ETHOS
URBAN

Penrith Local Housing Strategy

September 2019

Prepared by © ACN 615 087 931 Pty Ltd.

CONTACT

Paul Robilliard | Director | probilliard@ethourban.com

This document has been prepared by:

Danai Fadgyas

This document has been reviewed by:

Paul Robilliard

The information contained in this document is for submission to Penrith City Council. The client shall make its own enquiries analysis and calculations and form its own views in relation to the use or development of the property including the application of local government and statutory controls. It is assumed that the client will rely on its own expertise in considering the information.
ACN 615 087 931 Pty Ltd operates under a Quality Management System that has been certified as complying with ISO 9001:2008. This report has been prepared and reviewed in accordance with that system. If the report is not signed above, it is a preliminary draft.

VERSION NO.	DATE OF ISSUE	REVISION BY	APPROVED BY
LSPS Inputs	05.04.19	DF	PR
Draft LHS	02.05.19	DF	PR
Draft LHS	22.07.19	DF	PR
Final LHS	04.09.19	DA	PR
Final LHS v.2	16.09.19	DA	PR

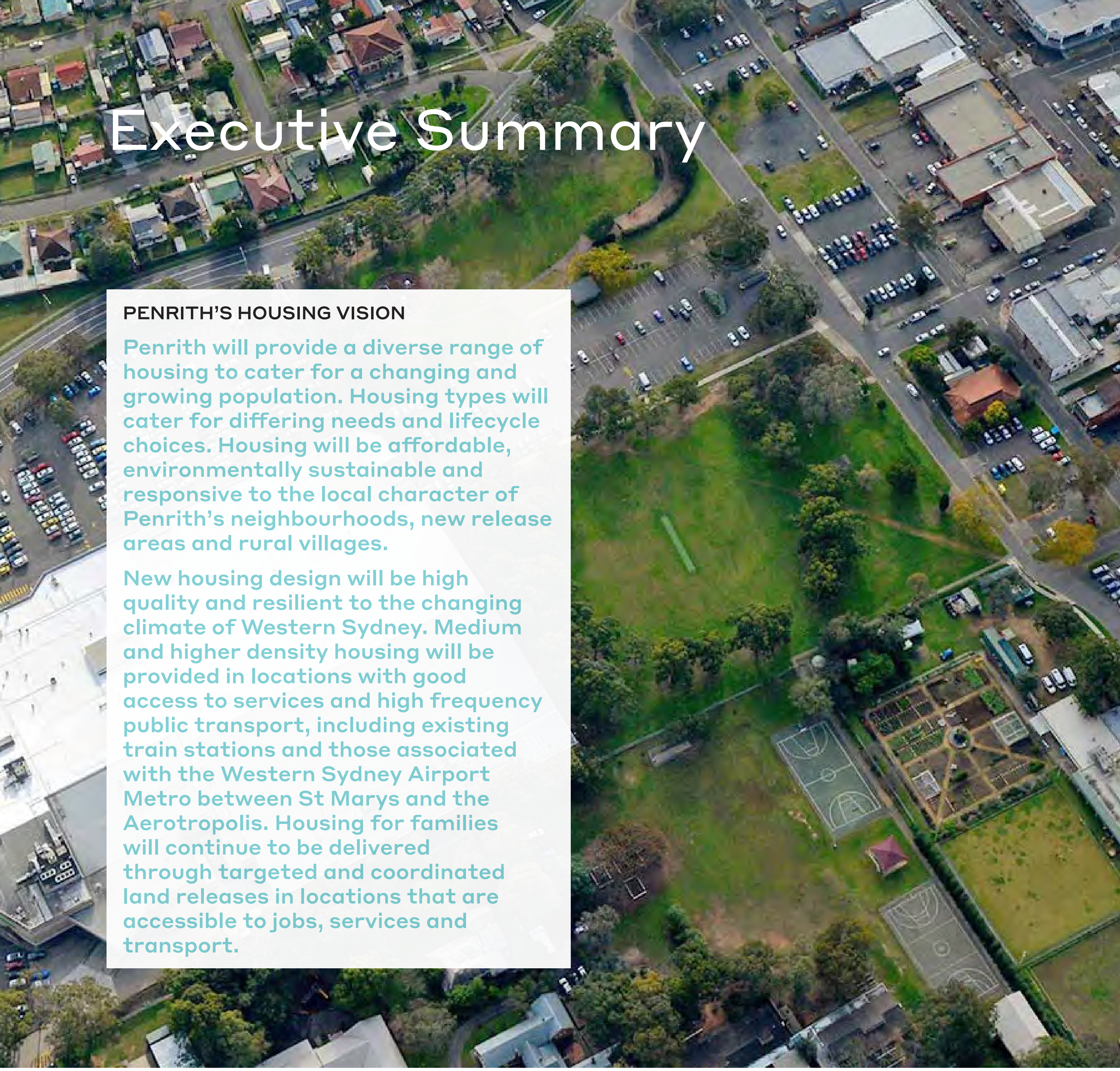
ETHOS URBAN

ACN 615 087 931 Pty Ltd.
www.ethosurban.com
173-185 Sussex Street Sydney
NSW 2000 t +61 2 9956 6962

Contents

Figures

Tables



Executive Summary

PENRITH'S HOUSING VISION

Penrith will provide a diverse range of housing to cater for a changing and growing population. Housing types will cater for differing needs and lifecycle choices. Housing will be affordable, environmentally sustainable and responsive to the local character of Penrith's neighbourhoods, new release areas and rural villages.

New housing design will be high quality and resilient to the changing climate of Western Sydney. Medium and higher density housing will be provided in locations with good access to services and high frequency public transport, including existing train stations and those associated with the Western Sydney Airport Metro between St Marys and the Aerotropolis. Housing for families will continue to be delivered through targeted and coordinated land releases in locations that are accessible to jobs, services and transport.

The Penrith Local Housing Strategy (LHS) establishes a strategic planning framework to guide housing change in Penrith over the next 20 years. In response to metropolitan strategic planning directions and targets within the Western City District Plan, the Penrith LHS sets out an integrated, municipal-wide framework for land use planning that forms the basis for contemporary, evidence-based policy directions to manage housing change and growth over the next 20 years.

The Penrith LHS has been prepared ahead of the release of station locations along the proposed North-South Rail Line. The Penrith LHS will need to be revised once these locations are known.

The vision for housing in Penrith is outlined above. To implement the vision, a suite of seven objectives and recommendations have been developed around the following themes:

- Housing location;
- Housing diversity;
- Housing affordability; and
- Housing design, character and resilience.

A summary of objectives and recommendations are provided in the following pages.

Executive Summary

1.1 Overview

Housing Demand

Over the next 20 years, Penrith LGA will experience significant population growth. By 2036, Penrith will be home to more than 258,000 residents, representing an increase of approximately 56,900 residents (28%). Over this period a total of 24,272 new dwellings will be required to support the growing population, 34% more dwellings than at 2016. The faster proportional rate of growth in dwellings reflects both an overall increase in population and continuing trends for smaller household sizes, changing structure population and diversification of household composition.

Historic development approval trends have fluctuated over the past 5 years, particularly within the higher density market. There is not the same marked peak and decline in approvals for dwelling houses, indicating that the market for this type of housing is more sustainable over the long term in Penrith.

The demand profile for new housing across different housing types as shown in **Table 1,** is summarised as:

- 7,070 between 2016 - 2021
- 5,870 between 2021 - 2026
- 10,890 between 2026 - 2036

When compared with Penrith's existing and future capacity, analysis has shown there is ample supply within across the short, medium and long term.

Existing and Future Housing Capacity

There is capacity within Penrith's existing residential and mixed use areas to accommodate 17,545 new dwellings to 2036.

There is also additional capacity for new dwellings in Penrith's urban investigation areas and other strategic opportunity sites. It is estimated that these locations could deliver approximately 47,150 new dwellings.

The majority of housing growth in the short term is expected to occur within Penrith's new release areas; namely around Caddens, Glenmore Park, Jordan Springs and Claremont Meadows. There is likely to be some infill development across a number of key sites within the Penrith CBD, subject to planning approval.

In the longer term, the majority of new housing is likely to occur primarily within Glenmore Park South (Stage 3) and Orchard Hills. In locations where future train station precincts are delivered, future capacity may be increased however the rezoning, delivery and provision of new housing around these locations be entirely dependent on the progress and staging of the new North-South Rail link.

Table 1 – Housing demand to 2036, 5 year increments

Housing Type	2016 - 2021	2021 – 2026	2026 - 2036
Separate housing	3,110	2,200	3,890
Medium density housing	2,890	2,670	5,070
High density housing	1,070	1,010	1,930
Total housing	**7,070**	**5,870**	**10,890**

