

Renewing the Sydenham to Bankstown Corridor: A Prospectus for Inclusive Renewal



Sydenham to Bankstown

URBAN RENEWAL CORRIDOR STRATEGY

OCTOBER 2015



City Futures Research Centre, July 2018



UNSW
AUSTRALIA



Introduction: A brand new challenge for planning in Sydney

Sydney faces a new and highly disruptive renewal challenge. Renewing the Sydenham to Bankstown Corridor will face issues that will severely test the existing planning orthodoxies and practices that have guided large scale urban renewal in Sydney to date. We need a new approach to this challenging task that will benefit both those who currently live there as well as the new community that will arrive over the next twenty years.

There is a key difference between the task facing the planned renewal in the Corridor compared with other major renewal projects to date. Put simply, this corridor is home to one of the last lower-cost housing markets within 20 kms from Sydney's CBD. As we illustrate below, it is predominately a private housing market typified by a high proportion of lower-income households, many of whom are renting. There are pressing problems: almost one in five live in overcrowded households; two in five are households with children; and existing housing stress is high. Its community profile reflects the multicultural nature of the Sydney suburban population, with many of its residents recently arrived from overseas. But crucially, the neighbourhoods along this corridor provide places these communities call home. Not only do they provide relatively more affordable homes, but also a mix of community facilities, employment, services and shopping that meets their varied needs.

Even without this challenging social context, the renewal of the Corridor will not be an easy task. Property ownership patterns are highly fragmented with high proportions of older strata and non-strata apartment buildings clustered around the town centres. Employment is concentrated in lower-skilled retail, with administrative and service sectors also reliant on affordable property leases.

Assembling these sites to suit the current large-scale block development model and ensuring the outcomes will offer appropriately affordable homes and business premises will not be easy. As our analysis below shows, there will be a significant '**affordability gap**' between the capacities of existing community to pay for housing and the likely costs of the replacement homes the market will provide. Most importantly, any renewal process will need the voices of those directly impacted to be clearly heard and their aspirations accommodated.

These challenges present a disruptive and immensely complex environment within which the planned delivery of this comprehensive renewal program must be achieved.

Quite clearly, implementation of the planned renewal of these centres will not be business as usual. A 'zone it and walk away' laissez faire approach will not work here. The

renewal that is planned in this corridor to accompany the new rail line will need a much greater degree of public commitment and intervention than has previously been the case for urban renewal projects. Most importantly, it will need a much greater engagement with the communities involved.

The premature release by the NSW Department of Planning and Environment of the rezoning scheme for the corridor in late 2015 was a major mistake that has the potential to de-rail the planning process. However, it is not too late to reboot the planning of the corridor by a visionary renewal process that will benefit the communities who already live and work here, as well as provide much needed new housing and quality neighbourhoods for the new population who will arrive in the next twenty years.

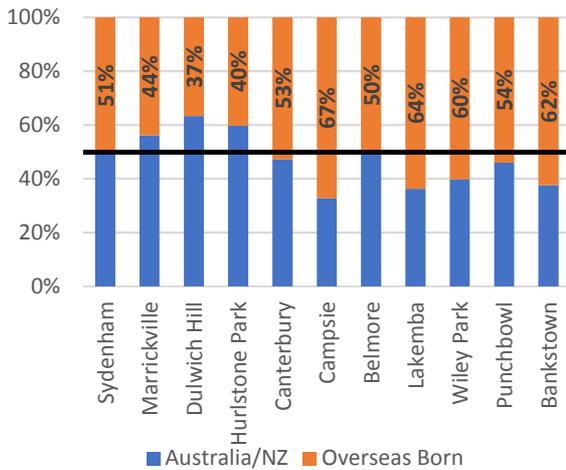
What cannot be allowed to happen is the wholesale displacement of the existing community and its replacement with sterile neighbourhoods that have been seen in comparable locations across Sydney. These planning blunders will be with us – and those who live in the outcome – for decades.

