios) would be viable within a reasonable strategic planning horizon of 10 years.
- Despite viability testing indicating that RFBs were not significantly more viable, when considering the variation in land values and realisable values across LGA, the viable dwelling yield analysis does show that RFBs will generally contribute more to overall dwelling yield than multi dwelling housing under current and projected market conditions.
- Noting the limitations and differences between the viability testing and the viable dwelling yield analysis. Viability testing assesses individual, prototypical sites with various lot and built form characteristics. Such testing presents outcomes likely to occur under those circumstances only. Viable dwelling yield analysis allows for more generalised outcomes to be understood across the LGA (as lot characteristics vary significantly, even within the identified market areas).

TABLE 52: SUMMARY OF VIABILITY TESTING BY DWELLING TYPOLOGY

Site	Market area	Typology to be tested	Proposed FSR	Uplift required for viability	FSR required for viability	Time to viability if no additional uplift
1	Station precinct	Multi dwelling housing	0.6	Proposed + 0.1 FSR	0.7	**2 years**
2	Station precinct	Residential flat building	1.1	Uplift insufficient		**>10 yrs**
3	Station precinct	Multi dwelling housing	0.8	Proposed FSR	0.8	**N/A**
4	Station precinct	Residential flat building	1.2	Uplift insufficient		**8 years**
5	Station precinct	Multi dwelling housing	0.7	Proposed + 0.2 FSR	0.9	**6 years**
6	Station precinct	Residential flat building	1	Uplift insufficient		**>10 yrs**
7	Station precinct	Residential flat building	2.5	Uplift insufficient		**7 years**
8	Station precinct	Residential flat building	2.2	Proposed + 0.5 FSR	2.7	**3 years**
9	General Strathfield residential area	Dual occupancy	0.8	Proposed + 0.2 FSR	1	**4 years**
10	General Strathfield residential area	Multi dwelling housing	0.8	Proposed + 0.4 FSR	1.2	**9 years**
11	General Strathfield residential area	Dual occupancy	0.6	Proposed + 0.3 FSR	0.9	**9 years**
12	General Strathfield residential area	Multi dwelling housing	0.6	Proposed + 0.5 FSR	1.1	**>10 yrs**
13	Liverpool Rd corridor	Multi dwelling housing	0.6	Proposed + 0.3 FSR	0.9	**8 years**

14	Liverpool Rd corridor	Residential flat buildings	1	Uplift insufficient		**>10 yrs**
15	Liverpool Rd corridor	Multi dwelling housing	0.5	Uplift insufficient		**>10 yrs**
16	Liverpool Rd corridor	Residential flat building	0.8	Uplift insufficient		**>10 yrs**
17	Belfield residential area	Multi dwelling housing	0.6	Proposed + 0.2 FSR	0.8	**6 years**

Source: SGS Economics & Planning, 2024

Relevance to Formulation of Council's Medium-Density Housing Strategy

- It was anticipated that under current market conditions, very little if any of the dwelling typologies would be viable in redevelopment.
- With regard to redevelopment for dwelling typologies with **lower levels of uplift** (such as dual-occupancies, townhouses/terraces), it was not surprising that such typologies were generally not viable in the current market (or viability in the near term when projecting realisable values and costs as discussed in **Table 37**). By the same token, it was also not surprising that a few typologies achieved viability with slightly higher FSRs (examples include Sites 1, 3, and 17 in **Table 52** above).
- With regard to redevelopment with **higher levels of uplift** (such as the RFBs modelled as Sites 7 and 8), it was also not surprising that these typologies generally exhibited more viability in the current market (and especially in the near to longer term), even where amalgamation premiums were applied.
- RFBs typically provide smaller dwelling sizes than multi dwelling housing, which means that, all else being equal, a site redeveloped as an RFB would provide more dwellings than a multi dwelling housing development. This provides an opportunity for dwelling targets to be reached sooner, and more diversity in housing stock to be provided.
- Given today's challenging market conditions, it would be short-sighted to place too much emphasis on viability as a criteria for determining which dwelling typologies should be permitted or excluded from the Medium Density Housing Strategy.
- That is, on one hand, pursuing dual-occupancies, townhouses and terraces may be a conservative position to take with regard to community sentiment and concerns, but it runs the risk of an eventuality in which redevelopment (at scale) does not occur for many years, putting Council in a position of under-performing on its housing targets.
- On the other hand, pursuing a wider range of dwelling typologies (inclusive of RFBs, or even permitting RFBs on sites on which other lower-intensity uses are also permissible) presents an eventuality in which Council manages the community expectations and concerns by allowing RFBs, in selected areas, and makes more meaningful progress on its housing targets. There is a risk, however, in such a scenario of seeing fewer lower-intensity redevelopments (e.g., dual-occupancies, townhouses/ terraces) that the community finds less concerning.

Viable Dwelling Yield (Chapter 8)

The following findings relate to the viable dwelling yield analysis. They provide further evidence and insight for the development of a recommended scenario.

- Viable yield modelling embeds a geospatial component to the previous Chapter findings. While still reliant on generalised assumptions (e.g., construction costs are prototype-based, not site-specific),

the modelling methodology provides a layer of insight above mere dwelling yield assessment and viability testing by building in the contours of site-specific land values to the existing use and realisable values of the analysis.

- The results reinforce the reality that, while there will always be exceptions to a generality, the market is likeliest to respond soonest with RFB redevelopments in the R3 zone.
- For example, in the R2 zones, a majority of dwelling yield comes from RFB redevelopments. However, generally, there is very limited viable dwelling yield in the R2 zone, under current market conditions.