Source: id forecasts (City of Penrith), Ethos Urban

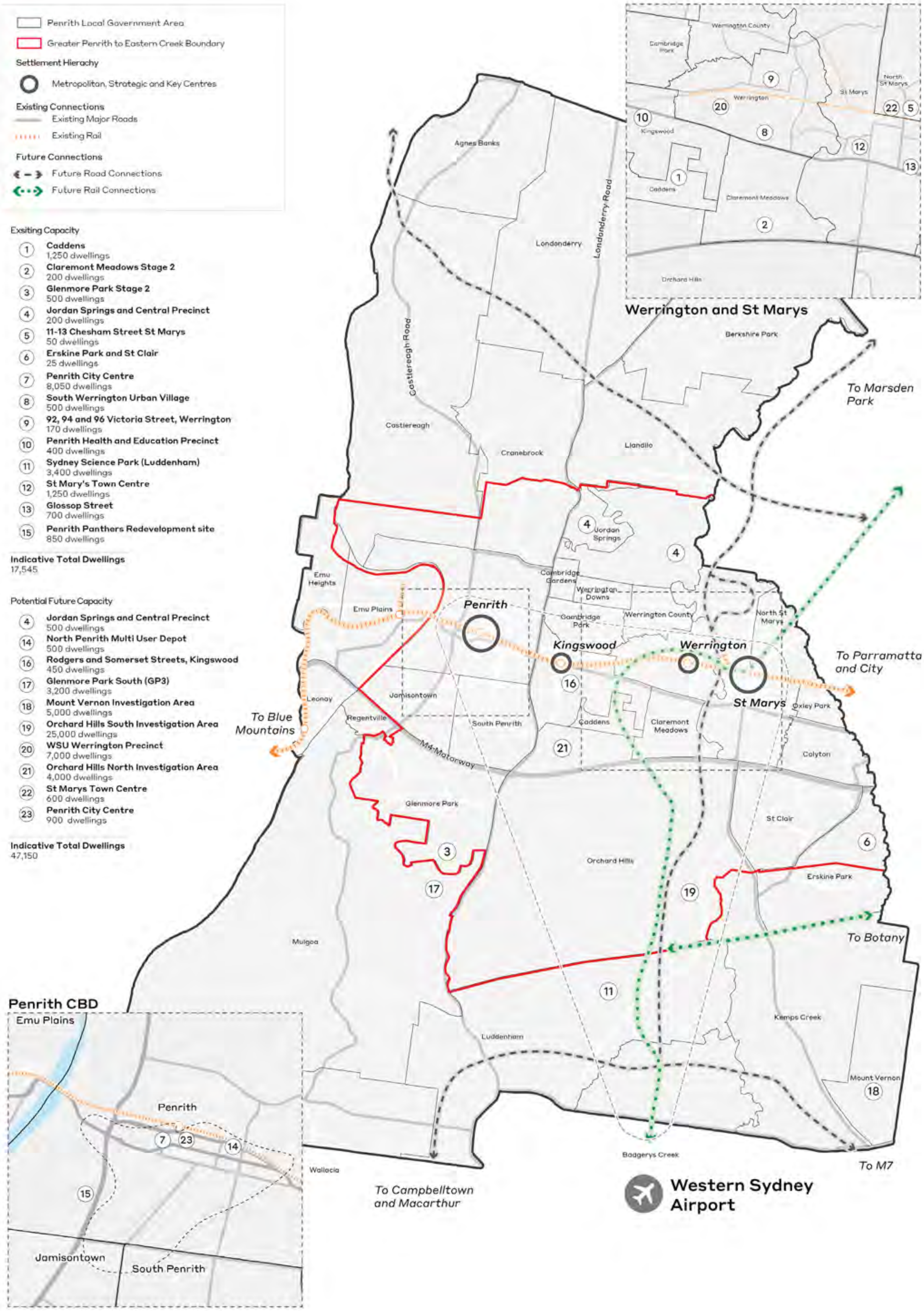


Figure 1 – Summary of Penrith's Housing Capacity

Source: Ethos Urban

Executive Summary

Dwelling Targets

The Western City District Plan establishes a housing target for Penrith of 6,600 new dwellings between 2016 to 2021. Overall, analysis undertaken as part of this Strategy confirms that Penrith is on track to deliver this target by 2021 and is estimated to deliver a total of 7,070 new dwellings.

To determine future dwelling targets, analysis of existing and potential future capacity, demand and supply trends has been undertaken.

Western City District Targets 0 - 5 Years

Since 2016, analysis of DPIE completions data, development and building approvals has indicated approximately 4,100 new dwellings have been constructed, representing some 62% of the total dwelling target to 2021. Over the next 2 - 3 years (to 2021) Penrith is expected to deliver 2,970 new dwellings, concentrated in some established areas suburbs (through medium density infill), centres with immediate access to transport (higher density apartments) and greenfield residential areas (which will be predominantly lower density detached housing).

Between 2016 - 2021, a total of 7,070 new dwellings are estimated to be delivered comprising of:

- 3,110 separate dwellings
- 2,890 medium density dwellings
- 1,070 high density dwellings.

Penrith Dwelling Targets 6 - 10 Years

A target of 6,100 to 7,800 new dwellings is proposed for the 6-10 years period (2021-2026), see **Table 2.** This range has been informed by a current understanding of the estimated supply of housing across all housing types and the forecast demand over these periods and where there are expected to be demand and supply gaps in the types of housing over the next few periods. In addition, these figures take into account what the market is likely and able to deliver and expectations on future demographic trends in household formation. As a result, the new target sees most of the housing being delivered being separate housing, and a slightly smaller proportion in medium density housing. While high density housing will provide the smallest share of housing. High density housing is also the most susceptible to market fluctuation, and therefore variances could have a more significant impact on overall completions than for other dwelling types.

In developing this new target, this Strategy has undertaken an assessment of the changing demographic context, community needs, likely future supply and theoretical housing capacity.

Dwelling Estimate Beyond 2026

A similar rationale was also provided for 2026 to 2031 period dwelling estimate. In addition, this figure has been informed by the lower total demand for housing in this period, based on demographic forecasts.

The estimates for 2031 to 2036 have also been adjusted to account for expected increase in demand for high density housing which will arise due expected strong growth in house prices in this period and the preceding period, important city shaping infrastructure projects coming online during or shortly following this period, and a more diversified and stronger economy and employment opportunities in the Western City District.

Table 2 – Housing Targets and Estimates

Housing Types	2021-2026 target	2026 – 2036 estimate
Separate housing	3,000 – 3,600	4,400 – 7,200
Medium density housing	2,200 – 3,000	4,000 – 6,400
High density housing	900 – 1,200	2,400 – 3,000
New Target	**6,100 - 7,800**	**10,800 – 16,600**

Source: Ethos Urban

1.2 Housing Location

Objectives for locating housing in Penrith:

1. To encourage the provision of new housing in locations that are within walkable catchments around high quality public transport networks and key centres
2. To ensure that any expansion of the urban area is targeted to locations supported by infrastructure, where a diversity of housing types is appropriate, and are aligned with District or Regional growth

Location and Delivery of Housing

This Strategy has developed a new Housing Framework Plan for Penrith LGA which comprises a settlement hierarchy of centres and housing change areas. The Housing Framework Plan (HFP) will ensure that future housing, development and service provision is rationally and strategically planned and sequenced over the next 20 years.

The HFP sets out a spatial plan for growth across the LGA over the next 20+ years through the designation of three levels of 'housing change' as follows:

- **Housing Diversity Areas:** are well serviced and high amenity mixed use neighbourhoods within proximity to high quality public transport and convenient access to district level services, social infrastructure and open space. Over the next 20 years, these locations will accommodate the majority of Penrith's housing growth and will support a variety of housing forms at increased densities.
- **Incremental Change Areas:** comprise the majority of residential land in Penrith. These locations are typically outside walkable catchments from public transport and centres and are more reliant on car usage as the primary mode of transportation.
- **Limited Change Areas:** will experience minimal housing growth over the next 20 years. These locations are highly constrained and either subject to special local or environmental character, environmental, heritage or physical development constraints. Future housing in these areas will be limited to single dwellings or dual occupancies provided in accordance with local character values.

Housing Diversity Areas should be prioritised for high quality mixed use, medium density and higher density residential development within a compact urban form. Council should seek to proactively encourage and facilitate opportunities for transformational development in these locations that will enhance and improve the public domain.

Key locations that will accommodate housing diversity in Penrith over the next 20 years are:

- Penrith's East-West Economic Corridor;
- St Mary's Town Centre (beyond 2026);
- Future station precincts; and
- Existing centres.

Incremental Change Areas will allow for a modest level of housing growth and will support a variety of detached and medium density housing forms. Locations identified for incremental change in Penrith over the next 20 years are:

- St Mary's Town Centre (up to 2026)
- Existing new release areas
- Penrith's residential suburban areas
- Urban Investigation Areas (outside walkable catchments for future station precincts)

In Limited Change Areas, Council should seek to support small scale residential development and change consistent with the local character of the area and existing land use constraints.

Limited Change Areas in Penrith meet one or more of the following criteria:

- Located within a rural-residential village setting
- Located outside reasonable walking distances to public transport or services;
- Land is substantially constrained;
- Suitable for low density housing.

A digramatic summary of the HFP is provided at **Figure 2** and shown spatially at **Figure 3.**