The recent passing of the Transport Administration Amendment (Sydney Metro) Act 2018 No 18 has given extraordinary powers to the new Sydney Metro Corporation to intervene in land development "in the locality" of metro stations along the line. But without careful coordination, appropriate resourcing and targeted interventions, the renewal of this vibrant, but vulnerable, community could result in an unprecedented process of social displacement and exclusion and the creation of dismal high-density dormitory suburbs feeding the CBD. Our planning for the Sydenham to Bankstown Corridor must ensure this is not the outcome.

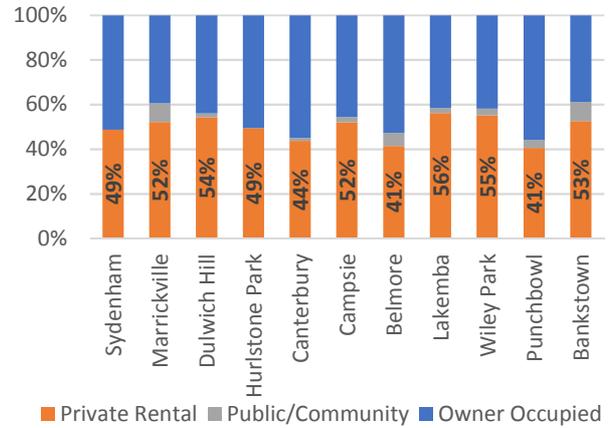
This short prospectus outlines some of the challenges facing the renewal effort in the Sydenham to Bankstown Corridor. It then proposes the principles on which a policy response needs to be based and reviews a range of possible policy responses that, we argue, will need to be incorporated into any integrated planning process for the corridor.

Who's there already?

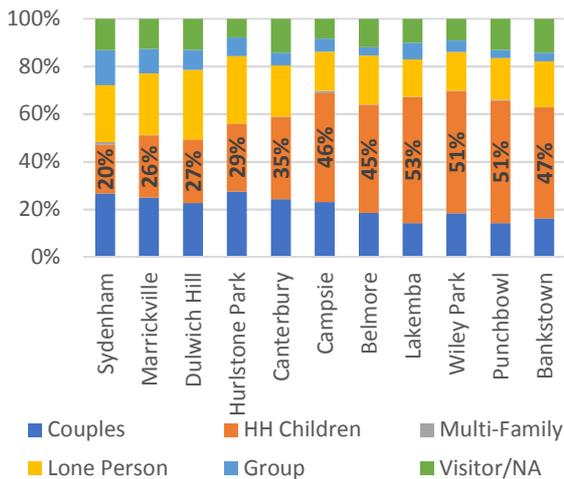
A diverse community: in 7 of the 11 precincts, overseas born residents outnumber Australian born, with large numbers from Northeast, Central and Southern Asia.



Renters dominate: in 6 of the 11 precincts renters are the largest group of households, and in all areas there is a much higher share than the Sydney average.



Families with children: from Campsie to Bankstown, there are very high rates of households with children.

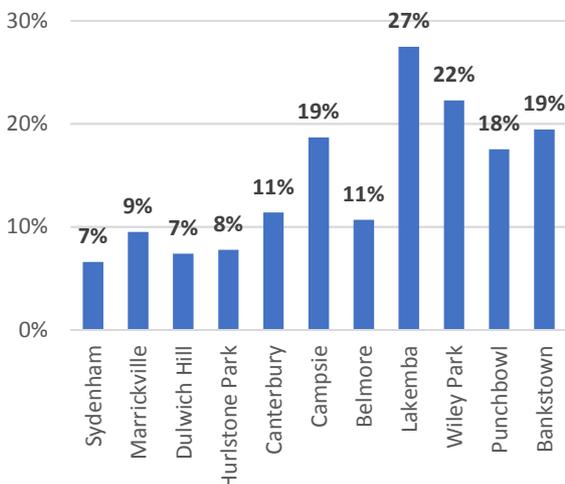


Poor affordability: rents are low by Sydney standards, but so are incomes, so few households are able to rent affordably. The same is true of unit sales with prices up to 10 times median household incomes.