Relevance to Formulation of Council's Medium-Density Housing Strategy

- The results of this modelling affirm and augment the perspectives gained from the viability testing.
- While the viability testing produced insight into the timing implications of viability by dwelling typologies, the viable dwelling yield analysis contributes insight into the implications for the scale and location of contributions to dwelling yield across the LGA.
- With regard to areas in which dual-occupancies, townhouses and terraces would be permissible, current market conditions are clearly a barrier to dwelling yield. The implication is that areas which are already characterised by relatively low-intensity dwelling typologies (such as the Strathfield General Residential market area) are unlikely to see considerably more redevelopment (with typical exceptions for households moving, seeking to downsize, etc.) than they do today.
- With regard to areas in which RFBs could be permissible, current market conditions are less of a barrier to redevelopment, particularly in areas around train stations and the Liverpool Road Corridor, where community support for such typologies tends to be higher. The implication is that areas in which redevelopment pressures are more anticipated, a well-considered approach is required. The approach needs to allow such dwelling typologies with strong DCP amendments to ensure high-quality design outcomes would be an outcome that takes action on community concerns and support.

9.2 Recommended Scenario

The evidence that emerges from the key findings and discussion above points in the direction of recommending **Scenario 3, Option 2.** To demonstrate alignment across broader objectives and principles, this section contextualises SGS's recommendation against:

- The four (4) possible scenarios presented in **Chapter 4**
- Alignment with priorities and guiding principles.

Recommended Scenario

- SGS recommends Council pursue a Medium Density Housing Strategy reflective of **Scenario 3, Option 2 (where RFBs are permissible only in selected areas)**.
- This scenario responds to and balances the competing priorities, including achieving housing targets, facilitating affordable housing and managing community concerns and expectations.
- This scenario also responds to a range of guiding principles articulated by Council, as listed in section 1.2.

Scenario Options

In Chapter 4, four (4) scenarios were introduced as potential options to incrementally increase the incidence of medium density housing in the LGA. These scenarios were formulated in conjunction with Council, with the aim of largely retaining the built form and scale of the R2 and R3 areas, whilst allowing for incrementally more dense building typologies.

Table 53 summarises the major components of the LEP changes across each scenario. The purpose of presenting the table below is to provide a side-by-side reference of the incrementalism outlined by these scenarios.[46]

[46] It should be noted that only Scenario 3, Option 2 is shown below, even though both options were discussed and evaluated in the initial dwelling yield analysis (**Chapter 5**) and viable dwelling yield analysis (**Chapter 8**).

TABLE 53: SUMMARY OF LEP CHANGES FOR ALL SCENARIOS

Scenario 1A	Scenario 1B	Scenario 2	Scenario 3 (Option 2)
1. Land use table changes (Part 2)			
1.1 Permit (with consent) dual occupancies in Zone R2.	1.1 Permit (with consent) dual occupancies in Zone R2	1.1 Permit (with consent) dual occupancies in all R2 areas	1.1 Permit (with consent) dual occupancies in all R2 areas
* No changes to permitted dwelling types in R3 or R4.	1.2 Permit (with consent) multi dwelling housing in Zone R2	1.2 Permit (with consent) multi dwelling housing in all R2 areas	1.2 Permit (with consent) multi dwelling housing in all R2 areas
	* No changes to permitted dwelling types in R3 or R4.	* No changes to permitted dwelling types in R3.	1.3 Permit (with consent) residential flat buildings in specified areas (e.g., close to transport) designated Zone R2 (Note: will require adoption of new special land application map). Specifically, this scenario proposes RFBs are permissible within an 800m radius of a Sydney Trains station with minor adjustments for local street patterns. The list of proposed locations is contained within Appendix B: Urban Design Report)
		* No changes to permitted dwelling types in R4.	* No changes to permitted dwelling types in R3.
			* No changes to permitted dwelling types in R4.
2. Minimum lot sizes (Part 4)			
2.1 Apply minimum lot size of 560m² to dual occupancies in Zone R2	2.1 Apply minimum lot size of 560m² to dual occupancies in Zone R2	2.1 Apply minimum lot size of 560m² to dual occupancies in Zone R2	2.1 Apply minimum lot size of 560m² to dual occupancies in Zone R2
	2.2 Apply minimum lot size of 1,000m2 to multi dwelling housing in Zone R2	2.2 Apply minimum lot size of 560m2 to multi dwelling housing in Zone R2	2.2 Apply minimum lot size of 560m2 to multi dwelling housing in Zone R2

		2.3 Permit subdivision of dual occupancies in Zone R2 where original lot is min 560m² and resulting lots are single dwelling houses with min lot size 280m² with primary road frontage min 7.2m	2.3 Permit subdivision of dual occupancies in Zone R2 where original lot is min 560m² and resulting lots are single dwelling houses with min lot size 280m² with primary road frontage min 7.2m
			2.4 Apply minimum lot size of 560m² to residential flat buildings in specified areas of Zone R2

Source: SGS Economics & Planning, Architectus, 2024

Alignment of Priorities and Principles

This section specifically outlines an alignment between the recommended scenario and key priorities and guiding principles. These priorities and principles have been tracked throughout the project from the outline of Council's objectives to the emergence of relevant broader planning principles and are summarised in Table 54 below. The table presents a series of considerations for:

- How Scenario 3, Option 2 aligns with each priority and guiding principle.
- Why the other scenarios, in SGS's opinion, do not adequately align with such priorities and principles.