Housing Framework Plan

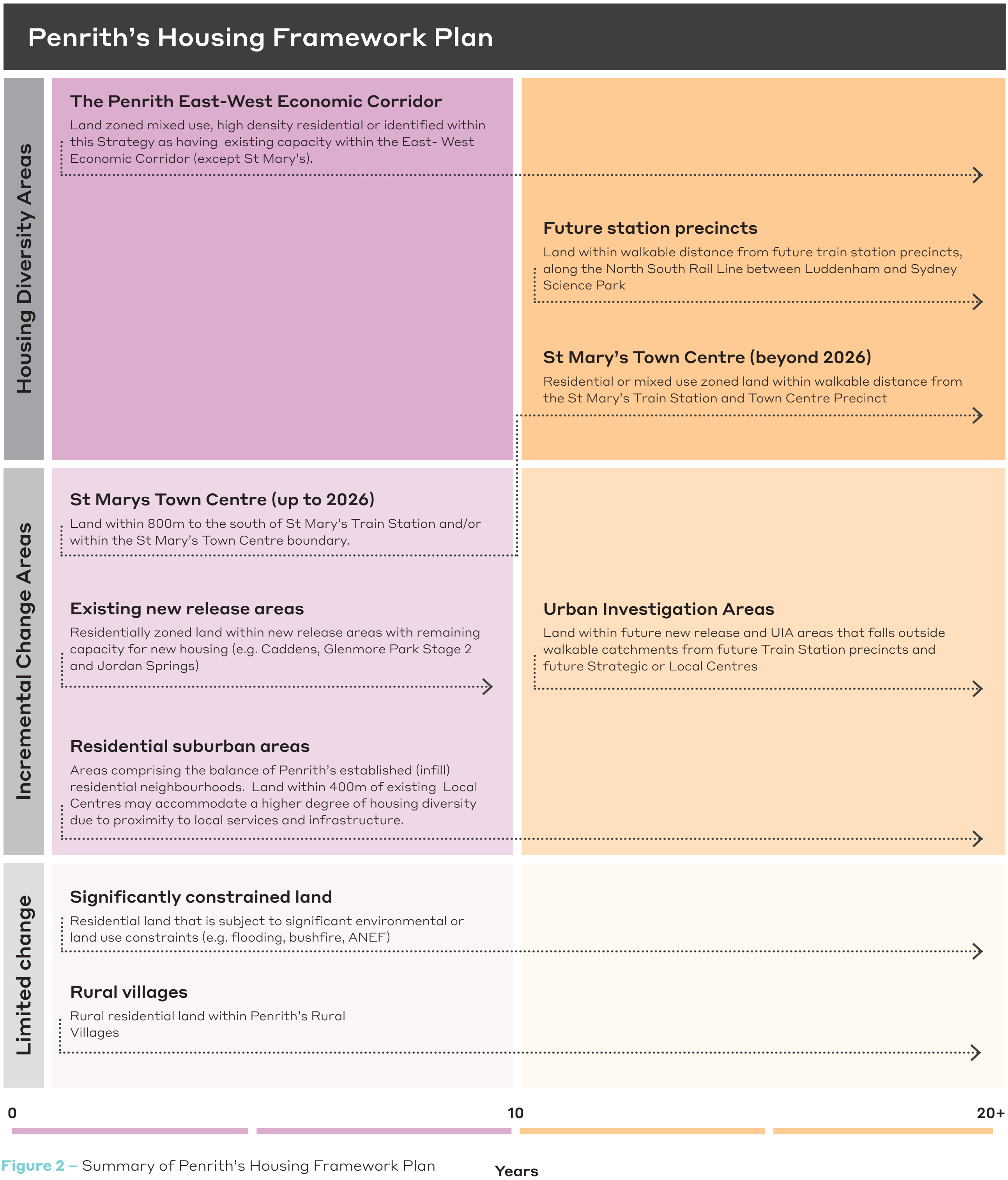


Figure 2 – Summary of Penrith's Housing Framework Plan

Source: Ethos Urban

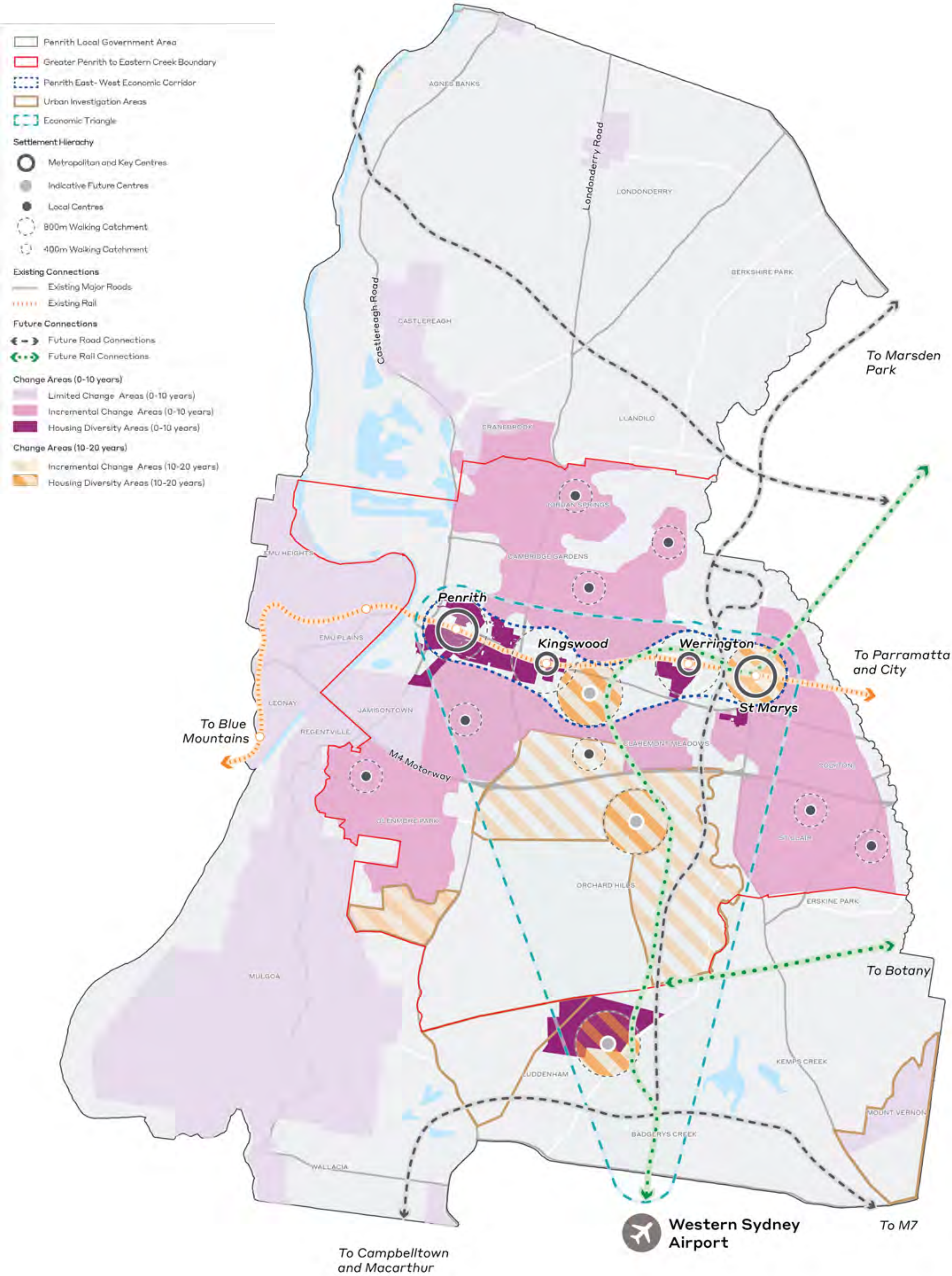


Figure 3 – Penrith's Housing Framework Plan Map

Source: Ethos Urban

Recommendations: Housing Location	
A1	Support the provision of new housing at increased densities to promote housing diversity within Penrith's East - West Economic Corridor.
A2	Establish a precinct-plan for emerging centres around train station precincts which identify locations for increased height and FSR to deliver more density. This should be prepared subsequent to the confirmation of future station locations.
A3	Support housing diversity and change within walkable catchments to the east of St Mary's Town Centre within existing residential zones .
A4	Maintain capacity for larger format commercial uses on large sites within the St Mary's Town Centre. Residential and other mixed uses should be integrated where possible.
A5	Investigate increasing densities across existing residential and business zones within St Mary's Town Centre beyond 2026.
A6	Develop a Masterplan for the Glossip Street Precinct in collaboration with key partners and government agencies.
A7	Discourage rezoning of land around future station precincts until there is certainty over future train station locations.
A8	Support the revitalisation of existing centres in a manner that will deliver high quality built form outcomes and enhance the public domain and provide community benefit.
A9	Support incremental housing change within Penrith's residential suburban areas.
A10	Support medium density housing within proximity to Local Centres across Penrith's infill and new release areas to promote housing diversity.
A11	Prioritise the delivery of new housing in existing new release areas with remaining capacity .
A12	Retain existing planning controls within the B4 Mixed Use Zone within St Marys and investigate the need for minimum non-residential GFA in line with the St Marys Economic Development Strategy
A13	Program the rezoning of Urban Investigation Areas to provide increased capacity, align with future infrastructure and projected need in the longer term. The development of precinct-wide masterplans centred around nominated train station locations should inform future rezoning.
A14	Maintain a low-level of housing growth and avoid urban intensification or provision of new housing in Limited Change Areas.
A15	Discourage intensification of residential development in Penrith's rural villages. Where new or replacement dwellings are provided, ensure consistency with existing landscape and rural character.
A16	Support opportunities to deliver housing for specific sub-markets including seniors living, executive housing and rural-residential dwellings that are consistent with existing and future economic activities and amenity of the rural area.
A17	Maintain existing minimum lot sizes in rural villages.
A18	Protect the Metropolitan Rural Area by preventing the expansion of the residential footprint within rural villages.
A19	Support low-density residential infill development or renewal on vacant land in rural villages.

1.3 Housing Diversity

Housing Diversity Objective

1. To ensure there is a diversity of housing types, sizes and tenure that are flexible, adaptable, and appropriate to the changing needs of current and future residents.
2. To ensure local infrastructure appropriately caters to the future demand generated in incremental and substantial change areas.

Penrith contains a variety of residential settings ranging from compact urban areas to conventional suburbs and expansive rural acreages. Changing demographic influences over time will shape future need and demand for housing. Over the next 20 years, housing for families (which has historically been the focus of new housing in Penrith) will continue to be important. However, the Penrith community will experience more rapid increases in couples without children, single person households and an overall ageing population.

More diverse dwelling types will be required to support changing community needs and preferences. In the short to medium term, this Strategy advocates for housing diversity to be prioritised within the East-West Economic Corridor (particularly within walking distance of Penrith, Kingswood and Werrington stations) to ensure that new housing is provided in locations with established infrastructure networks. In the longer-term infrastructure commitments within Penrith (particularly the Western Sydney Airport Metro from St Marys to the Aerotropolis) may unlock new areas for new housing supply or further support the need to intensify land use density and mix in existing centres, where population growth will be supported by access to new, high quality public transport. Locations such as Orchard Hills South and Werrington may present significant opportunities to transform into new urban forms with a greater mix of housing types and densities with high frequency public transport at its core. However, these outcomes are dependent on confirmation that the Western Sydney Airport Metro will be operational by 2026, and decisions on the location and network function of new stations.