| Precinct | Median renter income/week | Median rent | % rents not affordable* |
|----------------|---------------------------|-------------|-------------------------|
| Sydenham | \$1,712 | \$650 | 60% |
| Marrickville | \$1,595 | \$550 | 58% |
| Dulwich Hill | \$1,693 | \$520 | 51% |
| Hurlstone Park | \$1,428 | \$510 | 66% |
| Canterbury | \$1,289 | \$510 | 66% |
| Campsie | \$1,157 | \$450 | 65% |
| Belmore | \$1,068 | \$430 | 72% |
| Lakemba | \$990 | \$380 | 74% |
| Wiley Park | \$1,029 | \$380 | 71% |
| Punchbowl | \$880 | \$425 | 80% |
| Bankstown | \$1,022 | \$450 | 78% |

*at 30% household income

Overcrowding: 1 in 5 households in Campsie and over 1 in 4 households in Lakemba need more bedrooms.



| Precinct | Sale price (2br unit) | Median hhd income/year | Income/Price |
|----------------|-----------------------|------------------------|--------------|
| Sydenham | \$800,000 | \$96,772 | 8.3 |
| Marrickville | \$798,000 | \$86,590 | 9.2 |
| Dulwich Hill | \$773,000 | \$93,158 | 8.3 |
| Hurlstone Park | \$768,000 | \$78,000 | 9.8 |
| Canterbury | \$750,000 | \$77,425 | 9.7 |
| Campsie | \$615,000 | \$59,945 | 10.3 |
| Belmore | \$575,000 | \$58,216 | 9.9 |
| Lakemba | \$430,000 | \$52,312 | 8.2 |
| Wiley Park | \$430,000 | \$55,536 | 7.7 |
| Punchbowl | \$465,000 | \$55,787 | 8.3 |
| Bankstown | \$500,000 | \$54,527 | 9.2 |

What's being planned?

Current plans cover an area of over 36,000 existing dwellings. Achieving these dwelling growth targets suggests a large of proportion of this would need to be replaced.

| | DPE dwelling growth target | Current dwellings (ABS 2016) | Potential construction including re-placement |
|----------------|----------------------------|------------------------------|---|
| Sydenham | 501 | 253 | 754 |
| Marrickville | 6,000 | 2,978 | 8,978 |
| Dulwich Hill | 2,000 | 2,610 | 4,610 |
| Hurlstone Park | 102 | 292 | 394 |
| Canterbury | 4,000 | 2,357 | 6,357 |
| Campsie | 6,000 | 8,205 | 14,205 |
| Belmore | 3,000 | 3,583 | 6,583 |
| Lakemba | 3,450 | 5,039 | 8,489 |
| Wiley Park | 2,400 | 3,821 | 6,221 |
| Punchbowl | 2,400 | 2,820 | 5,220 |
| Bankstown | 6,000 | 4,782 | 10,782 |
| Total | 35,853 | 36,740 | 72,593 |

Existing dwelling mix: proposed rezonings cover areas that are already predominantly units or apartments (67%)



Unaffordable new development for rental: new developments are unlikely to be affordable to existing renters, with likely outturn rents unaffordable to over 80% of existing households from Lakemba to Bankstown.

| | Expected new rents (2br unit) | % rents not affordable* |
|----------------|-------------------------------|-------------------------|
| Sydenham | \$650 | 60% |
| Marrickville | \$650 | 69% |
| Dulwich Hill | \$670 | 69% |
| Hurlstone Park | \$585 | 73% |
| Canterbury | \$585 | 72% |
| Campsie | \$555 | 74% |
| Belmore | \$565 | 79% |
| Lakemba | \$500 | 84% |
| Wiley Park | \$500 | 84% |
| Punchbowl | \$500 | 85% |
| Bankstown | \$475 | 80% |

*at 30% household income

And unaffordable sales: prices for new apartment sales along the corridor are clearly well above the capacity of local households to afford to buy into new developments

| | New sales (2br unit) | Median hhd income/year | Income/Price |
|----------------|----------------------|------------------------|--------------|
| Sydenham | N/A | \$96,772 | N/A |
| Marrickville | \$850,000 | \$86,590 | 9.8 |
| Dulwich Hill | \$825,000 | \$93,158 | 8.9 |
| Hurlstone Park | \$775,000 | \$78,000 | 9.9 |
| Canterbury | \$725,000 | \$77,425 | 9.4 |
| Campsie | \$725,000 | \$59,945 | 12.1 |
| Belmore | \$660,000 | \$58,216 | 11.3 |
| Lakemba | \$685,000 | \$52,312 | 13.1 |
| Wiley Park | \$685,000 | \$55,536 | 12.3 |
| Punchbowl | \$575,000 | \$55,787 | 10.3 |
| Bankstown | \$615,000 | \$54,527 | 11.3 |

Note: Data for these sections was derived from the ABS 2016 Census, NSW Housing Rent and Sales reports and realestate.com.au.

