

Review and Analysis Fairfield Residential Strategy



400-404 Cabramatta Road West, 2-18 Orange Grove Road &
6 Links Avenue, Cabramatta

On Behalf of TCON Constructions

March 2016 ■ 15203

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This report has been prepared by:

A handwritten signature in black ink, appearing to be 'JM', with a long horizontal stroke extending to the right.

Jim Murray

11/03/2016

This report has been reviewed by:

A handwritten signature in black ink, appearing to be 'BG', with a large, stylized 'B' and a checkmark-like flourish at the end.

Bernard Gallagher

11/03/2016

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Executive Summary

The Fairfield Residential Development Strategy East (RDSE) provides a robust analysis of the population and housing requirements of the Fairfield LGA. It identifies areas in around the existing eastern centres and along transport corridors that are suitable to locate 14,400 new dwellings prior to 2031 as required by the NSW Government. The principles to locate additional high and medium density housing in the existing centres and along transport corridors represent sound planning logic and it is our understanding that it is Council's intent to rezone land locations that are consistent with the objectives of the RDSE.

However, the RDSE acknowledges that there are significant material constraints (strata development, site amalgamation and traffic impacts) to the delivery of large scale redevelopment in the key town centres of Fairfield and Cabramatta in the short – medium term (i.e. prior to 2019) and it is questionable whether the new dwellings forecast in the RSDE can be delivered at all prior to 2031.

There are real and substantial barriers to housing delivery in the LGA and the foreseeable housing shortage is a significant issue that needs to be addressed by Fairfield City Council. In this regard, it is imperative that Council investigate suitable alternative locations that are capable of delivering the significant numbers of new dwellings required by the RDSE.

Whilst the site at the corner of Cabramatta Road West and Orange Grove Road is not located in one of the centres or corridors identified by the RDSE, it represents a suitable alternative location for the delivery of high density housing to meet the Council's housing target. We believe there are strong strategic planning grounds to support the rezoning of the site notwithstanding any inconsistency with the RDSE. We note that:

- **The Council are not approving enough new dwellings annually** to meet the 2031 housing target of 24,000 new dwellings;
- **Significant numbers of new dwellings are unlikely to be delivered in the key town centres of Cabramatta, Fairfield and Canley Vale** due to the prevalence of strata owned land and the associated difficulties buying and amalgamating the land to enable well designed high density residential housing;
- **The site is large and in single ownership and can accommodate approximately 300+ new dwellings;**
- **The site has direct public transport connections to Liverpool and Cabramatta;** and
- **Initial site investigations indicate the site is suitable for higher density residential.**

1.0 Introduction

This report has been prepared for and on behalf of TCON Constructions (TCON), the owners of 400-404 Cabramatta Road West, 2 Orange Grove Road and 6 Links Avenue, Cabramatta West (the site). The purpose of the report is to provide a review and analysis of the Fairfield Residential Development Strategy East (the RDSE) with regard to its implementation and ability to deliver the dwellings required to meet the NSW Government's expectation for the Fairfield City LGA.

In summary:

- Fairfield City Council (Council) is required to meet a target of 24,000 new dwellings in the LGA by 2031. 14,400 (60%) are to be located in the eastern half of the LGA (i.e. all land east of the Cumberland Highway).
- The RDSE states that rezoning existing centres and corridors within the eastern half of the LGA (Fairfield, Fairfield East, Cabramatta, Canley Heights, Villawood, Fairfield and Fairfield Heights' corridor, Fairfield and Canley Vale Corridor) will provide capacity for 11,520 new high and medium dwellings to 2031. The balance of the 14,400 (2,880) are to be located as medium density on the fringe of the centres.
- Council have identified that their strategies to deliver medium density dwellings on the fringe of the centres have the capacity to deliver approximately 1,069 new dwellings. This results in a shortfall of 1,811 dwellings in the out of centre / fringe areas.
- The Residential Development Strategy to locate 9,600 new dwellings by 2031 in the western half of the LGA has not been undertaken and there is no clear timeframe for this to occur.
- The major centres of Fairfield and Cabramatta are severely constrained by various factors (existing strata development, site amalgamation, traffic impacts and environmental factors) and the practical ability for large scale residential redevelopment of both centres prior to 2031 is uncertain. There is no planned alternative to meeting the new dwelling requirements.
- Dwelling approvals from financial year 2007 – 08 to the first six months of FY 15/16 total 5,340 which means another 18,660 new dwellings need to be approved from now until 2031 at an average of 1,244 new dwellings per year. In FY 14/15 there were 880 new dwellings approved – a shortfall of 364 dwellings across the LGA.
- Whilst the RDSE provides a sound strategic rationale for locating new dwellings in existing centres, the market is not delivering the new dwellings to meet the target. Council need to begin considering alternatives to ensure the dwelling target is achieved to meet the future needs of the local population. In this regard, the site represents an ideal opportunity to deliver over 300 new dwellings in an appropriate location.