TABLE 54: RECOMMENDED SCENARIO ALIGNMENT OF PRIORITIES AND PRINCIPLES

	Why Scenario 3, Option 2?	Why Not the Other Scenarios?
Achieving Council's housing targets	While not maximising dwelling yield by comparison to Scenario 3, Option 1, this option optimises dwelling yield to the extent possible while respecting the concerns of the community.	The dwelling yield for Scenarios 1A, 1B and 2 are considerably lower. When considering the viability testing and viable dwelling yield analysis, Council would likely not see much if any redevelopment of dual-occupancies or multi-dwelling housing until market conditions changed.
Expanding affordable housing opportunities	The dwelling typologies tested for viability do not include social or affordable housing per se. By virtue of the fact that minimum lot sizes and densities can increase marginally in R2 zones, however, implies that at the very least, as the market continues to change, redevelopment will not be perpetually constrained to lower-intensity uses, whereby	Limiting redevelopment to just dual-occupancies and multi-dwelling housing will generally perpetuate a set of circumstances where, with changing market conditions such as escalating expectations of land value, existing use and construction costs, price points on lower-intensity dwelling outcomes (Scenarios 1A, 1B and 2) will need to be comparatively

	Why Scenario 3, Option 2?	Why Not the Other Scenarios?
	forcing price points on an ever-upward trajectory, pushing attainability farther and farther out of reach for a diversity of household types and age cohorts.	higher than higher-intensity dwelling outcomes (Scenario 3).
Aligns with and speaks to provisions being progressed by NSW Government regarding LMR housing and state-led TOD Precinct rezonings	The proposed LEP and DCP amendments together offer an evidence-based, community-driven and tailored alternative to the state-led LMR and TOD Precinct efforts.	Scenarios 1A, 1B and 2 present no locally-calibrated controls for RFBs.
Facilitating incremental change across some areas.	Each of the proposed scenarios represent an incremental increase in the permissibility of different dwelling typologies. For R2 zones across the LGA, the permissibility of dual-occupancies, townhouses and terraces along with associated changes to FSRs represent an incremental change from what is currently permissible. The proposed DCP amendments intend to mitigate against community concerns regarding quality of new development.	While Scenarios 1A, 1B and 2 clearly represent incremental change, SGS believes that the justification for pursuing any one of these would likely tether itself the avoidance of community concerns regarding overdevelopment and/or consideration for current market viability. SGS believes both of the latter justifications to be short-sighted in the context of a strategic planning effort that, by nature, should take a longer-range view.
Permitting more expansive change for some (relevant and appropriate) areas	For R2 zones around train stations and the Liverpool Road Corridor, the permissibility of RFBs represent a codification of development pressures already present in such markets. Community consultation demonstrated that such areas were more appropriate and supported. Furthermore, the proposed DCP amendments provide further assurances that the quality of design outcomes will respond to community concerns for quality and character.	Scenarios 1A, 1B and 2 contain LEP changes that would introduce permissible uses in R2 zones across the LGA and do not at all offer any expansive changes to specific areas.
Avoiding comprehensive or universal changes	Scenario 3, Option 2 does not propose comprehensive or universal changes. As noted above, this is a tailored recommendation grounded in evidence base and community feedback.	Scenarios 1A, 1B and 2 only contain universal LEP changes to the R2 zones.

	Why Scenario 3, Option 2?	Why Not the Other Scenarios?
Facilitating and encouraging change that preserves but enhances character of existing neighbourhoods	The proposed DCP amendments for dual-occupancies and multi-dwelling housing, for example, introduce design controls and intended outcomes that mirror the outcomes expected with single dwelling development – e.g., tree canopy, privacy, etc. In this regard, while any of the scenarios would be oriented to achieving this goal, the recommended scenario intends to enhance neighbourhood character.	Scenarios 1A, 1B and 2 arguably both preserve and enhance neighbourhood character better than Scenario 3, because they avoid any conflict related to community concern for low-scale apartments whatsoever.
Maintaining quality, look and feel of neighbourhoods that do not represent radical change	As characterised above, the propose DCP amendments are primarily geared toward maintaining the quality, look and feel of existing neighbourhoods by integrating current single dwelling design controls to a more diverse array of dwelling typologies.	Same as above.
Seeking to avoid the status quo outcomes of the typical subdivision process	Permitting a wider variety of dwelling typologies and reducing minimum lot sizes across the R2 zones, including those in selected areas where RFBs would be permitted, seeks to avoid status quo outcomes of the past decade (i.e., as discussed in Chapter 3 and Chapter 4).	The LEP changes proposed regarding minimum lot size in Scenarios 1A, 1B and 2 are also designed to avoid status quo outcomes.
Encouraging diverse medium density development through best practice urban design, maximising access to schools, jobs and amenity	As noted at the beginning of this section, the recommended scenario is being made with consideration for competing priorities and guiding principles. The tailored approach to permitted RFBs in selected areas responds, in part, to best practice urban design by building in dwelling capacity to areas that have better access to transit (and thus schools, jobs and amenities).	While Scenarios 1A, 1B and 2 would promote diversity throughout the R2 zones in the LGA, they would miss out on the opportunity to introduce greater diversity in R2 zones in selected areas around train stations and the Liverpool Road Corridor.

Source: SGS Economics & Planning, Architectus, 2024

9.3 Summary of Recommended LEP/DCP Changes

This section presents a summary of proposed LEP and DCP changes for the recommended scenario. Further details are provided in **Appendix B**. The recommended changes below are a replication the far right-hand column of **Table 55** above, but are presented with further consideration to how each changes is a reflection of the evidence base.

LEP Changes

TABLE 55: RECOMMENDED SCENARIO AND LEP CHANGES

SCENARIO 3 – changes / recommendations	Considerations
1. Land use table changes (Part 2)	
1.1 Permit (with consent) dual occupancies in all R2 areas	While **Chapter 4** and **Appendix B**[47] note that there have been challenges with market take-up of dual-occupancies, the findings in **Chapter 7** and **Chapter 8** suggest that, over time under changing market conditions, they will become viable as a redevelopment option. As such, permitting dual-occupancies contributes to facilitating diversity of dwelling outcomes and moves Strathfield in the direction of addressing housing demand drivers as discussed in **Chapter 3**.
	The community survey results provide guidance for the adoption of these changes: ▪ **Living in a neighbourhood with increase in dual occupancies is supported / very supported** by 56 per cent of respondents (Stage 1 Survey); and 55 per cent of respondents (Stage 2 Survey) ▪ **Allowing dual occupancies across the LGA is supported / very supported** by 52 per cent of respondents (Stage 1 Survey); and 52 per cent of respondents (Stage 2 Survey) ▪ **Allowing dual occupancies around major road corridors is supported / very supported** by 52 per cent of respondents (Stage 1 Survey); and 46 per cent of respondents (Stage 2 Survey) ▪ **Allowing dual occupancies near train stations is supported / very supported** by 54 per cent of

[47] Also as noted in **Appendix B**, under current controls and current conditions (such as the predominance of lots of a certain size that do not easily permit subdivision), there may also be a disincentive to the nature of the titling arrangement associated with the redevelopment form. For example, the decision to build a large second dwelling on a lot with an existing house (such as a dual occupancy), may be contingent on the ability to subdivide the lot in the future. This change to the LEP along with modifications to the minimum lot size should alleviate such issues.