What are the barriers to inclusive renewal?

Recent research undertaken by City Futures has examined the process of renewal in three locations in Sydney and three in Perth.¹ The findings pointed to a series of impediments that led to poor outcomes for residents. But the research also highlighted areas where good planning policy could improve these outcomes.

The research identified three key issues as sticking points in large-scale urban renewal: **governance; infrastructure; and density.**

Governance: two main challenges arise here – uncertainty in the planning process and insufficient inter-agency coordination. The research indicates that the most frustrating aspect of planning processes was not speed, or even complexity, but a lack of certainty about what outcomes would ultimately emerge. For large urban renewal sites, inter-agency coordination also posed a significant challenge. One solution is that a development agency should be tasked with the coordination role which will also involve managing multiple private and community interests.

Infrastructure: The research identified three key frustrations with the way infrastructure is planned and provided for major urban renewal sites: (i) it often lags far behind the housing development; (ii) the integration of land-use and infrastructure planning is often poor; and (iii) the infrastructure requirement in urban renewal contexts is often poorly understood or acknowledged. The research demonstrates that urban renewal policies do not adequately acknowledge existing infrastructure capacity issues and that far greater prioritisation and coordination of infrastructure planning is required if the community is to consider infill urban renewal projects a success.

Density: In general, a lack of confidence and trust, by those impacted by the process, that the outcomes would match expectations – in both the quality and quantity of development – was a bigger barrier than density *per se*. The research findings suggest that while there is community appetite for ‘compact city’ living, strong government oversight is required to ensure market-driven urban renewal delivers what these residents want, need and expect. All too often, what results does not match what had been agreed during the planning consultation stage.

Previous research by City Futures identified a range of subsidiary issues facing inclusive renewal in Sydney’s

middle suburban heartlands.² First, if simply left to the market, large-scale renewal across this Corridor will either require wholesale gentrification to raise values sufficiently to ensure any building takes place, or it won’t happen at all. Secondly, without a strong overarching governance framework with clear lines of responsibility and coordination including capacity to determine the scale and form of the redevelopment, there was often a gap between what the renewal process promised and what was actually delivered on the ground.

Changing the renewal narrative

Given the need to ensure the renewal of the Sydenham to Bankstown Corridor accounts for both current community needs and well as longer term community requirements, this clearly points to a renewal process that is both inclusive and holistic in its approach. To date, current urban renewal frameworks in Sydney have struggled to do either.

In order to avoid the low amenity and low liveability outcomes, which have resulted from higher-density redevelopment in comparable areas of Sydney, we need to reset the narrative regarding urban renewal. There needs to be an honest and open discussion between politicians, policy makers and communities about the kind of city we are and what we want to be. Renewal overtly dictated by development feasibilities and chasing supply numbers is not a model pursued by more progressive cities around the world. We need to learn from our ‘Global City’ comparators and get a better balance between people-based, civic-minded outcomes and development pressures.

In particular, we need a new way to develop **Local Renewal Strategies** that reflect local contexts and realities, including the community that will be impacted by the proposed changes, and develop a framework that drives renewal from the ground up, not the usual top-down directive that currently passes for urban renewal policy. A holistic approach – with meaningful input from communities directly affected – can provide more robust, transparent foundations for neighbourhoods undergoing extensive change.

The basis of an inclusive approach in NSW already exists. Local Renewal Strategies should reflect the coordinated, collaborative outcome of local planning responsibilities using recent amendments to the EP&A Act, including the preparation of *Local Strategic Planning Statements*,

¹ Planning in a Market Economy: The Case of the Compact City. ARC Discovery Grant DP140100452.