1.1 Documents Reviewed

In preparing this report we have reviewed the following documents:

- Draft Fairfield Residential Strategy 2009;
- Fairfield Local Environmental Plan 2013;
- Fairfield City Council's Outcomes Committee Report – Residential Development Strategy East (RSDE) - Phase 2 Implementation – Recommended Upzoning of Residential Land (12 August 2014);

- Fairfield City Council's Report – RSDE – Phase 2 Implementation – Response to Submissions (12 August 2014);
- Fairfield City Council's Committee Report – RSDE – Phase 2 Implementation - Recommended Upzoning of Residential Land (14 July 2015); and
- Fairfield City Council's Supplementary Committee Report – RSDE – Fairfield Heights Precinct Amendment (28 July 2015)

A meeting was held with senior strategic planners at Fairfield City Council on 14 October 2015. Council advised that they would not be in a position to support a change in zone to allow a residential flat development (up to 9 storeys in height) and a component of retail/commercial presenting to the corner of Cabramatta Road and Orange Grove Road as:

- The Site is outside the areas identified by the Fairfield Residential Development Strategy (i.e. increased density within centres and corridors);
- The distance to frequent public transport (railway line or bus transit way) and services contained within a major town centre.

Council advised that if TCON proceeded with a planning proposal to rezone the site to allow increased density a report was required to justify an out of centre increase in residential density which is in conflict with the RDSE. This report demonstrates that the RDSE cannot deliver the new housing required and rezoning sites unique characteristics such as 400-404 Cabramatta Road West, 2 Orange Grove Road and 6 Links Avenue must be considered if Council is able to meet the 2031 dwelling target.

2.0 The Site

- The site is located within the Fairfield City Council LGA, and its context and location is illustrated in Figures 1 and 2 below.
- The site is approximately 1.8km from Cabramatta railway station, and 2.1km to the north of Liverpool town centre. The Orange Grove MegaCenta is approximately 800m south of the site.
- The site has an area of approximately 15,000sqm and street frontages to Cabramatta Road, Orange Grove Road (Cumberland Highway) and Links Avenue. Development to the east and south is comprised of low-density, low-rise residential development. The Cabramatta Golf Course and Club is located across Orange Grove Road to the west.

The site's locational context is illustrated in **Figures 1 and 2** below.