Opportunities to diversify the medium density housing stock through the planning framework are emerging. Introduced in July 2018, the Low Rise Medium Density Code seeks to encourage well designed dual occupancy dwellings, manor houses and terraces.

Within Penrith LGA, this State policy would apply to the R1 and R3 zones for dual occupancies, manor houses and multi dwelling (terrace) housing, and the R2 and RU5 zone for dual occupancies only.

The key implication of the low rise medium density code within Penrith LGA will likely occur through varied design outcomes, in particular for multi dwelling housing within the R1 and R3 zones. Existing provisions in the Penrith DCP 2011 (Section D2 Residential Development) that guide the design and built form outcomes of multi dwelling housing, encourage a suburban style of multi-dwelling housing, reflecting traditional forms of cottages and cottage gardens (e.g. pitched roof lines, larger front gardens, break buildings into separate blocks). The low rise medium density housing code and design guide introduces a different multi-dwelling form, shifting toward a more urban terraced-style form.

This strategy also identifies opportunities to diversity the housing stock in Penrith to cater for different community groups and housing sub-markets such as seniors housing, boarding housing and executive housing.

Recommendations: Housing Diversity	
B1	Maintain the delivery of lower density detached housing in identified new release areas.
B2	Develop local character statements as part of the preparation of its local strategic planning statement process for inclusion within the Penrith DCP. This will provide guidance when designing a scheme for low rise medium density housing within the LGA.
B3	Retain the application of the low rise medium density housing code to areas in the R3 Medium Density Residential zone and R4 High Density Residential zone, which already permit this form of housing.
B4	Review the application of the R3 Medium Density Residential zone to prioritise in well serviced locations within walking distance to identified centres as follows: • within 1,000 metres of Metropolitan, Strategic and Key Centres • within 400m of local and neighbourhood centres.
B5	Increase minimum lot size controls for multi dwelling housing in the R3 Medium Density Residential and R4 High Density Residential to 1,200sqm under Clause 4.1A of the Penrith LEP 2010. This aims to ensure appropriate size and dimensions are provided for medium density housing.
B6	Increase the minimum lot frontage control within the DCP to a minimum 28 metres to encourage greater street address for multi dwelling housing in the LGA, in particular for lots with significant lot depths.
B7	Require higher density developments to provide a suitable bedroom mix to encourage smaller dwelling types (i.e. studio and 1-bedroom dwellings) to reflect the anticipated decline in the household size and shift in the number of lone person households over the next 10 years.
B8	Update existing contribution plans for district and local open space and community facilities to accommodate additional demand generated in areas of housing diversity. This requires an update to works program and staging to meet future population needs.
B9	Focus the delivery of a revised works program to fund new and revitalised open space and community facilities within the East-West Economic Corridor to maximise accessibility to facilities and services.
B10	Develop a Social Infrastructure Plan for the LGA to understand, coordinate and advocate for the future supply of community infrastructure in Penrith's new release areas. This will inform the revised works program.
B11	Support the provision of seniors housing in established urban centres, rural villages, and new release areas where there is supporting social infrastructure, community facilities and transport.
B12	Within Residential Flat Buildings, maintain the delivery of 10% of all dwellings (or a minimum of one dwelling) being designed in accordance with the Australian Adaptable Housing Standard under the Penrith DCP.
B13	Maintain existing requirements for at least 20% of new dwellings to include universal design features to support ageing in place as per existing ADG standards.
B14	In recognising boarding houses play an important role in providing suitable accommodation for students and key workers in proximity to Western Sydney University, Nepean Hospital and Metropolitan, Strategic and Key Centres, investigate appropriate locations for boarding houses in conjunction with the preparation of local character statements whilst discouraging clustering.
B15	Recognise the role of executive housing in contributing to housing diversity in the LGA. This form of housing may be suitable in new centres and where existing natural landscapes are commensurate with the desired character for these types of dwellings

1.4 Housing Affordability

Housing Affordability Objectives:

1. To support the provision of specialised and affordable housing to accommodate residents with particular needs with regard to design, location, tenure and cost.

Increasing the supply of affordable rental housing is a priority for all levels of government across Greater Sydney. Ensuring that affordable rental housing and social housing is delivered to meet the needs of very low, low, and moderate-income households is essential to enhancing the social sustainability of the Penrith community as it grows.

This Strategy has identified that there are slightly higher rates of housing stress in the Penrith LGA compared with Greater Sydney. However there are significant variations in the levels of rental stress across different suburbs. Additionally, the Penrith LGA has a similar proportion of households (4.4%) residing in social housing compared with Greater Sydney (4.6).

Recent analysis commissioned by Council indicates that there were 3,970 social and affordable housing dwellings in Penrith (including 3,592 social housing dwellings and 378 affordable housing dwellings developed under the National Rental Affordability Scheme). It is noted that all NRAS dwellings will lose their subsidy once their ten year subsidy expires, and SGS forecasts that by 2026 only six affordable housing dwellings will remain.

There are some potential planned housing schemes in the area that will deliver increased and renewed affordable housing in the LGA, including:

- LAHC's Communities Plus site in St Marys will deliver social and affordable housing dwellings, however the number has not yet been announced.
- Local community housing provider Wentworth Community Housing has planned or delivered two new affordable housing complexes in Penrith LGA since 2016 (including 61 apartments in Derby Street, Penrith and 49 apartments on Phillip Street, St Marys).
- Evolve Housing, with Payce, have delivered 134 affordable housing units in the Harts Landing development in Penrith CBD.

There are significant opportunities to deliver affordable rental housing across the Penrith LGA, to support the social and economic sustainability of the community and ensure continued community diversity.

There are a range of strategic policy frameworks and delivery mechanisms that have been established to deliver improved housing affordability and increased affordable rental housing over time.

Council has access to a range of these planning mechanisms for the delivery of affordable rental housing, including:

- Affordable Rental Housing SEPP (2009);
- Voluntary Planning Agreements;
- Inclusionary zoning via inclusion in SEPP 70 Affordable Housing.

There is also scope for Council to include incentive mechanisms in the LEP and a related affordable housing scheme to encourage private sector delivery of a proportion of affordable housing. It is recommended that Council further explores the establishment of a broad based scheme for affordable housing delivery that includes a combination of mechanisms including affordable housing contributions and incentive mechanisms so there is flexibility for the housing industry to deliver or make financial contributions towards affordable housing in Penrith. Balanced and financially feasible mechanisms are required to facilitate a diversity of housing that is suitable to families, older people and singles, and it is critical that affordable housing is well located relative to transport, retail and community services.

Recommendations: Affordable Housing	
C1	Explore the establishment of a broad based scheme for affordable housing delivery that includes a combination of mechanisms including affordable housing contributions and incentive mechanisms so there is flexibility for the housing industry to deliver or make financial contributions towards affordable housing in Penrith.
C2	Investigate broad-based funding options that recognise the delivery of market-priced housing creates a need for targeted affordable housing provision to ensure all residents have the ability to access housing.
C3	Focus specific measures for the delivery of affordable housing on locations that maximise access to jobs, health and education, and that affordable housing is ‘tenure blind’ and meets the same amenity standards as market housing.
C4	Investigate the inclusion of affordable housing targets, inclusionary zoning, development incentives and affordable housing funding schemes in identified Housing Diversity Precincts, particularly locations likely to benefit from new public transport infrastructure.
C5	Balance plans for the renewal of precincts with growth potential with the retention of existing affordable housing stock to maintain a market-driven supply of affordable housing.

1.5 Housing Design, Character and Resilience

Housing Design, Character and Resilience Objectives:

1. To ensure new housing respects local character values of Penrith's diverse neighbourhoods or con-tributes to positively in localities where character will transform over time.
2. To promote housing resilience through high quality and environmentally sustainable design.

Local Housing Character

At present, there is no standard approach to shaping local character policy in NSW. The preparation of Council's Local Strategic Planning Statement is an opportunity to embed key design principles and objectives for localities where there is an identifiable and valued local character which defines and unites the local community.

Managing the transition to more dense and diverse housing forms will create challenges for community acceptance of change in the built environment, particularly in low density areas, but also key transit-oriented precincts like St Marys and Kingswood where the degree of change is likely to be more significant. It is noted that some Housing Diversity Areas within the East-West Economic Corridor interface with local or state heritage items.

The DPIE are preparing a local character overlay that would form part of the standard LEP. This optional overlay would allow Penrith Council to establish design and character objectives to protect, enhance and manage housing change in residential areas. The intent is to introduce a map layer and associated clause within the LEP identifying existing and future character areas. Character overlays will be useful in areas where the broader zone objectives don't provide sufficient guidance or direction to manage new development. It will provide tailored provisions and establish a link between the vision and objectives of strategic plans and the LEP and DCP controls.

Where a local character overlay is proposed, these must be prepared with regard to councils local strategic planning statement and local housing strategy. Any local character controls contained within the LEP or DCP do not apply to complying development in accordance with state-wide policy. It is noted however that local variations (approved by the DPIE), are possible in limited circumstances if it can be demonstrated that a certain location warrants substantial variation to complying development standards.

Delivering improved residential amenity through medium and higher density development is a key opportunity for new housing in Penrith. This includes the provision of affordable housing and new social infrastructure to support changing community needs. Infill housing and redevelopment will play an increasingly important role in the future, given constraints and costs associated with the expansion of new infrastructure and reduced opportunities for continued urban expansion due to natural and built constraints. These different elements will all have a direct influence on the local character of areas. This approach to increasing density can help demonstrate to the community the benefits of medium and high-density development and promote greater walkability, less reliance on the motor vehicle and inherent contributions to community health and wellbeing outcomes. Strong liveability and sustainability principles and strategic directions established through the Western Sydney District Plan, provide fresh impetus for new Council policies and approaches.

