



**Question on notice from The Hon. MARK BUTTIGIEG
To David Reynolds page 54 of transcript.**

Portfolio Committee No. 7 - Planning and Environment, Development of the Transport Oriented Development Program Uncorrected, Macquarie Room, Parliament House, Sydney, on Monday 20 May 2024

The Hon. MARK BUTTIGIEG: *Thank you. Mr. Reynolds, can I clarify something? The submission labelled 49 is critical of the reforms you've just outlined, yet submission 49A states on page 2: "We commend the NSW Government in principle for undertaking a Transport-Oriented Development Program as a new housing strategy."*

Would you be able to take on notice who is for and who is against in terms of the constituency input? I think it is important the Committee understands that this is not a general representation from your constituents.

Response:

There are no dissenting voices in the groups we represent. None endorse the simplistic view that just "more supply will fix the housing crisis" which is the premise of the Transport Orientated Development SEPP.

The NSW Government's response to the housing crisis is flawed as it does not address the underlying causes of housing unaffordability and restricted supply including:

- Developers land-banking
- Developers converting affordable housing into luxury accommodation
- 3 decades of a lack of Government investment in new social housing

- Construction labour shortages & supply chain constraints
- Macroeconomic cost pressures (inflation & higher interest rates)
- Population Growth
- Empty dwellings
- Short Term Rentals

This response can be published and attributed to me.

If you require any clarification, please do not hesitate to call.

Regards,
David Reynolds
Save Greater Sydney Coalition



re. Question from The Hon Scott Farlow re Sydney's density, page 53 Portfolio Committee No. 7 - Planning and Environment, Development of the Transport Oriented Development Program Uncorrected, Macquarie Room, Parliament House, Sydney, on Monday 20 May 2024

The Hon. SCOTT FARLOW: *Mr Reynolds and Ms Witt, I'll raise one of the points in your submission. You talk about how one of the Premier's favourite things to talk about is, effectively, Sydney being one of the least dense cities in the world. You highlight in your submission that Sydney's density is actually much higher than people would think but it's whittled away because of statistical anomalies when it comes to national parks, waterways and the like. Have you got any further information that you could provide the Committee in terms of Sydney's density, or is it something that should be looked at on a place-by-place basis, so to speak?*

According to Dr Michael Grosvenor, an urban planning expert at the University of Southern Queensland, [Sydney is a victim of poor statistical reporting with respect to density.](#)

Dr Grosvenor has [questioned research](#) from the US think tank Demographia, which ranked Sydney as 936th (approximately 1,900 people/km²) against other world cities in terms of population density.

He said that whilst recent global comparisons placed Sydney as sparsely populated compared to American cities such as Los Angeles, Chicago, and Seattle, this is not the reality as such measurements are not done properly.

Unlike comparable American cities, the Sydney region boundaries include national parks and large tracts of open space, which distorts the average. If the measure considers the residents of Potts Point, Chippendale, and

Ultimo, which are inner-city suburbs located east of Sydney and are about two to three kilometres from the city's central business district (CBD), then population density would rise to above 15,000 people/ km². Even Parramatta, which is located on the western side of Sydney at a distance of almost 25 kilometres from the main CBD, can be considered as densely populated with 4,800 people/km².

In areas where respective councils allow for development, Sydney is definitely one of the most densely populated cities around the world, according to Dr Grosvenor.

Dr. Grosvenor suggests the method employed by the European Commission to create a map called the Global Human Settlement Layer would give a better indication of true density levels. It measures density by dividing urban areas into square metre blocks and considers only those blocks where people actually live.

Sources:

[Population Density: How does Australia compare to to the rest of the world by Irene Gotley](#), Spacer

[The truth about how many people are being packed into Sydney](#) by Nigel Gladstone, July 22, 2018

re. London's Affordable Housing Target of 50%, page 53

Merrill Witt: What I was really shocked about—London, for example, 50 per cent, now, affordable housing target. They're actually making great strides. I'd be happy on notice to send you a really excellent article about that because there have been pushbacks by developers to accommodating that. It just highlights how you need to be really ambitious in terms of the affordable housing targets as well. But getting back to the density, I'd be happy to provide more information on notice.