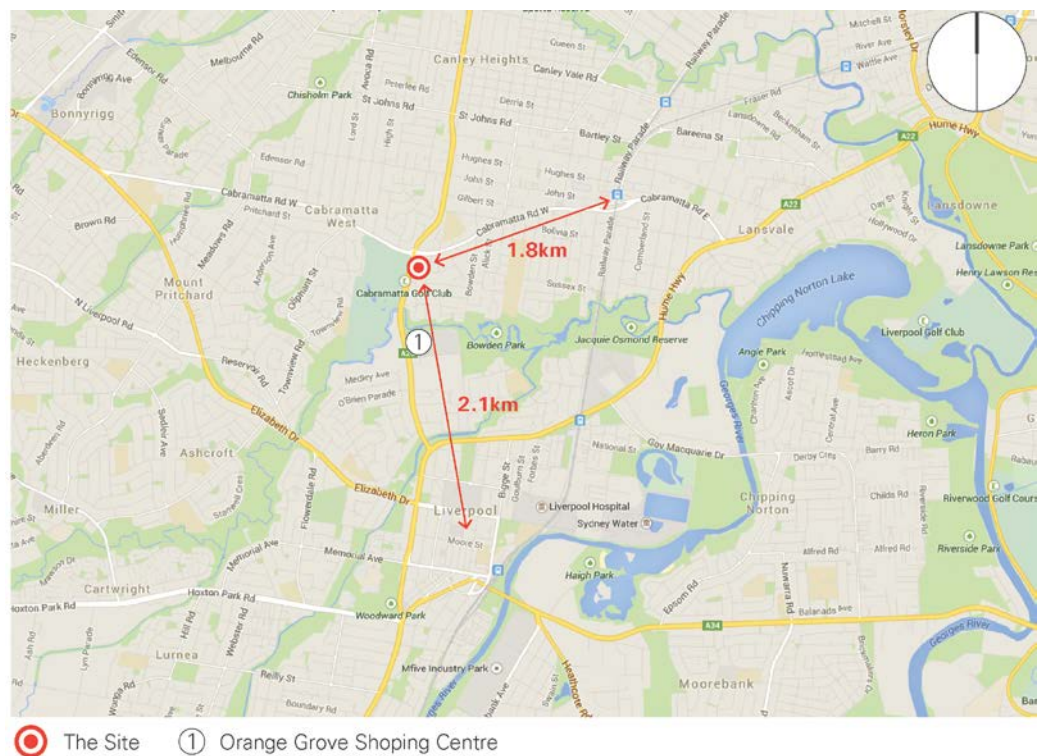


Figure 1 – Location plan



Figure 2 – Site location plan

3.0 Overview of the Residential Development Strategy

The NSW Government's draft West Central Sub Regional Strategy (NSW Department of Planning 2007) required the Fairfield City LGA to provide 24,000 new dwellings by 2031.

Fairfield City Council (Council) resolved in May 2008 to prepare a Residential Development Strategy in a two stage approach. Stage 1 focuses on the LGA east of the Cumberland Highway and in particular, the centres of Fairfield, Cabramatta, Canley Vale, Canley Heights, Fairfield Heights and Villawood. Stage 2 will address the LGA west of the Cumberland Highway and has not been undertaken to date.

In 2009 the draft Residential Development Strategy East (RDSE) was prepared to establish a sustainable development framework to guide decision making for the provision of 14,400 new dwellings in the eastern part of the LGA by 2031 (60% of the 24,000 required). The new dwellings will be located primarily within the established centres with opportunities for medium density growth on the fringes of the centres.

The RDSE is being implemented in three phases:

Phase 1 (completed): rezoning land in Villawood and Canley Heights for medium and high density housing as part of the comprehensive Fairfield Local Environmental Plan 2013 (Fairfield LEP);

Phase 2 (current phase): preparation of Planning Proposals to rezone land for high and medium density dwellings in the development corridors between Fairfield and Fairfield Heights, Fairfield and Canley Vale and land in the Villawood and Fairfield East precincts. The NSW Department of Planning and Environment have made a Gateway determination to allow public exhibition.

Phase 3 (future phase): Council resolved to defer the rezoning of certain land in the Fairfield to Canley Vale corridor to a later phase.

The RDSE was endorsed by Council in August 2014. It seeks to locate 80% of all new dwellings (i.e. 11,520) within the catchment of existing centres. This leaves a balance of 2,880 new dwellings to be accommodated in out of centre locations in the eastern LGA. The Council are implementing the strategies below to deliver medium density dwellings outside the catchment areas of the existing centres.

Narrow Lot Areas

Council amended the Fairfield LEP in July 2015 to allow minimum lot size requirements of 200sqm in narrow lot areas in the R2 Low Density Residential zone to allow subdivision and development for detached / semi-detached development of existing properties on lots between 400sqm and 600sqm. Council identified the narrow lot clause has the potential to create 774 new dwellings in narrow lot precincts across the LGA.

Draft Large Lot Policy

Council have developed a Large Lot Policy to allow applicants to submit Planning Proposals to permit medium density development within the R2 Low Density Residential zone for lots ranging between 1,300sqm and 2,500sqm that have proximity to public transport and town centres. Sites would be required to meet

six criteria to ensure efficiency in site utilisation and access to public transport. Council have identified that the Policy has the potential to deliver 295 additional dwellings in the eastern LGA.