The DCP can play a stronger role in influencing the design outcomes through the preparation of local character statements which will inform design schemes for low rise medium density housing across Penrith.

Council is actively engaging with residents and communities in some parts of Penrith to develop localised character statements and place plans to ensure that future development respects and enhances local character. This is evidenced by the recent Place Plan prepared for Oxley Park and the current investigations being undertaken in Kingswood as part of Council's Neighbourhood Renewal Scheme.

Based on the forecast distribution of population and likely housing demand it is anticipated that the following locations would be key candidates for more detailed local character assessments as part of future investigations:

- Short term: train station precincts within the East-West Economic Corridor including Penrith CBD, Kingswood, Werrington and St Marys (short to medium term)
- Medium term: land around the Nepean Hospital and Penrith Health and Education Precinct
- Long term: land around future train stations (e.g. Orchard Hills) and Rural Villages.

Design and Resilience

This Strategy has identified opportunities to improve the design and environmental performance of Penrith's existing and new housing stock, encourage more sustainable neighbourhoods and high-quality built form.

Concentrating medium and higher density housing within the East-West Economic Corridor will support a more sustainable urban form, and integrate housing with active and public transport, centres and employment nodes. This pattern of development will also promote a more sustainable city that is less reliant on cars and has more walkable neighbourhoods. This Strategy advocates that the principles and approach used to identify areas capable of increased residential densities and housing diversity be similarly applied in the design of new suburbs.

Opportunities to diversify the medium density housing stock and improve design outcomes through the planning framework are emerging. The Low-Rise Medium Density Code seeks to introduce alternative multi-dwelling forms from what has previously been delivered in Penrith. While the Code will enable certain types of medium density housing to be carried out under a complying development approval pathway, the key implication for Penrith LGA will likely occur through varied design outcomes for multi dwelling housing, particularly within the R1 and R3 zones where such development is permissible. A review of planning controls (in the Penrith LEP and DCP) to improve design and amenity outcomes for medium density infill development is considered appropriate to deliver better amenity outcomes for residents and facilitate infill development making a more positive contribution to local character in established suburbs.

Urban heat is a major challenge for all buildings and developments across the LGA. Penrith's daily maximum temperatures in summer are regularly 10 degrees above Sydney CBD. Penrith is highly vulnerable to heatwaves and significant surface temperatures and there is a limited tree canopy within urban areas of the LGA to mitigate urban heat effect. The Western City District Plan emphasises increasing urban tree canopy coverage and delivering Greed Grid connections. The role of green space, tree canopy and reduced impervious surfaces in managing local climatic conditions is particularly important in the context of Penrith's existing climate, and the potential for increased average summer temperatures and the frequency and severity of heatwaves predicted as a result of climate change. Strengthening existing LEP and DCP controls to include objectives to increase tree canopy coverage both on public and private land and protect existing canopy will reduce the urban heat effect and contribute to creating greener and higher quality neighbourhood amenity.

A key finding of this Strategy is the opportunity to improve residential design outcomes and environmental resilience of housing. At present, housing design trends are incorporating darker colour materials, roofs and concrete driveways, which accentuate heat retention.

Recommendations: Housing Design, Character and Resilience	
D1	Council is actively engaging with residents and communities in some parts of Penrith to develop localised character statements and place plans to ensure that future development respects and enhances local character. Based on the forecast distribution of population and likely housing demand it is anticipated that the following locations would be key candidates for more detailed local character assessments as part of future investigations: • Short term: train station precincts within the East-West Economic Corridor including Penrith CBD, Kingswood, Werrington and St Marys (short to medium term) • Medium term: land around the Nepean Hospital and Penrith Health and Education Precinct • Long term: land around future train stations (e.g. Orchard Hills) and Rural Villages.
D2	Investigate a new local provision under Part 7 of the Penrith LEP 2010 to allow for development consent to be granted to development on land that exceeds the maximum building height shown on the Height of Buildings Map by a certain amount, if it is for purposes of: • providing height allowances for flood planning levels to manage flood risk; • increased floor to ceiling heights for non-residential floors of a building; or • increased floor to ceiling heights for vehicle entry points.
D3	Amend Sections C2 Vegetation Management and/or C6 Landscape Design of the Penrith DCP to include a new provision requiring a minimum tree canopy coverage for new development in urban areas. The implementation of this provision should be staged, with a minimum requirement of 20% tree canopy coverage for new development in the short term. Over the longer term, this minimum canopy coverage provision may progressively increase toward a target of 30%.
D4	Amend Part D2 Residential Development of the Penrith DCP to encourage light coloured materials for new residential buildings that are able to reflect heat better than darker material. This is to ensure appropriate material colour selection is considered as part of the design process for new residential dwellings in the LGA.
D5	Review the contribution plans to consider forecast demand anticipated to 2036, based on the latest ABS data. This is to consider the following: • Provide greater clarity on housing typologies that apply to each plan (i.e. specifically referencing multi dwelling housing in the s94 plan (s7.11) • Update plans that rely on ABS data to determine occupancy rates which are used to calculate the total contribution payable • Clarify the extent to which exemptions may apply to specific types of development (e.g. development for the sole purposes of affordable rental housing) • Review the schedule of works to ensure they are being appropriately integrated with existing communities and streetscape amenity • Review schedule of works of these plans to ensure where proposed works are located will adequately support areas of focused growth.


4P

1.0

INTRODUCTION

1.0 Overview

1.1 A Local Housing Strategy for Penrith

Located within the heart of the Western Parkland City, Penrith LGA is strategically positioned at the foothills of the Blue Mountains and at the doorstep of the Western Sydney Airport. Over the coming years, Penrith will benefit from transformational transport, education, health and social infrastructure. With this change is a significant opportunity to enhance the quality and diversity of housing across Penrith LGA to meet the anticipated needs of the community.

The Penrith Local Housing Strategy (LHS) establishes a strategic planning framework to guide housing change in Penrith over the next 20 years.

In response to metropolitan strategic planning directions and targets in the Western City District Plan, the Penrith LHS sets out an integrated, municipal-wide framework for land use planning that forms the basis for contemporary policy directions to manage housing change and growth over the next 20 years.

This LHS is part of a suite of strategic planning documents that Council is currently preparing to inform the development of it's first Local Strategic Planning Statement (LSPS).

Penrith will be shaped by transformational change which will accelerate the need for Council to prospectively respond to housing changes and trends. This project is being undertaken within the context of the following key drivers.

Key Housing Strategy Drivers

Changing housing needs

Significant population and demographic change is expected over the next 20 years. The population of Penrith is forecast to grow to approximately 258,195 residents over the next 20 years, requiring an additional 24,272 houses.

Demographic change will also influence housing provision the types of houses required, with an expected increase in residents aged over 70, a decline in the overall household size and shift in the number of lone person households over the next decade.

Catalytic change in Western Sydney

Federal, state and local investment through the Western City Deal will deliver city-shaping infrastructure, create new opportunities for jobs, housing and local services. Investment in health and education will also drive demographic change and influence housing need.

A changing climate

Western Sydney is one of the hottest regions in Australia with temperatures on average more than 10 degrees higher than the Sydney CBD. As climate change continues to shape society, an emphasis on sustainable and high-quality design that is responsive to the environmental conditions will be required, to ensure that existing and future residents can achieve high quality liveability.

Strategic priorities

New metropolitan priorities and directions are driving the need for Councils to undertake important strategic planning across Sydney.

The Penrith LHS will form a suite of strategic studies that will guide future housing growth and change in Penrith across the next 20 years in response to the policy directions contained within the Greater Sydney Region and Western City District Plans.

1.2 Project Approach

This project has been undertaken in three stages, as summarised below.

- **Background review** – a comprehensive review of existing plans, policies and strategies to establish the baseline context for housing in Penrith.
- **Issues and Opportunities** – A technical paper that undertakes a comprehensive analysis of existing planning policies and identifies the key issues, constraints and opportunities for housing in Penrith (this report).
- **Local Housing Strategy** – A comprehensive Strategy that sets out the spatial framework and priorities for housing change in Penrith.

Engagement with Council staff, Councillors and other internal stakeholders has been undertaken throughout the development of this document. Public consultation and engagement will occur in conjunction with the exhibition of the LSPS, of which this Strategy will form part of a supporting suite of strategic documents

The study area for the LHS includes all land within Penrith LGA that is currently zoned for residential land uses or permits residential uses. It also includes land which is designated as an urban investigation area or proposed for future residential land uses.

The focus of this strategy is land primarily located within Penrith's established residential suburbs and growth areas. Land within the Metropolitan Rural Area (MRA) will be considered in the context of the existing network of rural villages.

1.3 Strategy Structure

This document has been prepared in line with the Department of Planning and Environment's 'Local Housing Strategy Guideline'.

It comprises the following sections

- **Chapter 1 - Introduction:** provides and overview of Penrith's spatial and housing context and introduces the vision, objectives and strategic land use framework to guide future housing provision.
- **Chapter 2 - The Evidence:** summarises Penrith's existing and future community profile as well as identifies land use constraints, future housing supply and demand.
- **Chapter 3 - The Priorities:** evaluates a range of topics and themes in reference to the objectives of this Strategy, including housing diversity, affordability provision, design and local character.
- **Chapter 4 - Actions:** sets out an action plan to guide the delivery of housing in Penrith to 2026 and beyond.

1.4 A Metropolis of Three Cities

The population of Greater Sydney is expected to grow to 8 million over the next 40 years, with approximately half of the population residing in Western Sydney. The delivery of infrastructure and services within existing and future metropolitan clusters is critical to leveraging and growth.

The Western City District is identified in the Greater Sydney Region Plan 2018 as an emerging new city **(see Figure 4)**. The population of the Western City is expected to grow from 740,000 in 2016 to 1.1 million by 2036. New city-shaping infrastructure including the Western Sydney Airport and Badgerys Creek Aerotropolis will strengthen and facilitate new connections and the new Outer Sydney Orbital will provide connections to Greater Newcastle, Wollongong and Canberra.