² Pinnegar, S., and Randolph, B. (2013) *Renewing the West: Prospects for urban regeneration in Sydney’s western suburbs*, City Futures Research Centre Research Paper 13,

be.unsw.edu.au/sites/default/files/upload/City%20Futures%20Research%20Paper%20No.%2013.pdf; Troy, L., Randolph, B., Pinnegar, S. and Easthope, E. (2015) *Planning the end of the compact city?* 7th State of Australian Cities Conference, Gold Coast 12 December 2015: apo.org.au/system/files/63319/apo-nid63319-98896.pdf.

development of *Community Participation Plans* and revisions made to *Infrastructure Contributions in Planned Precincts*. The Greater Sydney Commission's requirement for LGAs to prepare *Local Housing Strategies* should also underpin Local Renewal Strategies as a key contributory element. The Commission's development of *Collaboration Areas* offers insights into how a range of relevant stakeholders can be drawn into a collective process of decision making to deliver change at the local level.

Moreover, we have long-standing experience of how vulnerable local communities can be engaged in the renewal of their homes through the estate regeneration programs undertaken over several decades by Housing NSW. Exemplars such as the *Riverwood* and *Bonnyrigg* renewal projects offer lessons for how similar partnership approaches involving the public, private and non-profit sectors and the community could be implemented in the Sydenham to Bankstown Corridor. We should use these and other examples to inform a new approach.

A prospectus for inclusive renewal

The following principles will need to be applied to any approach to the comprehensive renewal along the Sydenham to Bankstown Corridor:

Inclusiveness – there is a major potential for urban renewal to result in widespread community disruption. The threat of major social displacement through the crude operation of market outcomes must be avoided. The benefits of renewal must be enjoyed by both the existing and new communities. *The focus must be on community retention, not community displacement.*

Affordability – This means a full engagement with the provision of affordable housing, at a scale sufficient to provide homes, both for rent and sale, for the existing community otherwise expected to be displaced by the process of renewal. The same principle applies to local businesses – premises must be made available to support the retention of business activities that provide critical local amenity and employment to these town centres. *The renewal process must address the 'affordability gap'.*

Engagement – the plans for the renewal process will need to be grounded in the needs, aspirations and expectations of the communities impacted. Current approaches to 'consultation' will need to be replaced by a thoroughgoing process of community involvement and negotiation. Local plans need to reflect local aspirations and needs, and therefore need to be driven by those involved. *Those involved on the ground need to be included in the decision-making process, not the last to know.*

Subsidiarity – the planning processes employed in most renewal programs across Sydney have suffered from a top-down directive approach in which local interests are excluded until all the major decisions have been made. This is simply unacceptable for the vibrant and engaged

communities along the Corridor. *The principle of subsidiarity should apply at all levels of decision making – with the local level being in the ascendant.*

The renewal of the Sydenham to Bankstown Corridor will be challenging. It is not expected that these renewal process can simply be left to the market to work its way through these centres in an *ad hoc* manner. Consequently, a range of interventions will need to be developed to support and coordinate the implementation of the renewal process, to ensure proper local involvement in decision making, staging and funding of new local infrastructure, and viability of the process over the longer term that will not be at the mercy of unpredictable property cycles. Most importantly, given that land will be needed for public infrastructure such as open space and educational facilities, a new mechanism will be needed to make collective decisions and to fairly share the value created across the precinct by the rezoning and renewal process between community benefit and land owners.

Local Renewal Strategies – a framework for community-led change

We propose a new local planning framework that will first establish **Local Renewal Strategies**, and then deliver renewal plans for the precincts along the Corridor.

Local Renewal Strategies will take full account of citywide strategic directions provided through the Greater Sydney Region Plan and associated District Plan process but, crucially, **will put the local context first**. The Strategies will establish the local displacement that could be created by the renewal process and development proponents will then be required to demonstrate and put in place affordable solutions to support the businesses and households impacted by their proposals.

Local Renewal Strategies should not be fixed 'blueprints' which simply replicate existing top-down approaches to renewal, which have been dictated by a pre-determined 'master plan' developed behind closed doors by the Department of Planning and Environment before being released, followed by a 'consultation' process in which little can be changed in practice. A coordinated and integrated approach is required, and it needs to be owned at the local level. This represents a significant departure from traditional place-based renewal models. **Local Renewal Strategies** need to offer frameworks within which a bottom-up approach to renewal can be stewarded.