In summary, the three planning mechanisms to deliver new dwellings in the eastern LGA, if successful, will result in 12,589 new dwellings (this includes narrow lot development in the western LGA) which is 1,811 below the target.

4.0 Review and Analysis

4.1 Key drivers for housing growth and location

The key strategic considerations underpinning the RDSE are summarised below.

4.1.1 Dwelling targets and housing typology

The Draft West Central Subregional Strategy 2007 identified the need for the Fairfield LGA to accommodate an additional 24,000 dwellings by 2031 - primarily to meet the changing needs of the existing population. The RDSE allocates a dwelling target of 14,400 (60%) new dwellings to the eastern part of the LGA (east of the Cumberland Highway) to be built by 2031. The rationale being the eastern part of the LGA accommodates approximately 60% of the existing population.

The new dwellings allocated to the eastern half of the LGA are proposed to be medium density (7,200) and high density (7,200) to meet the needs of the changing demographics and household sizes. The RDS assumes that the current stocks of low density housing within the LGA is sufficient to meet the future demands for that dwelling type.

4.1.2 Population growth and changing demographics

The NSW Department of Planning and Environment have projected a population increase in the Fairfield LGA of 1,219 people from 2001-2031. Notwithstanding the relatively low population growth, the demand for additional dwellings will be driven by increased demand for smaller houses as the existing population ages and average household sizes decrease (i.e. one parent families, lone person households and couples without children).

4.1.3 Centres and corridors development model

The RDSE identified the hierarchy of established centres in the eastern part of the LGA (Fairfield, Cabramatta, Canley Vale, Canley Heights, Fairfield Heights and Villawood) as locations for future housing to maximise proximity to retail, commercial, service and other employment catchments, community and infrastructure services, to ensure efficient use of existing infrastructure and to reduce demand for new infrastructure. This is a logical approach to sustainable urban development and is consistent with the direction of broader metropolitan strategic planning.

In summary, the general purpose of the strategy is to re-house the existing population in smaller dwellings closer to services and high frequency public transport in the established town centres.

4.2 The Sustainable Development Framework for new dwellings

The RDSE applies a Sustainable Development Framework to inform the location of future housing in the eastern part of the LGA. The four elements to the framework are outlined in the table below.

Table 1 – The Sustainable Development Framework

Element	Purpose
Centres Hierarchy	Identifies the types of centres in the LGA (i.e. Major Centre, Town Centre, Village) and allocates the six existing centres to their size, retail catchment and function.
Sustainability Matrix	Establishes a standard of service and requirements for the existing centres in accordance with their hierarchical status.
Sustainability Elements	Lists strategies and actions to assist Council meet the standards established in the Sustainability Matrix.
Urban Renewal Master Plans	Guides the long term regeneration and growth of existing centres.

The RDSE assesses the six centres against the framework to determine their individual capacity to provide additional housing whilst also providing an acceptable level of services, facilities and amenity for residents that are requisite to each centres size and function.

4.3 Centres Hierarchy

Table 2 identifies the minimum number of new dwellings each centre is required to accommodate by 2031 commensurate to their strategic role within the LGA.

Table 2 – The RDS Centres Hierarchy and dwelling targets

Centre	Type	Catchment (radius from centre)	Dwelling Target to 2031	Existing Dwellings*	New dwellings by 2031
Fairfield	Major Centre	1km	9,000 – 28,000	3,482	Min. 5,518
Cabramatta	Town Centre	800m	4,500 – 9,000	4,507	Min. achieved
Canley Vale	Village	600m	2,100 – 5,500	800	Min. 1,300
Canley Heights	Village	600m	2,100 – 5,500	1,302	Min. 800
Fairfield Heights	Village	600m	2,100 – 5,500	1,626	Min. 474
Villawood	Village	600m	2,100 – 5,500	337	Min. 1,763

*existing dwellings in 2009

If each centre achieves the minimum dwelling target in the range for their centre type, the eastern centres will need to accommodate an additional 9,855 dwellings between 2009 and 2031. The centres will then need to accommodate an additional 1,665 new dwellings by 2031 to meet the target to locate 80% (11,520) of all new dwellings in existing centres.