The Western Sydney Economic Corridor will provide jobs closer to home, attracting globally significant freight and logistics, trade and advanced manufacturing activities as well as health, education and scientific contributions. With investment in new infrastructure and employment generating activities, the Western City is expected to emerge as a 21st century city that will support new housing typologies centred around future transport nodes and located within new release areas.

Penrith's geographical location proximate to other metropolitan clusters provides both opportunities and challenges when managing future population growth and housing change. The development of the Western Sydney Airport and Badgerys Creek Aerotropolis, as well as the future health and education precincts will help to shape and distinguish Penrith as a strategic urban centre and important metropolitan cluster within Western Sydney.

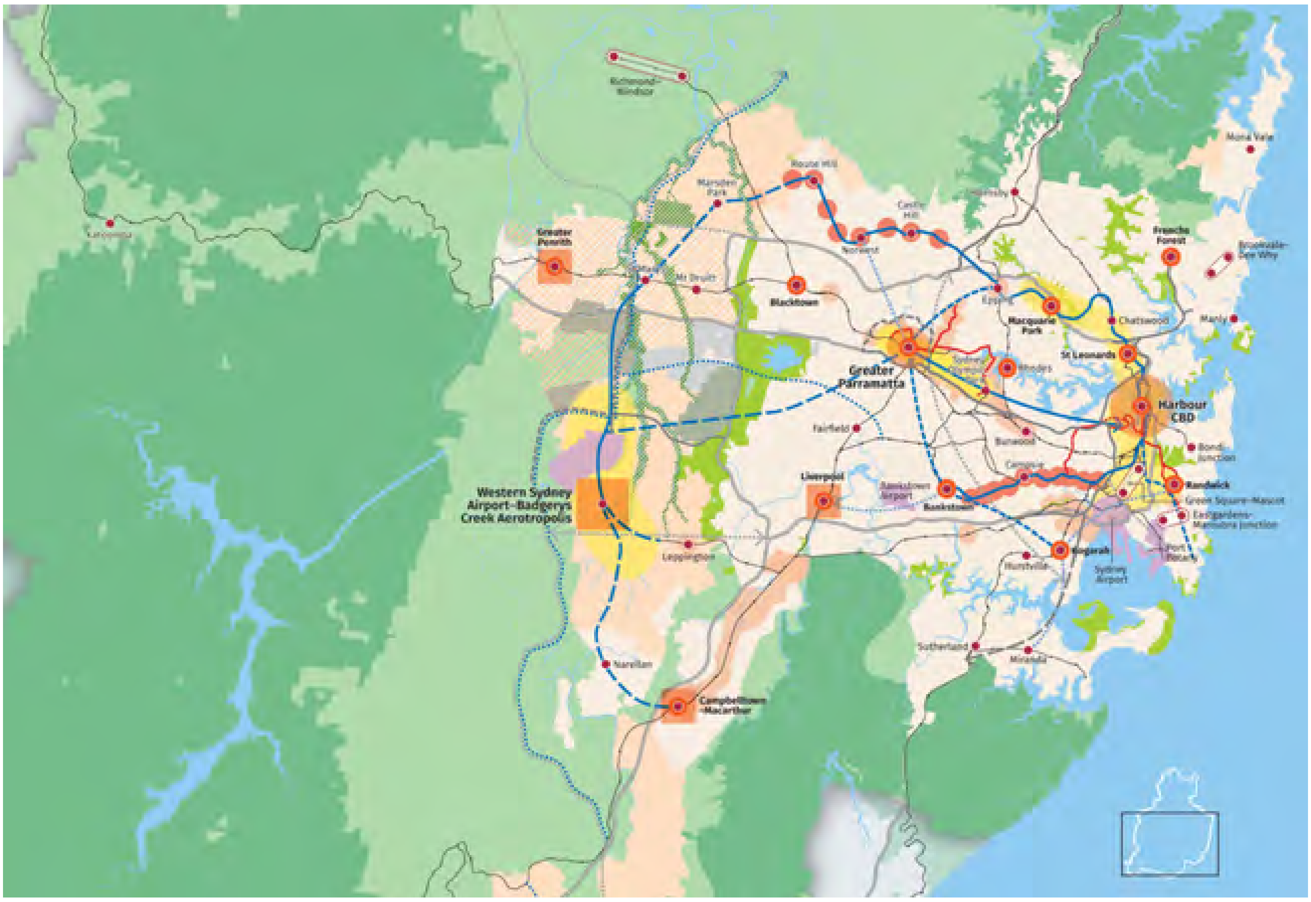


Figure 4 – Greater Sydney Region Plan

Source: Greater Sydney Commission

1.5 Western City District

Western Sydney is Australia's largest and fastest growing metropolitan region. Over the next 20 to 40 years, the Western City District will experience transformative investment in city-shaping infrastructure that will define a new century of living and working **(see Figure 5)**. Penrith is on the doorstep of the future Western Sydney Airport, and will benefit from the delivery of key infrastructure investments including the Outer Sydney Orbital and the North South Rail Link. The Western Sydney Aerotropolis includes industrial and urban services land which attracts local, national and international businesses. The Western Sydney Aerotropolis will provide over 6,000 hectares of additional land for future industrial activity and 57,000 jobs over the next 30 years. Alongside these game-changing infrastructure investments and new employment areas, Penrith will also transform into a 21st century hub of health, education and knowledge-intensive enterprise, anchored by the existing Western Sydney University and Nepean Hospital.

As the urban morphology evolves over time into the 'Western Parkland District', more jobs and housing will be required to accommodate an ever-changing population. The Western City District Plan identifies a housing target of 6,600 new dwellings up until 2021. This target represents approximately 16% of the new housing requirement within the Western City District. This LHS will review the proposed housing targets set by the GSC and develop future targets to 2026 (years 5 – 10). It will also assess Penrith's role in contributing to this district target of 184,500 new dwellings by 2036.

Within the Penrith LGA and in the context of Western Sydney, the St Marys Town Centre is expected to undergo unprecedented levels of change over the coming decades, largely incentivised by the future North-South rail link from the future Western Sydney Airport. The District Plan identifies St Marys as a key connection in the metropolitan transport network and as a location for a new Strategic Centre. Alongside the commercial and retail growth, there is also significant opportunity for the provision of new housing within St Marys.

The future growth of Penrith has an important role in contributing to housing targets within the Western City District. However, the provision of future housing must take into account a variety of environmental, demographic, land use and economic factors to ensure that the right types of housing are provided.

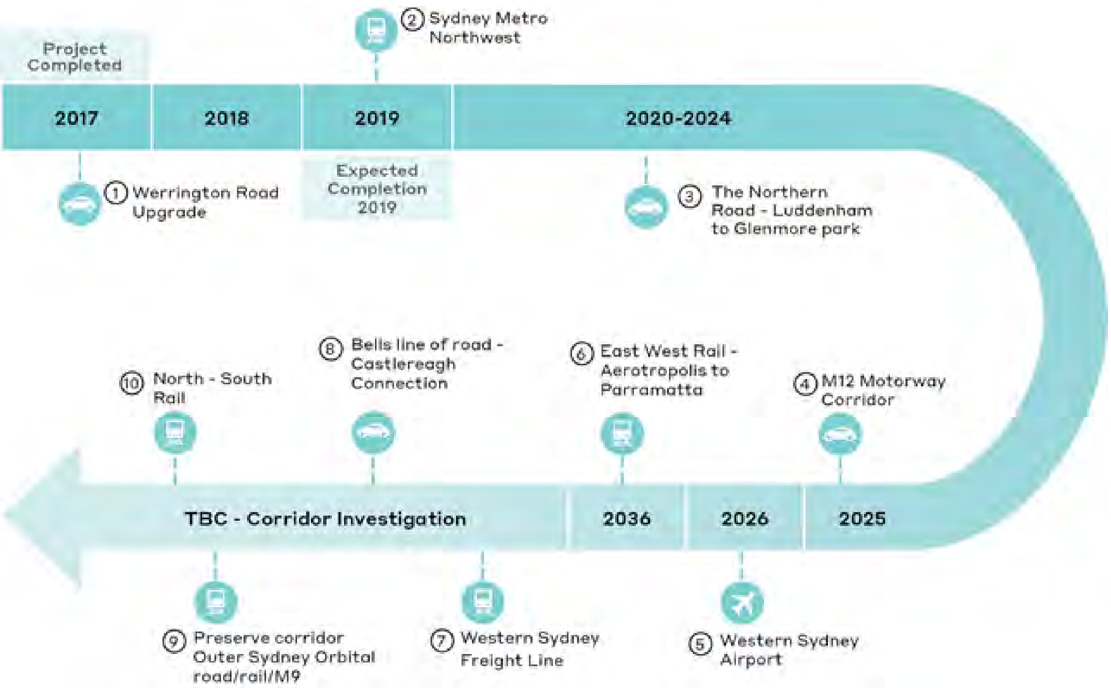


Figure 5 – Proposed Western Sydney infrastructure pipeline.

Source: Ethos Urban

1.6 Local Government Area Snapshot

Located 50km from the Sydney CBD, 30km from Parramatta CBD and at the foothills of the Blue Mountains, Penrith is strategically positioned to capitalise on future government and private sector investment that will deliver city-shaping infrastructure over the next 50 years.

Covering an area of 404km^2, Penrith's is situated within the heart of the Western Parkland City and is a key centre within broader context of Western Sydney **(refer to Figure 6)**.

The T1 western rail line, Greater Western Highway and M4 Motorway are the key structural elements around which settlements in Penrith have formed. These transport corridors are parallel, running east-west through the LGA, and dividing it into two (northern and southern) halves. The urban parts of Penrith are concentrated particularly around the Western Line and Great Western Highway, with rural areas of the LGA extending both north and south of the urban area.