SCENARIO 3 – changes / recommendations	Considerations
	respondents (Stage 1 Survey); and 49 per cent of respondents (Stage 2 Survey).
1.2 Permit (with consent) multi dwelling housing in all R2 areas	As with the consideration for dual-occupancies, the findings in **Chapter 7** and **Chapter 8** suggest that, over time under changing market conditions, multi-dwelling housing will also become viable as a redevelopment option. As such, permitting multi-dwelling housing also contributes to facilitating diversity of dwelling outcomes and moves Strathfield in the direction of addressing housing demand drivers as discussed in **Chapter 3**.
	The community survey results provide guidance for the adoption of these changes: ▪ **Living in a neighbourhood with increase in townhouses / terraces supported / very supported** by 59 per cent of respondents (Stage 1 Survey); and 55 per cent of respondents (Stage 2 Survey). ▪ **Allowing town houses / terraces across the LGA supported / very supported** by 52 per cent of respondents (Stage 1 Survey); and 48 per cent of respondents (Stage 2 Survey) ▪ **Allowing townhouses / terraces around major road corridors supported / very supported** by 48 per cent of respondents (Stage 1 Survey); and 54 per cent of respondents (Stage 2 Survey) ▪ **Allowing townhouses / terraces near train stations supported / very supported** by 53 per cent of respondents (Stage 1 Survey); and 48 per cent of respondents (Stage 2 Survey).
1.3 Permit (with consent) residential flat buildings *in specified areas* (e.g., close to transport) designated R2 zone Note: will require adoption of new special land application map. Specifically, this scenario proposes RFBs are permissible within an 800m radius of a Sydney Trains station with minor adjustments for local street patterns. The list of proposed locations is contained within Appendix B: Urban Design Report.	The findings in **Chapter 7** and **Chapter 8** indicate that, more than other typologies, RFBs present the most immediate opportunities for redevelopment when considering viability. As discussed regarding priorities and principles in the section above, permitting RFBs in selected areas responds to numerous criteria important to Council in structuring a tailored MDHS. Permitting RFBs also contributes to facilitating diversity of dwelling outcomes and moves Strathfield in the direction of addressing housing demand drivers as discussed in **Chapter 3**.

SCENARIO 3 – changes / recommendations	Considerations
	The community survey results provide guidance for the adoption of changes that promote suitable locations for such denser development permissibility. ▪ **Living in neighbourhood with increase in low scale apartment developments is *only* supported / very supported** by 41 per cent of respondents (Stage 1 Survey); and 28 per cent of respondents (Stage 2 Survey) ▪ **Allowing low scale apartment development across the LGA is *only* supported / very supported** by 40 per cent of respondents (Stage 1 Survey); and 25 per cent of respondents (Stage 2 Survey) ▪ **Allowing low scale apartment developments around major road corridors is *only* supported / very supported** by 51 per cent of respondents (Stage 1 Survey); and 43 per cent of respondents (Stage 2 Survey) ▪ **Allowing low scale apartment development near train stations is *only* supported / very supported** by 53 per cent of respondents (Stage 1 Survey); and 37 per cent of respondents (Stage 2 Survey). Noting however, survey respondents were also asked about the importance of housing attributes. Access to public transport was important / very important for 85 per cent of respondents (Stage 1 Survey) and for 80 per cent of respondents (Stage 2 Survey). Access to, and variety of, shopping facilities was important / very importance for 82 per cent of respondents (Stage 1 Survey) and for 68 per cent of respondents (Stage 2 Survey).
* No changes to permitted dwelling types in R3.	Applying such changes to R3 only produces additional yield of 149 dwellings above yield with existing controls. All housing types already permitted in R3.
* No changes to permitted dwelling types in R4.	Also as noted in Architectus' assessment of existing urban design, areas designated R4 constitute the smallest segment of residentially zoned land. Given the permissibility of higher-density urban forms, the scope for changing planning and development controls in these areas to further add to medium-density housing is negligible, if not counterproductive.
2. Minimum lot sizes (Part 4)	

SCENARIO 3 – changes / recommendations	Considerations
2.1 Apply minimum lot size of 560m² to dual occupancies in R2 zone	On one hand, minimum lot sizes are being recommended to increase density and dwelling yield in an effort to address housing targets. On the other hand, minimum lot sizes are also recommended to minimise or reduce, in part, barriers to affordable outcomes. It should be noted that, in SGS's opinion, it may be impossible to avoid all outcomes in which highest-and-best use on some sites are RFBs as opposed to other desirable diverse dwelling typologies. It should be noted, however, that the recommended Scenario 3, Option 2 controls to the greatest extent possible this outcome by excluding RFBs as a permissible use across the LGA. As such, an eventuality such as the one described above would only reasonably be anticipated to occur in areas within certain distances of train stations and the Liverpool Road Corridor.
2.2 Apply minimum lot size of 560m² to multi dwelling housing in R2 zone	
2.3 Permit subdivision of dual occupancies in R2 zone where original lot is min 560m² and resulting lots are single dwelling houses with minimum lot size 280m² with primary road frontage minimum 7.2m	
2.4 Apply minimum lot size of 560m² to residential flat buildings in specified areas of R2 zone	
3. Floor space ratio (FSR) controls	
3.1 Changes to FSRs will be required to achieve the yields identified in **Chapter 8**.	Council should refer to the FSR assumptions used in the viability testing (**Chapter 7** and **Chapter 8**).