We must recognise that urban renewal is not simply a design-led solution seeking to transform tired and ageing neighbourhoods into shiny new replicas of Green Square. The 'Precincts' along the Sydenham-Bankstown corridor offer diverse, relatively affordable housing stock and are already home to highly diverse communities. Despite pressures to densify to presumed feasibility calculations, often the best solution will be to retain and preserve what is already in place – support its maintenance and

refurbishment, protect existing affordable stock and improve existing urban amenity. Apartment block refurbishments, street amenity improvements and modest redevelopment do not typically win urban design awards, but they do offer approaches which keep communities in place.

Importantly, **Local Renewal Strategies** will need to bring together the diverse local interests and capacities, to ensure benefits from urban renewal reach across the communities involved. The frameworks developed need to acknowledge competing local interests – both those at risk of displacement, and those property owners who may seek to take advantage of the opportunities opened-up through rezoning.

A further key issue will be the appropriate sharing of the value created through the renewal process, as well as the provision of sufficient incentive to those who will deliver the renewal. This is critical if a full range of community infrastructure, including open space, is to be provided to account for the much large populations.

A fundamental premise of the renewal in these precincts will be the determination and hypothecation of value created by the public planning process in awarding development rights. This will reduce speculative activity in the land market and help manage and mitigate uncertainties caused by unpredictable market cycles.

Where public land is used, that land should be retained in public ownership. Where development is undertaken on this land, the value created can either be incorporated as an equity share in the development or taken in the form of cash or in kind in return for the development rights on the land. Where privately owned land is to be redeveloped, an agreed share the value created will be designated for public use.

To this end, the renewal precincts will be subject to a new **Community Value Sharing** arrangement. This will mandate an appropriate share of the assessed value created in the renewal process to be retained for community infrastructure requirements, including affordable housing. The benefits of this value sharing arrangement for the private sector will be the significantly reduced risk environment the local strategic renewal framework will offer. Renewal activity could be coordinated and sensibly staged to be in line with matching infrastructure roll out with minimal impact on community displacement and supported by public infrastructure investment, thereby reducing uncertainty and development risk and the costs this entails. Mechanisms such as owner-led collective sales or site-redevelopment, can be melded with models which support better retention or provision of affordable housing.

What would be different to the current ‘Planned Precinct’ model?

The **Local Renewal Strategy** approach in the Corridor will require a changed mindset from Government and other key stakeholders.

First, Local Renewal Strategies will need a willingness by State Government to commit to supporting *inclusive renewal* of existing communities in what are some of Sydney’s more disadvantaged neighbourhoods.

Second, Government will need a willingness to offer more explicit support for the pivotal role played by social and affordable housing, recognising fair access to appropriate homes is both a human right as well as acting as a crucial component of the city’s social and economic infrastructure. This involves a marked shift in attitude towards investment in social housing.

Third, Government should invest in these new communities through a longer-term approach to asset growth of publicly owned land, rather than expecting renewal to make a short-term return to Treasury coffers. This will offer an in-built resilience for communities over the long term to determine the future trajectory of change and will be worth far more over time compared to selling it off for the short term hit now.

Fourth, a **Local Renewal Strategy** approach would offer greater flexibility for a wide variety of renewal models and typologies – including those led by land owners. Overarching masterplans lead to big finance and big developers. Importantly, taking a more flexible approach does not result in a suspension of good urban design. In fact, it would greatly enhance it by encouraging diversity and fine grain development. It does mean that our changing neighbourhoods will evolve more incrementally, but with greater diversity, more dispersed ownership and with much greater local control.

Fifthly, the **Community Value Sharing** approach would offer a transparent process for sharing value uplift to support infrastructure investment while at the same time offering sufficient incentive for land owners to release land. The critical word here is transparency – in the scale of value being generated and who benefits from this value.

Finally, **preservation, retention, refurbishment and partial redevelopment** are also likely to be a much larger part of the renewal mix. Densification will be achieved, but not through the development of 1000 unit mega-sites and the blighting of the local amenity that this generates. There will be a need to investigate innovative planning models, such as the Community Planning Permit system currently being trialled in Ontario³, that offer alternative approaches to local planning and should be considered in developing the Local Renewal Strategy framework.