Rural villages also play an important role in distinguishing Penrith from metropolitan Sydney, with a number of smaller centres distributed throughout Penrith's MRA. In recent years, new greenfield residential areas have emerged within the southern portion of the LGA around Glenmore Park and north around Jordan Springs and Cranebrook. Penrith's geography is also rich in environmental features with the Hawkesbury-Nepean River running along the western border into the CBD and South Creek defining the LGA's eastern edge.

The Greater Penrith to Eastern Creek Investigation

Figure 6 – Context Plan

Source: Ethos Urban

Area is identified as a corridor of economic activity in the Greater Sydney Region Plan and the corresponding Western City/ Central City District

Plans in 2018.

Future transport corridors, including Stage 1 of the North-South Rail link are identified to run through the investigation area and will provide access to new jobs and services in the Western Parkland City and the future Western Sydney Airport.

Planning for the investigation area will provide the opportunity to integrate transport planning with land use planning to revitalise existing centres within the investigation area as well as develop key strategic goals for the area.

Penrith's People

Penrith's residential population is changing. Understanding demographic influences in population change, household structure and other social/ cultural trends is critical in responding to and assessing housing need and demand. The table below provides a summary of the key demographic themes in Penrith in accordance with Council's Community Profile 2018. A detailed assessment of demographic influences and trends is provided in Section 2.

Movement Network

Penrith's existing transport and movement network is largely reliant on trunk rail services and major arterial roads. There is a reliance on the motor vehicle as the primary means of transportation and there is presently a limited 'active' transport network of cycling paths or regional walking trails across the LGA.

Penrith is serviced by a public transport network comprising both rail and bus services. Key public transport routes include:

- The T1 North Shore, Northern and Western Line train line running east to west across the LGA connecting to Parramatta and the Sydney CBD; and
- A comprehensive bus network comprising of major services and feeder connections to surrounding suburbs within Penrith.

The Great Western Highway and the M4 are the two major arterial roads which run east to west across the LGA providing vehicular connectivity to Blue Mountains and beyond (to the west) and Sydney CBD (to the east). The Northern Road is the main arterial which runs north to south across the extent of the LGA, providing vital connectivity to the North-West and South-West growth areas.

Penrith's Natural Environment

Penrith has a range of natural assets and values which make up its unique environmental characteristics. It's setting within the foothills of the Blue Mountains World Heritage Area provide panoramic long range views from many aspects within the LGA. The majority of Penrith LGA is gently undulating however the western lands within the LGA (and parts of the south-east) have slopes greater than 20%.

Large areas of land within the southern portion of the MRA are identified as environmental conservation areas, which typically sit outside areas that are zone (or comprise) residential development. Several rural settlements such as Wallacia and Mulgoa are nestled into existing environmental features and play an important role in supporting rural and agricultural land uses.

Parts of the western and northern lands of Penrith are located within the Hawkesbury-Nepean river and the South Creek river catchment. While these watercourses contribute significantly to environmental values and natural amenity, the catchment areas also interface with urban and residential lands, restricting future development opportunities. The Hawkesbury-Nepean Valley Flood Management Strategy evaluates the flood risk in these areas and establishes a management framework to reduce the level of flood risk in the Hawkesbury-Nepean Valley. One of the key outcomes of the study was the application of a Probable Maximum Flood Level (PMF) which currently applies to significant tracts of land around Penrith Lakes and central Penrith as well as land south of Mulgoa and within the South Creek catchment

1.7 Statutory Instruments

State Environmental Planning Policies

A range of State Environmental Planning Policies apply to Housing in Penrith including:

- State and Regional Environmental Planning Policies
- State Environmental Planning Policy Penrith Lakes Scheme
- State Environmental Planning Policy (Affordable Rental Housing) 2009
- State Environmental Planning Policy No. 70 Affordable Housing (Revised Schemes)
- Exempt and complying development codes
- Low Rise Medium Density Housing Code

A suite of other State and Regional Plans apply to certain areas in Penrith as follows:

- Sydney Regional Environmental Plan No. 20 – St Marys
- Sydney Regional Environmental Plan No. 30 – St Marys 2018 Amendment
- Penrith Local Environmental Plan 199
- Penrith Local Environmental Plan 1998 (Urban Land)
- Penrith Local Environmental Plan No. 201 (Rural lands)
- Penrith Local Environmental Plan No. 258 – Consent for Dwelling Houses and Other Development
- Penrith Interim Development Order 13
- Penrith Interim Development Order 47

Penrith Local Environmental Plan 2010

In accordance with the standard environmental planning instrument, the Penrith LEP 2010 provides aims and objectives to guide the development of land within the Penrith LGA **(see Figure 7)**. The key development standards that mandate land use and development within the LGA include, but are not limited to:

- Land use zones – a number of land use zones are contained within the LEP, those which permit residential uses of a varying scale within the LGA include:
  - R1 General Residential;
  - R2 Low Density Residential ;
  - R3 Medium Density Residential ;
  - R4 High Density Residential;
  - R5 Large Lot Residential
  - Business zones (B2 and B4) ; an
  - Rural zones .
- Minimum subdivision lot size – this clause aims to manage the minimum size of a lot resulting from a subdivision. These are generally applied to residential and rural zones within the LGA.
- Height of buildings – maximum height controls aim to control the vertical height of future development to ensure that buildings are compatible with the existing and desired future character of the locality, and minimise amenity impacts on surrounding uses.
- Floor space ratio – floor space ratio controls aim to regulate the bulk and scale of a development by establishing a maximum development density and intensity of land uses on a site. These are predominantly applied to the B2, B3 and B4 zones within the LGA, with some residential zoned areas within South Penrith, Luddenham and Wallacia also having a maximum FSR applied.

Other additional local provisions that are relevant to the development of land within the LGA include:

- Flood planning;
- Protection of scenic character and landscape values;
- Development of land within flight paths;
- Areas predicted to be affected by aircraft noise;
- Dual occupancies and secondary dwellings in certain rural and environmental zones.

The LEP also includes local provisions for the Penrith City Centre and Penrith Panthers site. Development within the Penrith City Centre primarily relates to minimum building street frontages within the B3 and B4 zones, design excellence, building separation, serviced apartment and community infrastructure on certain key sites. The overarching objectives of development of the Penrith Panthers site is to ultimately limit the density and type of retail premises on the land, set a minimum lot size for community title schemes or strata schemes and manage the GFA of office premises. The LEP also includes area specific local provisions to guide the development of land within key strategic and local centres. These include:

- Penrith Health and Education Precinct;
- Cherrywood Village;
- Claremont Meadows;
- Glenmore Park Stage 2;
- Dwelling houses on certain land in Castlereagh, Cranebrook, Llandilo, Londonderry, Kemps Creek and Mulgoa;
- Mulgoa Valley;
- Villages of Mulgoa and Walacia;
- Orchard Hills;
- Twin Creeks;
- Waterside; and
- Sydney Science Park .

Penrith Development Control Plan

The Penrith Development Control Plan 2014 provides more detailed provisions with respect to development within the Penrith LGA. There are various provisions, both general and land use-specific that apply to the sites where a development requires development consent under Part 4 of the NSW Environmental Planning and Assessment Act 1979 (EP&A Act).

General provisions under the Penrith DCP are contained within Part B – DCP Principles and Part C – City-wide Controls, and cover matters such as water and waste management, subdivision and transport, access and parking. While land use-specific provisions are contained within Part D – Land Use Controls, which contain provisions that relate to, but are not limited to:

- Siting and orientation of dwellings and outbuildings;
- Setbacks and building separations;
- Site coverage, bulk and massing;
- Height, scale and design;
- Dual occupancy dwellings;
- Secondary dwellings; and
- Materials and colours.