Source: SGS Economics & Planning, Architectus, 2024

DCP Amendments

The following is an abbreviated version of recommended DCP amendments and changes, as found in Appendix B. Each recommendation in this section, however, is accompanied by considerations from the community consultation (as detailed in Appendix C) as rationale or considerations for the adoption and/or support for such amendments. In particular, these DCP amendments are informed by the following broad over-arching considerations:

- Council's interest in meeting changing demographic demands with greater housing diversity options, such as addressing current and future household needs, different household types and sizes, including affordability considerations relevant to first-time homebuyers, households seeking to downsize, families looking for alternate dwelling options etc.
- It is important that built form outcomes maintain that discernible gradient (i.e., transition areas) in the existing local character as one moves farther away from the Strathfield town centre toward the west and south. Maintaining this as best as possible through amendments to the DCP will respond to the community's perception of neighbourhood character transitions (this is described and visualised in Appendix B: Urban Design).
- Similarly, maintaining the leafy green look and feel of the community, such as characterised by neighbourhoods in which there is a consistent zone for deep soil and mature trees throughout the centre of the block in R2 zones (regarding application of rear setbacks, for example).
- In the absence of such changes to the DCP, redevelopment in the form of medium-density dwelling types could gradually erode tree canopy in the front and/or rear of lots. It is in Council's and the community's interest to ensure that street canopy, as well as neighbourhood canopy and biodiversity is protected and maintained.
- There is also motivation to update omissions in the existing DCP, such as those discussed in Appendix B. For example, the existing form controls for dual occupancies and multiple unit housing seem to have been written with a focus on the impacts of individual development on its neighbouring property, rather than the cumulative impact on the entire block.

Overall, the proposed DCP amendments aim to drive: 1) firmly guide appropriate medium-density built form by preserving quality, amenity, sustainability, and 2) guide the enhancement of the community's urban canopy. As such, key areas of focus for DCP amendments are as follows:

- Lot size and frontage widths
- Floor space and building height
- Building setbacks, separation and envelope
- Site coverage and landscape areas, including soft landscaping and deep soil areas
- Street, front yard and rear yard canopy trees
- Privacy, outlook and private open space
- Access and parking, driveways and garages
- Streetscape and building form.

TABLE 56: RECOMMENDED DCP AMENDMENTS

Changes / Recommendations	Rationale	Other Considerations
Lot sizes		
Minimum lot size in R2 zone should be revised in line with chosen scenario (Appendix B, Section7, p.53).	Lot sizes are important built form characteristics for addressing privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of safety and security is important / very important** to 94 per cent of respondents (Stage 1 Survey) and 83 per cent of respondents (Stage 2 Survey). **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1 Survey) and 80 per cent of respondents (Stage 2 Survey). **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Frontage widths		
Minimum lot frontage controls for medium density housing types should be reduced to 30m or 15m as applicable under chosen scenario (7.2m for subdivision lots) (Appendix B, Section 7, p.53).	Frontage widths are important built form characteristics addressing privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of safety and security is important / very important** to 94 per cent of respondents (Stage 1 Survey) and 83 per cent of respondents (Stage 2 Survey). **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1

Changes / Recommendations	Rationale	Other Considerations
		Survey) and 80 per cent of respondents (Stage 2 Survey). **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Front, side and rear setbacks		
5.1: Appendix B: Urban Design, Section 7 outlines detailed amendments to setbacks, including as applied to: dual occupancies, multi-dwelling units, amalgamated lots, semi-detached, etc (p.53).	Setbacks are important built form characteristics addressing privacy, security and neighbourhood character. Setback controls have been closely modelled on existing housing controls. Closely modelling controls for new housing types on controls for existing housing types is a strategy aimed at minimising any negative impact the new housing may have on the existing local character. Front and rear setbacks should not be less than 6m to assure adequacy for canopy trees, root zone and canopy spread.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Building footprint and separations		
Part B & C building envelope controls reflect an attempt to minimise the height and overshadowing caused by buildings built close to the rear boundary. With a more substantial rear setback in place, these envelope controls should be replaced with the external wall, parapet and roof height controls in Part A (p.53).	Footprint and separations are important characteristics addressing privacy and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1 Survey) and 80 per cent of respondents (Stage 2 Survey).

Changes / Recommendations	Rationale	Other Considerations
6m mid-depth building separations required for multiple-unit housing should be removed for R2 areas in favour of introducing 6m rear setbacks (p.53).		**Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Floor space ratio and floor space maximums		
As all R2 zoned land within Strathfield LGA is affected by FSR controls as per Clause 4.4C of SLEP 2012, the FSR controls for newly permitted medium density housing types in R2 areas should be reviewed and aligned with FSR controls tested in **Chapter 7** and **Chapter 8.**	FSR is an important consideration for neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Building heights		
Medium density housing types in R2 areas should comply simply with LEP Height of Buildings/Part A height control of 9.5m and have other forms of height controls removed (p. 52). (Existing height controls include 9.5m for the R2 zone; generally 8.5m, 11m and 17m for the R3 zone; and generally 16m, 22m and up to 38m for the R4 zone).	Building height is an important consideration for neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Site coverage		

Changes / Recommendations	Rationale	Other Considerations
Landscaped areas (hard and soft) should comprise a minimum of 40 per cent of the lot for all medium density housing types in the R2 areas. Details at Appendix B, Section 7, p. 54.	Site coverage influences built form characteristics, privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of safety and security is important / very important** to 94 per cent of respondents (Stage 1 Survey) and 83 per cent of respondents (Stage 2 Survey). **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1 Survey) and 80 per cent of respondents (Stage 2 Survey). **Primary attribute - the leafy, green look and feel of the area is important / very important** to 77 per cent of respondents (Stage 1 Survey) and 74 per cent of respondent (Stage 2 Survey). **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Upper floor balcony orientation		
For medium density housing types, upper floor balconies should comply with separation cones as outlined Appendix B, Section 7, p. 55.	Building form is an important consideration for privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).