London has set an affordable housing target of 50%.

Critics have argued that the housing target is too high and stifles development because of the significant costs it imposes on developers. But the Mayor of London Sadiq Khan has contested these claims, noting that:

- With respect to affordable housing delivery overall, in 2022/23, registered providers in London made starts on 15,391 affordable homes and delivered 11,260 homes. This compares to 34,546 and 38,584 respectively elsewhere in England in 2022-23.
- Based on additional affordable housing supply statistics prepared by the Greater London Authority (GLA), London started construction of 10,986 council homes in 2022/23, compared with 5,146 council homes started in the rest of the country.
- The [amount of affordable housing provided on major developments](#) referred to the Mayor for planning approval has doubled from 22% in 2016 to 41% in 2023.
- The above figures were noted in a [6 September 2023 briefing prepared by the RPS Group](#), which highlighted the success to date of the London Plan:

The London Plan set an annual target of 52,000 new homes a year between 2019/20-2028/29 across 32 London Boroughs, the City of London Corporation and two Mayoral Development Corporations. The need for affordable housing in the capital is immense, with the 2017 London Strategic Housing Market Assessment (SHMA) identifying that 65% of London's need is for affordable housing.

It seeks to rise to this challenge by setting a strategic target that 50% of all new homes delivered across London are to be 'genuinely' affordable.

Circa 71% of the annual target of 52,000 new homes was met in 2020/21. According to the Department for Levelling Up, Housing and Communities' (DLUHC) main measure of new housing supply, 37,180

*net additional homes were completed in London in 2020/21, which is a decrease of 6.7% from the 2019/21 figure, a likely reflection in part of the impact of the pandemic (source: GLA, Housing in London 2022). **However, the GLA is improving in terms of affordable housing delivery. In this respect, 37% of homes recommended for approval by the Mayor in 2021 were affordable homes. This is the same proportion as in 2019/20 and a significant increase from the period between 2012 and 2017 (source: GLA Housing in London 2022).***

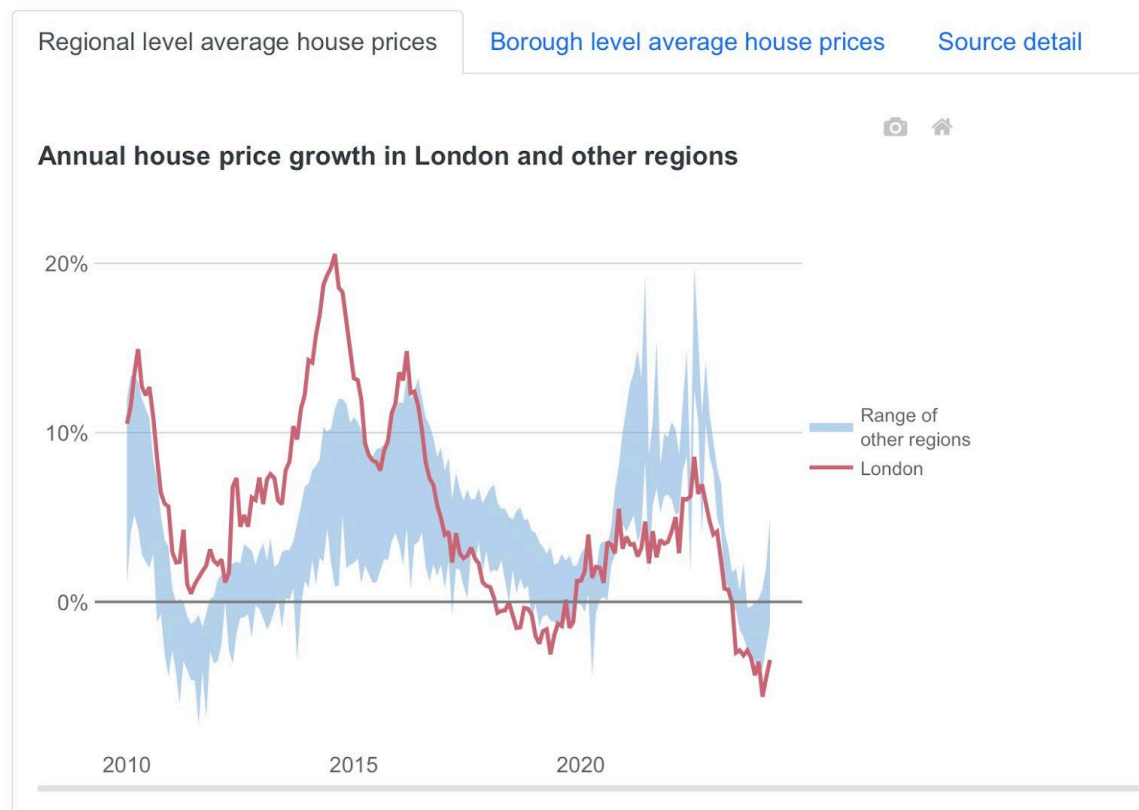
Notes:

Affordable homes incorporate all housing tenures that are not for market rent or sale. This includes tenures from social rent, whereby tenants pay about half market rent value, to shared ownership, whereby residents buy a share of the home and pay rent on the rest.

London is an interesting case study. In recent years, house prices have declined dramatically (now starting to recover) but rents have soared (the rate of increase is now starting to slow). See graphs below from [GLA: London Housing Market Report, May 2024](#). However, as the above data highlight, the 50% affordable housing target has not been inherently restrictive in increasing supply, suggesting that the situation for renters would be probably even worse if it wasn't in place.

House Prices

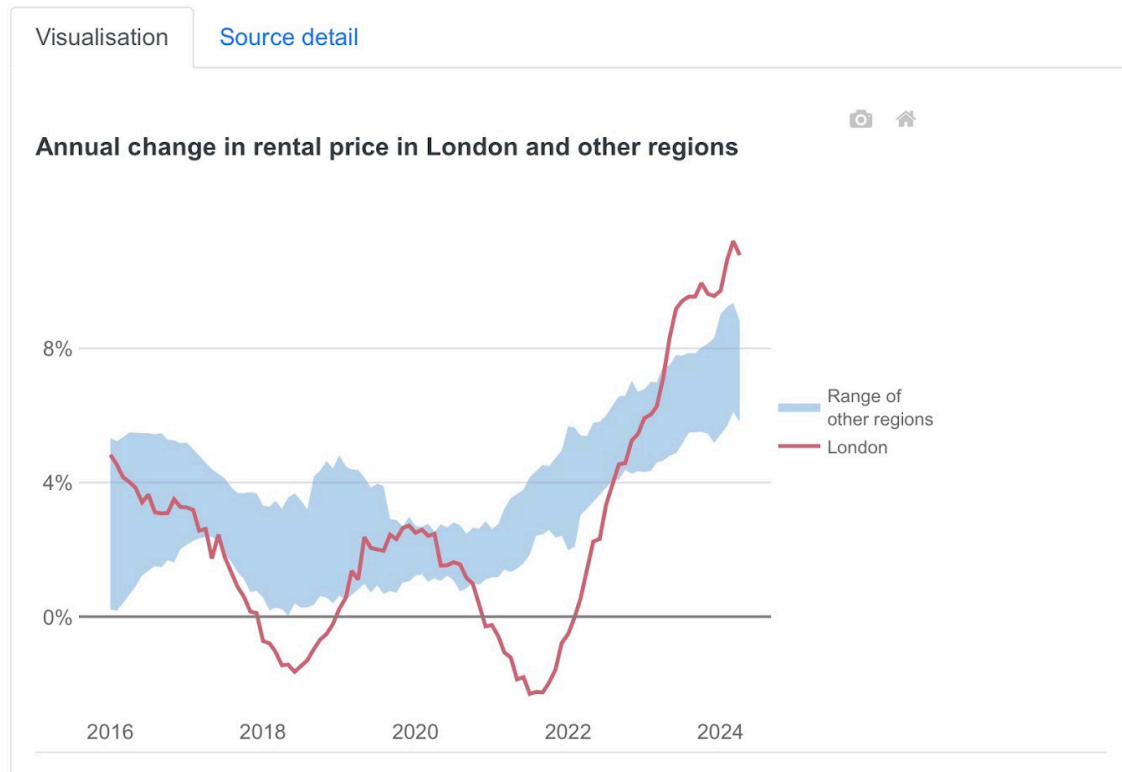
The average price of homes sold in London fell to the lowest level seen since 2021, but asking prices have seen a marginal increase in recent months.