³ www.ontario.ca/laws/regulation/160173.

Making Local Renewal Strategies work

Clearly, current NSW planning practice will not be sufficient to support the roll out of local renewal strategies over the long term. The following package of linked initiatives will therefore need to be developed and implemented in conjunction to support the planning and delivery process.

1. An arms-length precinct level **Local Renewal Agency (LRA)** will need to take responsibility for overseeing and managing the delivery of the precinct renewal process over the lifetime of the process. Led by the local councils and including representatives from the key stakeholder groups as well as the community, the LRA will be charged with the development and implementation of precinct level Local Renewal Strategies over a 10–20-year period. These would have legislated responsibilities to assemble sites for renewal and determine housing mix outcomes for subsequent development. Importantly, the LRA will work with the Sydney Metro Authority to determine land uses around stations precinct but give precedence for the aims of the Local Renewal Strategies.
2. **Local Renewal Assessments** will need to be conducted which would form part of Local Strategic Planning process introduced by the GSC. These will include economic and community renewal issues to provide a holistic picture of what the renewal process should deliver. These will underpin the development of the Local Renewal Strategies.
3. **Displacement Impact Assessments** will determine the likely range of households and businesses that would be impacted by the renewal process to inform a range of strategies to deal with any displacement process. Development proposals will need to show how they intend to account for any displacement that their proposal creates.
4. **Affordable Housing Investment Strategies.** These need to go beyond just assessing the numbers required, but also be framed as integrated delivery proposals, taking in to account planning incentives, tenure mix outcomes, gap funding and financing mechanisms, to be delivered through the community housing sector. The opportunity arises to renovate or renew aging and poor-quality private rental and owner-occupied housing, address housing problems and build community stability.
5. To expedite the process, a State funded **Local Renewal Fund** would be provided on a revolving basis to the LRA. This would be set at an appropriate level to kick start the renewal process with sufficient funding that would be returned to State Treasury over time through development surpluses, local levies and longer-term lending arrangements.
6. In line with the principle of community value sharing, a **Community Reinvestment Fund** would be created into which the hypothecated cash payments from the sale

of development rights across the renewal precinct to be reinvested into public assets within the corridor.

7. Over the longer term, a **Local Renewal Financing Package** will be needed to replace the outdated muddle of capped rates, grants, development charges and levies to support the longer-term recouping of the up-front Local Renewal Fund and to fund longer-term development requirements, to include SIC-like charges, special rates supplements and tax increment financing arrangements.

Conclusion: It *has* to be Local

Above all, the processes and decision making must be locally driven. Here, local government needs to step up to the plate and take the lead. The local government reforms have created much larger councils across the Sydenham to Bankstown Corridor. These councils now have the capacity to take on a strategic role in this process. They must be given the responsibility and the resources to do so. As noted above, recent changes to the EP&A Act as well as the new approaches taken by the Greater Sydney Commission in devolved planning offer opportunities for more inclusive and collaborative approaches to urban renewal. A separate question as to how the proposed Local Renewal Strategy framework will fit with the recently enacted 2018 Sydney Metro Act will need to be addressed at the outset, with the local strategic requirement taking precedent.

It will be impossible for the Greater Sydney Commission, the Department of Planning and Environment or the Sydney Metro Corporation to effectively manage the detailed planning and implementation of the renewal plans without explicit local involvement. Importantly, the process needs to be subject to transparent and accountable procedures to avoid the bad practices of the past, including information about development proposals and value sharing arrangements.

Get this right, and the opportunity opens up of renewing our older and socially stressed suburbs for the benefit of both those for who call these neighbourhoods home, as well as for future residents and businesses.

City Futures Research Centre
Faculty of the Built Environment
University of New South Wales
cityfutures.contact@fbe.unsw.edu.au
www.cityfutures.net.au

©City Futures Research Centre 2018

Disclaimer: The views and opinions expressed in this paper are those of the authors and do not necessarily reflect the official policy or position of the University of New South Wales or its constituent parts.