Changes / Recommendations	Rationale	Other Considerations
Architectural detailing		
Part A includes a much more comprehensive chapter on architectural design and streetscape presentation. Import the architectural design and streetscape chapter from Part A to Part B and C. (p. 56).	Architectural design and streetscape is important for addressing amenity and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey). **Secondary attribute - local heritage is important / very important** to 47 per cent of respondents (Stage 1 Survey) and 53 per cent of respondents (Stage 2 Survey). **Tertiary attribute - living in a neighbourhood with a variety of housing styles is important / very important** to 54 per cent of respondents (Stage 1 Survey) and 40 per cent of respondents (Stage 2 Survey). **Tertiary attribute - living in a neighbourhood where all the housing is generally the same style and size is important / very important** to 41 per cent of respondents (Stage 1 Survey) and 37 per cent (Stage 2 Survey).
Fencing		
Fencing controls should be harmonised across Parts A, B and C for R2 areas. See Appendix B: Urban Design, Section 7 for fencing details on solid parts, open parts, side and rear fending (p. 56).	Harmonised fencing can enhance the quality of the overall streetscape.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - aesthetic design of local development is important / very important** to 69 per

Changes / Recommendations	Rationale	Other Considerations
		cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey). **Secondary attribute - local heritage is important / very important** to 47 per cent of respondents (Stage 1 Survey) and 53 per cent of respondents (Stage 2 Survey). **Tertiary attribute - living in a neighbourhood with a variety of housing styles is important / very important** to 54 per cent of respondents (Stage 1 Survey) and 40 per cent of respondents (Stage 2 Survey). **Tertiary attribute - living in a neighbourhood where all the housing is generally the same style and size is important / very important** to 41 per cent of respondents (Stage 1 Survey) and 37 per cent (Stage 2 Survey).
Open space incl. private open space		
Appendix B: Urban Design, Section 7 outlines detailed amendments regarding open space (p. 55).	Open space is important for addressing privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1 Survey) and 80 per cent of respondents (Stage 2 Survey). **Primary attribute - access to green open spaces/recreational areas is important / very important** to 81 per cent of respondents (Stage 1 Survey) and 74 per cent of respondents (Stage 2 Survey).

Changes / Recommendations	Rationale	Other Considerations
		Primary attribute - the leafy, green look and feel of the area is important / very important to 77 per cent of respondents (Stage 1 Survey) and 74 per cent of respondent (Stage 2 Survey).
Landscaping incl. deep soil vegetation areas		
The following controls synthesise existing landscape controls across Parts A, B & C to arrive at a consistent set of controls for all housing types proposed within R2 areas (p. 54).	Landscaping is an important built form characteristics for addressing privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1 Survey) and 80 per cent of respondents (Stage 2 Survey). **Primary attribute - access to green open spaces/recreational areas is important / very important** to 81 per cent of respondents (Stage 1 Survey) and 74 per cent of respondents (Stage 2 Survey). **Primary attribute - the leafy, green look and feel of the area is important / very important** to 77 per cent of respondents (Stage 1 Survey) and 74 per cent of respondent (Stage 2 Survey).
Front and rear canopy trees		
Appendix B: Urban Design, Section 7 outlines detailed amendments regarding canopy trees, including: within front setbacks, in rear setbacks, lot provisions (p. 54)	Front and rear canopy trees are important characteristics addressing privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1

Changes / Recommendations	Rationale	Other Considerations
		Survey) and 80 per cent of respondents (Stage 2 Survey). **Primary attribute - access to green open spaces/recreational areas is important / very important** to 81 per cent of respondents (Stage 1 Survey) and 74 per cent of respondents (Stage 2 Survey). **Primary attribute - the leafy, green look and feel of the area is important / very important** to 77 per cent of respondents (Stage 1 Survey) and 74 per cent of respondent (Stage 2 Survey).
Privacy incl. visual separation provisions		
Appendix B: Urban Design, Section 7 outlines detailed amendments regarding privacy and visual separation, including: room and balcony separation controls (adapted from the NSW Apartment Design Guideline, Section 3F Visual Privacy), etc (p. 55).	Visual separation provisions are important built form characteristics for addressing privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Primary attribute - a sense of safety and security is important / very important** to 94 per cent of respondents (Stage 1 Survey) and 83 per cent of respondents (Stage 2 Survey). **Primary attribute - a sense of privacy is important / very important** to 90 per cent of respondents (Stage 1 Survey) and 80 per cent of respondents (Stage 2 Survey). **Primary attribute - aesthetic design of local development is important / very important** to 69 per cent of respondents (Stage 1 Survey) and 72 per cent of respondents (Stage 2 Survey).
Access and parking, driveways and garages		

Changes / Recommendations	Rationale	Other Considerations
Appendix B: Urban Design, Section 7 details control changes for vehicular crossings & streetscape, garage frontages, driveway and parking setbacks, parking minimums and maximums (p. 56).	Access and parking are important characteristics to consider in relation to privacy, security and neighbourhood character.	Survey respondents were asked about the importance of housing attributes. **Secondary attribute - access to parking/commuter parking was important / very important** for 76 per cent of respondent (Stage 1 Survey) and 56 per cent of respondents (Stage 2 Survey).