Source: ONS, UK House Price Index.

Rent

The rate of growth in average asking rents for new tenancies in London has stabilised over the two quarters, but unaffordability remains high.



Source: ONS Price Index of Private Rents.

- According to the new [ONS Price Index of Private Rents](#), which covers both new and existing tenancies, the average monthly private rent in London reached a record high of £2,070 in April 2024, up 10.7% in the last year. This was the second highest rate of growth since the start of the data in 2015, after the peak of 11.2% in peak in March.
- [Rightmove](#) report that average asking rents for new tenancies in London reached £2,633 a month in Q1 2024, with the annual growth in rents prices slowing to 5.3%, the lowest rate since 2021. The rate of growth in asking rents for the rest of Britain surpassed London at 8.5% for the second quarter in a row.

Sources

[GLA: London Housing Market Report, May 2024](#) by Guk Yu June 3, 2024

[Mayor hails record-breaking housing delivery as he meets his promise to start 116,000 affordable homes for Londoners](#), Mayor of London, Legislative Assembly, 14 May 2024

[Enabling housing delivery: What has been delivered in London to date?](#)

RPS Group, 6 September 2023

The Hon. SCOTT FARLOW: *thank you. Yes Mr Reynolds?*

DAVID REYNOLDS: I can provide you with some analysis that's previously been done on the Campsie town plan and the increase in density there. The proposed increase in population that was done there—for those dwellings of 2.8 persons per dwelling that they were planning on adding to the 3.1 square kilometres that is Campsie would have given Campsie an average population density greater than New York City. That's the seven boroughs. That's the sort of thing. You have these islands of high density already that aren't recognized across Sydney, and then you have these massive areas of open-space green that aren't touched or waterways.

Response:

[Campsie Town Plan 24th May 2022 Council Meeting states on page 125](#)

“The Housing Strategy allocates a target of 5,600 new homes in the Campsie Town Centre alongside 760 new homes at the Canterbury Road and Beamish Street node by 2036” (total 6360).

[idCommunity demographic resources](#)

- The 2023 Estimated Resident Population for Campsie is 27,284, with a population density of 8,157 persons per square km.
- Adding 6,360 additional dwellings with the same average number of people per dwelling 2.6 per dwelling ([ABS 2121 census](#)) will add an additional 16,536 people into the area along Beamish St from Canterbury Road to 400 metres the northern side of the railway.
- This is a 60% increase of population of the whole of Campsie to 43,820 people in 3.34 sq km = density 13,120 people per sq km.

New York [population density](#) is 10,194 per SQ KM ([Wikipedia](#))

David Reynolds: A correction of the 15% Affordable housing target I stated in the hearing – the actual was 5 to 10%

The Greater Sydney Commission | South District Plan Affordable housing target was stated as “Affordable Rental Housing Targets that are generally in the range of 5–10 percent of new residential floor space” no longer available online.

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Affordable Rental Housing Targets

Housing has a dual social and economic role across Greater Sydney. Communities require housing that meets changing demographic needs over time and that provides stability. At the same time housing has an economic productivity role by providing housing choice and affordability for a cross section of workers.

Research and testing of needs through stakeholder and community consultation reaffirms the critical importance of providing a diversity of housing across the housing continuum in Greater Sydney.

Ensuring a steady supply of market housing in locations supported by existing or planned services and amenity, with an emphasis on public transport access, is outlined in (Objective 10) of *A Metropolis of Three Cities*.

The Affordable Rental Housing State Environmental Planning Policy provides incentives for development projects to include a 10-year term for affordable rental housing dwellings for very low to moderate income households; however, the areas where this is being applied are limited.

A Metropolis of Three Cities includes Affordable Rental Housing Targets for very low to low-income households in Greater Sydney. Affordable Rental Housing Targets that are generally in the range of 5–10 per cent of new residential floor space are subject to viability. *A Metropolis of Three Cities* identifies the need for further work by the Greater