4.4 Opportunities and constraints to the implementation of the RSDE

The RDSE provides a thorough analysis of the elements that comprise a sustainable centre and measures each of the six eastern centres against defined sustainability criteria. The tables below provide a summary of the analysis and identifies potential barriers to housing delivery within each centre. The elements addressed in the tables are not uniform and have been included to demonstrate potential obstacles to the delivery of the new dwelling target.

4.4.1 Fairfield

Table 3 – Fairfield

Element	Status	RDSE recommendation
Natural environment	South-eastern half of the catchment is highly constrained by flooding and acid sulphate soil	Locate new housing in the north and west of the catchment.

Comment:

- A significant proportion of the housing stock within the west of the Fairfield catchment is strata owned which the RDSE acknowledges will 'preclude the likelihood of wide scale redevelopment'.
- There is minimal suitable developable land to the north of Polding Street and the Horsley Drive.
- Therefore, notwithstanding Council's intention to rezone land to R4 High Density Residential in Fairfield Precinct North and South, it is questionable whether sites can be purchased and amalgamated to deliver a minimum of 5,518 new dwellings by 2031 given the extent of strata owned development in the catchment.

4.4.2 Cabramatta

Table 4 – Cabramatta

Element	Status	RDSE recommendation
Service infrastructure (i.e. roads)	Relevant authorities to determine current capacity	Provision of services to be reviewed in line with increases in density.
Dwelling target 4,500 – 9,000	4,507 dwellings in 2009	Increase dwelling stock to support the role of Cabramatta as a strategic Town Centre

- The RDSE acknowledges that Cabramatta is severely constrained by strata development which restricts development in the short-mid-term (i.e. up to 2019). The RDSE propose additional high density development in the long term (i.e. 2019 – 2031) however, similar to Fairfield, it is questionable whether this is achievable given the extent of strata owned development in the catchment.
- Notwithstanding the constraints of strata ownership, Council resolved in 2010 to not proceed with rezoning land in Cabramatta for additional density until a Transport and Accessibility Management Plan (TMAP) had investigated the need to upgrade road and parking infrastructure to accommodate significantly increased densities (achieved by implementing the RDSE structure plan).

In short, the cost of works required to intersections, roads and parking areas to accommodate increased density are prohibitive. Notwithstanding, Council recognise the need to accommodate change and scope for new housing in and around the Cabramatta town centre and are proposing to undertake further investigations to identify scope for future urban infill without

compromising the capacity of the current road network. It is not known whether Cabramatta will have capacity to deliver any significant numbers of new dwellings prior to 2031.

4.4.3 Canley Vale

Table 5 – Canley Vale

Element	Status	RDSE recommendation
Natural environment	Centre highly constrained by flooding impacts	Minimise additional development and increases in density in areas impacted by flooding.

- The RDSE acknowledges that the Orphan School Creek presents a high flood risk and almost the entire catchment to the south of the creek is subject to the Probable Maximum Flood risk. Whilst this hasn't constrained development in the past it recommends locating high density development within and adjacent to the existing core. High density was incorporated by Council in the town core in the Fairfield LEP.
- Similar to Fairfield and Cabramatta, Canley Vale accommodates a significant proportion of strata development in the town centre which makes significant redevelopment unlikely prior to 2019. The RDSE acknowledges that there is limited opportunity to meet the dwelling target of a minimum 1,300 due to constraints.

4.4.4 Canley Heights

Table 6 – Canley Heights

Element	Status	RDSE recommendation
Village Centre dwelling target 2,100 – 5,500	1,302 dwellings (2009)	Promote shop top housing and high density residential around the commercial core to meet the lower level dwelling range for a village.

- Canley Heights is relatively unconstrained by factors that impact on significant housing growth in the other centres in the eastern LGA. However, the centre is not serviced by high frequency rail and this is reflected in the modest dwelling target of a minimum 800 new dwellings to 2031.

4.4.5 Fairfield Heights

Table 7 – Fairfield Heights

Element	Status	RDSE recommendation
Public Transport	Two bus services	Review opportunity to develop Polding Street as a key-east west bus route.
Village Centre dwelling target 2,100 – 5,500	1,626 dwellings (2009)	Promote shop top housing and high density residential around the commercial core to meet the dwelling range for a village.