Source: SGS Economics & Planning, 2024

Appendix A: Residential pipeline projects

TABLE 57: RESIDENTIAL DEVELOPMENT PROJECTS IN THE PIPELINE (OVER 10 MILLION IN VALUE)

Location	Description	Dwelling type	Completion/expected completion
HOMEBUSH	Construction of a 9 storey residential building comprising 210 x 1, 25 x 2 & 5 x 3 bedroom units.	Apartments	2024
HOMEBUSH	Construction of a mixed use build-to-rent development of 3 buildings with a height range of 21 to 25 storeys. The project includes 481 units	Mixed Use	2027
HOMEBUSH	Construction of a 6 storey shop top housing to comprise 2 ground floor retail premises (322sq m) & 15 x 1 bedroom, 24 x 2 bedroom, 4 x 3 bedroom dual key apartments/units above.	Mixed Use	2027
STRATHFIELD	Construction of 1 x 25 storey (Building A located in the north-west corner) & 1 x 26 storey (Building B located in the south-east corner) residential buildings connected by an 8 storey podium to comprise gymnasium on the ground floor & 360 apartments (118 x 1, 210 x 2, 32 x 3 bedroom, 9 of which are affordable housing), 2 retail tenancies 119.57sq m & 67.10sq m & 3 live-work suites.	Apartments	2023
HOMEBUSH WEST	Construction of 4-6 storey residential building to comprise 5 x 1 bedroom, 37 x 2 bedroom & 5 x 3 bedroom units.	Apartments	2027
HOMEBUSH	Construction of a 28 storey mixed use development to comprise 148 apartments & commercial space 424sq m	Apartments	2025
HOMEBUSH	Construction of 2 towers, including a 9 storey mixed used building facing Parramatta Road containing 1 commercial unit, & 44 residential units (12 x 1, 27 x 2, 5 x 3 bedroom), & a 4-8 storey residential flat building facing Powell Street containing 71 residential units (37 x 1, 27 x 2, 7 x 3 bedroom).	Apartments	2027
HOMEBUSH	Construction of a part 5 & part 10 storey mixed use building to comprise pub at the ground floor, 19 serviced apartments & 44 apartments above	Apartments	2023
STRATHFIELD	Construction of 2 residential flat buildings comprising 183 apartments	Apartments	2021

HOMEBUSH	Construction of a part 5/part 7 storey residential flat building containing 44 units	Apartments	2025
HOMEBUSH	Construction of a part 6/part 7 storey residential flat building containing 70 units	Apartments	2022
HOMEBUSH	Construction of a 6 storey mixed use development containing 2 x ground floor commercial tenancies 447sq m of commercial space & 102 residential units, 4 x studio, 29 x 1, 65 x 2 & 4 x 3 bedroom.	Mixed Use	2021
HOMEBUSH WEST	Construction of a 4 storey residential flat building containing 31 units	Apartments	2022
HOMEBUSH	Construction of a 7 storey building to comprise a 90 place child care centre with 526sq m gross floor area on the ground level & 33 units above.	Mixed Use	2027
STRATHFIELD SOUTH	Construction of 2 x part 11 storey & 1 x part 13 storey mixed use development to comprise 3 ground floor shops (70.54sq m, 65.2sq m & 109.85sq m) & 47 x 1 bedroom, 122 x 2 bedroom & 3 x 3 bedroom units. Building A - 59 units. Building B - 33 units. Building C - 80 units.	Mixed Use	2027
BELFIELD	Construction of a mixed use development comprising a 4/7 storey building containing a total of 111 units.	Mixed Use	2021

Source: Cordell Connect, 2023

Appendix B: Urban Design Report

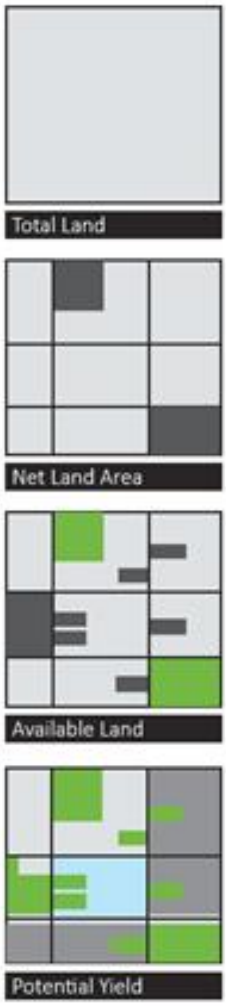
Appendix C: Consultation Reports

Appendix D: Housing Capacity Model Methodology

Housing Capacity Model

SGS has a detailed housing capacity model which was initially developed with State government and has since been applied to many Councils and tested in panel hearings. It involves first defining 'Available Land' for additional housing and then estimating 'Potential Yield' to determine total capacity which is then compared to the existing stock to identify the 'net dwelling yield'. This process is illustrated below.

FIGURE 23: HOUSING CAPACITY MODEL PROCESS



STEP 1: NET LAND AREA IDENTIFICATION

Removal of land that cannot be developed for residential purposes.

E.g. roads, footpaths

STEP 2: AVAILABLE LAND ASSESSMENT

Exclusion of lots that would not be able, or would be unlikely, to yield additional housing beyond what already exists.

E.g. Small lot size, recently developed sites, heritage status

STEP 3: POTENTIAL YIELD ASSESSMENT

Density and yield assumptions (using statutory height limits, setbacks, garden area requirements etc.) are applied to lots defined as available.

The total 'yield' for individual sites is then compared to the current number of dwellings on each lot to determine net capacity.

Source: SGS Economics and Planning, 2023

Available Land Identification

Available land is every property that is available for development, generally grouped into different zones or development types. Designation of a property as available does not mean that development will occur, or even that it is necessarily likely to occur. As the assessment is high level, there will always be site-specific factors that can't be picked up in an assessment of a broad area.

In practice, available land is calculated by going through each property and excluding any that have significant development constraints.

Mapping was completed on all residentially zoned lots to identify which have 'potential' to generate additional housing. The following exclusions were considered in this analysis:

- Strata lots
- Lots containing a heritage item(s)
- Lots within heritage conservation areas
- Infrastructure – schools, parks and assets which can fall within residential zones
- For dual occupancy development, lots within more than 1 dwelling
- For multi-dwelling housing and residential flat buildings, lots within more than 3 dwellings.

These assumptions are combined in **Figure 24** and **Figure 25** below, with the areas in yellow representing the available sites in residential zones across the entire LGA for future housing capacity.

FIGURE 24: OPTION 1 – ALL AVAILABLE LAND ACROSS THE LGA

Source: SGS Economics and Planning, 2023

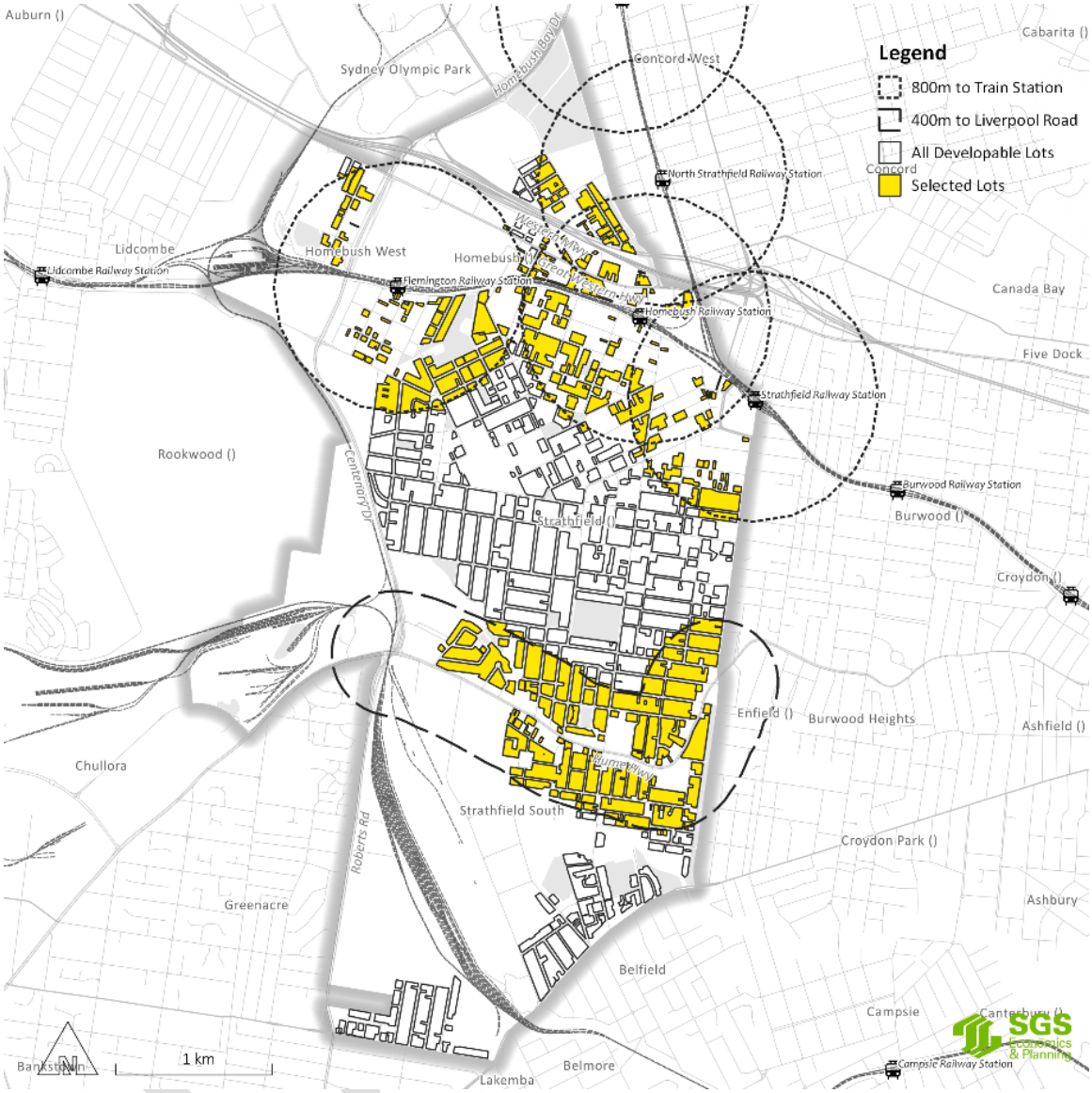
In addition to the above parameters, an alternate option was also considered with the reduction of potential housing yield to selected areas in the LGA. A smaller subset of the above sites was identified using the following parameters:

- Lots within 800m of a train station
- Lots within 400m of Liverpool Road.

These parameters were selected as the most logical areas to develop, given they are closer to public transport connections, arterial roads, and commercial areas.

Figure 25 below shows the available land identified under the alternate option.

FIGURE 25: OPTION 2 - SELECTED AVAILABLE LAND



Source: SGS Economics and Planning, 2023

For clarity, these two options have been identified below:

- Option 1: All available lots identified across the LGA
- Option 2: Selected available lots within 800m of a train station and 400m of Liverpool Road.

The yield analysis was undertaken in tandem for both options.

Yield Assumptions

The next step is to calculate the **potential dwelling yield** on available land.

In summary, the yield of each lot was calculated based on:

- Planning controls (i.e., FSR)
- Number of dwellings (in the case of dual occupancies)
- Apartment size (in the case of multi dwelling housing and residential flat building).

Table 58 below shows the yield assumptions as applied to each building typology and zone.

TABLE 58: YIELD ASSUMPTIONS

Built Form Typology	Zone	Yield
Single Dwelling	R2,R3,R4	1 dwelling
Dual Occupancy	R2,R3,R4	2 dwelling
Multi Dwelling	R2	0.5:1 FSR, 120sqm unit size
Multi Dwelling	R3,R4	Site FSR, 120sqm unit size
RFB	R2	0.5:1 FSR, 80sqm unit size
RFB	R3,R4	Site FSR, 80sqm unit size

Source: SGS Economics and Planning, 2023

It is noted that an FSR of 0.5:1 was applied to all development within the R2 zone. This represents a conservative approach to potential development on these sites and would result in a modest built form outcome regardless of building typology. This number was chosen in consideration of Council feedback which indicated that all development with the low-density zone should respect the existing built form character of these areas.

Appendix E: CBRE Market Report

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