- Council resolved not to proceed with rezoning Fairfield Heights for high density residential and did not pursue the opportunity to develop Polding Street as a key bus route.
- Phase 2 of the implementation process is currently seeking to rezone land to the east of the centre within the Fairfield – Fairfield Heights' corridor to R4 High Density Residential.

4.4.6 Villawood

Table 8 – Villawood

Element	Status	RDSE recommendation
Village Centre dwelling target 2,100 – 5,500	337 dwellings (2009)	Limited opportunity to meet dwelling target due to Bankstown LGA boundary and industrial uses

- Notwithstanding the constraints on Villawood, the RDSE identified some limited opportunities for increased density around the railway station. This has been reflected by the existing R4 High Density Residential zone close to the station in the Fairfield LEP 2013. Phase 2 of the implementation process is seeking to increase the R4 zone within the town centre. Villawood isn't constrained by large amounts of strata development so isn't as restricted as Fairfield, Cabramatta or Canley Vale.

4.4.7 Summary

In summary, the RDSE and Council have identified significant constraints to new high and medium density residential development in Fairfield, Cabramatta and Canley Vale. The constraints to development are unlikely to be resolved in the short to medium term (i.e. prior to 2019) to allow the delivery of the significant number of new dwellings required to meet the 2031 target.

4.5 Housing delivery

4.5.1 Dwelling approvals

The State Government's dwelling target of 24,000 was set in 2007, meaning 1,000 new dwellings on average were required to be approved per year from 2007 - 2031. The RDSE sets a target of 14,400 new dwellings from 2009 – 2031, meaning 655 new dwellings are required to be approved in the eastern LGA on average per year to 2031 to meet the dwelling target for the eastern LGA.

The total dwelling units approved in the LGA from financial year 2007-08 to December 2015 are provided in Table 9 below.

Table 9 –

FY Year	Total
2007-08	352
2008-09	487
2009-10	835
2010-11	580
2011-12	504
2012-13	477
2013-14	733
2014-15	880
2015-16 (to December 2015)	492
TOTAL	5,340

The total dwelling units approved demonstrates the following:

- The average annual rate of dwelling approvals for the LGA is approximately 630. This is 3.8% below the rate of approvals required to meet the eastern precinct target; and 37% below the rate of approvals to meet the LGA target.
- The total number of dwelling approvals (5,340) leaves a requirement to approve 18,660 from 2016 – 2031 to meet the target. This equates to an increased requirement to approve on average 1,244 new dwellings per year to 2031.

It is clear that the number of dwellings required to be approved annually to meet the 2031 target is increasing.

The low rate of approvals and the significant development constraints to the key strategic centres of Fairfield and Cabramatta raise serious concerns about the capacity of the RDSE and the Fairfield LEP to deliver the dwellings required to meet the needs of the population by 2031.

5.0 Summary

The RDSE provides a robust analysis of the population and housing requirements of the Fairfield LGA. The principles to locate additional high and medium density housing in the existing centres and along transport corridors represents sound planning logic. The RDSE identifies where to rezone land to provide 11,520 new dwellings within the existing town centres, however, it acknowledges that there are significant material constraints (strata development, site amalgamation and traffic impacts) to large scale redevelopment in the key town centres of Fairfield and Cabramatta.

The constraints are unlikely to be resolved in the short – medium term (i.e. prior to 2019) and it is questionable if the new dwellings forecast in the RSDE will be delivered in Fairfield and Cabramatta prior to 2031. This places additional pressure on Canley Heights, Villawood, Fairfield East and the corridors between Fairfield and Fairfield Heights and Fairfield and Canley Vale. These locations have not been identified to accommodate the majority of the additional capacity and are also required to go through processes such as site amalgamation - notwithstanding the lower prevalence of strata development.

Other locations and sites that are capable of delivering the new dwellings to meet the future needs of the population need to start being considered by Council. The site at 400-404 Cabramatta Road West, 2 Orange Grove Road and 6 Links Avenue has strategic planning merit and is considered suitable for rezoning for higher density residential development. Increasing residential density on the site will have a material impact on reducing the overall dwelling target and deliver housing in an appropriate location.