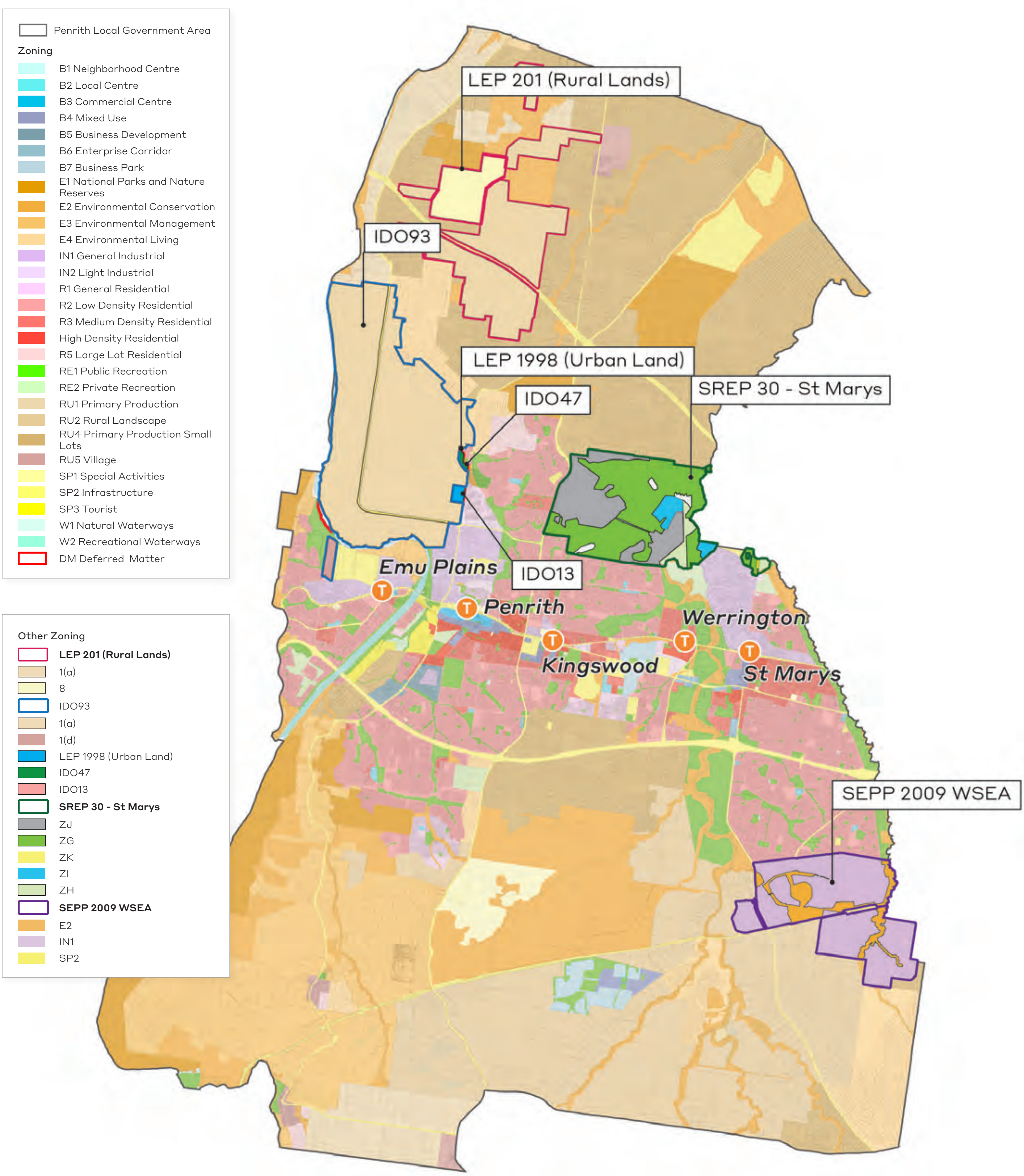


Figure 7 – Penrith Zoning map

Source: Penrith LEP/Ethos Urban

2.0

THE EVIDENCE AND ANALYSIS

2.0 The Evidence and Analysis

2.1 Demographic Profile

Population Change

The current population of Penrith LGA is 209,210 (2018 estimate).

Table 2 shows the historical population growth for the Penrith Local Government Area (LGA) for 2006, 2011 and 2016 by age group, in addition to the total change in number of persons and total growth percentage between 2006 and 2016. The fastest growing age group between 2006 and 2016 was 65-74 year olds (+85%), followed by those 85 years and older (+62%) and 55-64 years (+31%). The only recorded fall was for 15-19 year olds (-3%).

Age cohorts in Penrith are generally consistent with metropolitan trends, however notable demographic patterns indicate there is a slightly higher representation of younger people aged 18 years old and younger. The majority of residents in Penrith are aged between 25 and 54 years old (42.1%). Over the next 20 years, this age cohort will transition into the dominant age group (i.e. 25 – 54 years). **Figure 8** shows the current age profile of Penrith LGA compared to that of Greater Sydney.

Table 3 – Historic population growth 2006 -2016

Age	2006	2011	2016	Change No.	Change %
0-4 years	7%	8%	7%	1601	12%
5-14 years	15%	14%	14%	148	1%
15-19 years	8%	7%	7%	-395	-3%
20-24 years	8%	7%	7%	656	5%
25-34 years	15%	15%	15%	4525	18%
35-44 years	14%	14%	14%	2616	11%
45-54 years	14%	14%	13%	632	3%
55-64 years	10%	11%	11%	5267	31%
65-74 years	5%	6%	7%	6664	85%
75-84 years	3%	3%	3%	1327	28%
85 years +	1%	1%	1%	884	62%

Source: Penrith Community Profile 2018

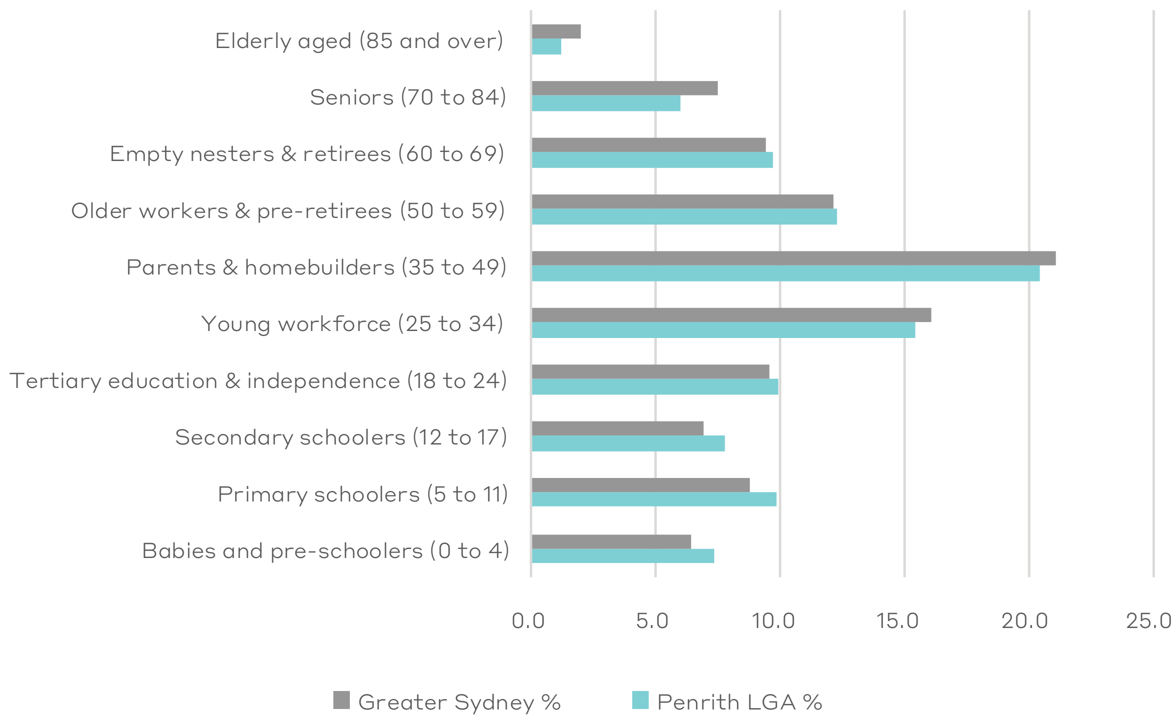


Figure 8 – Age cohorts

Source: id. Consulting 2018

Migration

The rapid growth of the Penrith LGA over the last 10 years has seen the attraction of new residents from both Australia and around the world. Penrith continues to predominantly cater to residents born in Australia. 21.60% of Penrith residents are born overseas, which is significantly lower than the 36.80% of residents born overseas across Greater Sydney **(Figure 9)**.

However, the proportion of overseas-born residents is growing. Between 2006 and 2016, the number of Australian born people increased by 10.4% whilst the number of overseas born people increased by 16.6%. Nevertheless, more than three quarters (77%) of residents report being born in Australia.

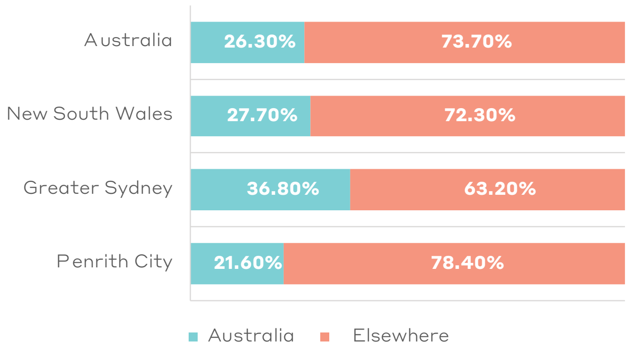


Figure 9 – Proportion of residents born overseas, Penrith and comparative regions

Source: Penrith Community Profile 2018

Income

Figure 10 shows the weekly average household income for the Penrith LGA, compared to the average for Greater Sydney, New South Wales and Australia. Penrith City's weekly average household income is $1,655.

Within Australia, 18% of households fall into the lowest quartile of household incomes – earning less than $650 a week. Across Penrith LGA only 13.9% of households fell within this quartile. However, one quarter (25%) of households in Penrith suburb had an income of less than $650 per week, as did 21% in North St Marys, 20.3% in St Marys, 20.1% in Kingswood and 19.2% in Werrington.

The median household income for Penrith City is $1,655 per week. Mount Vernon is the suburb with the highest median household income at $2,457 per week and North St Marys has the lowest median household income at $1,103 per week

Figure 10 – Average household income, Penrith LGA

Source: Penrith Community Profile 2018

Occupation

Figure 11 shows the occupation of employed residents in the Penrith LGA, as well as the jobs available in that occupation, as of 2016-2017. The industries with the highest amount of employed residents were that of Construction (13,065 residents), Health Care and Social Assistance (11,746), Retail Trade (11,236) and Manufacturing (10,059).

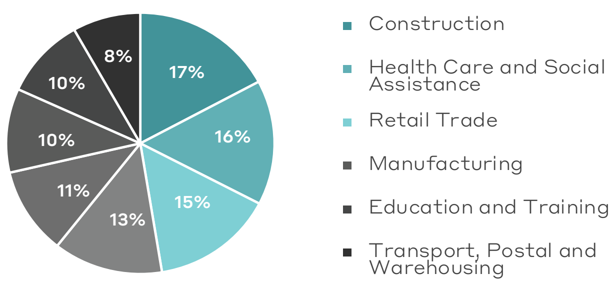


Figure 11 – Employed residents by industry, Penrith LGA

Source: Penrith Community Profile 2018

Household Composition

Figure 12 shows the distribution of different household types in the Penrith LGA. The dominant household type in 2016 were couples with children, which made up 37.6% of households within the LGA, compared to 36.2% across Greater Sydney.

The proportion of lone parents in the Penrith LGA (16.1%) was higher than the Greater Sydney average (11.7%). Lone person households made up 16.6% of households in Penrith LGA, which is less than the Greater Sydney average of 18.6%.

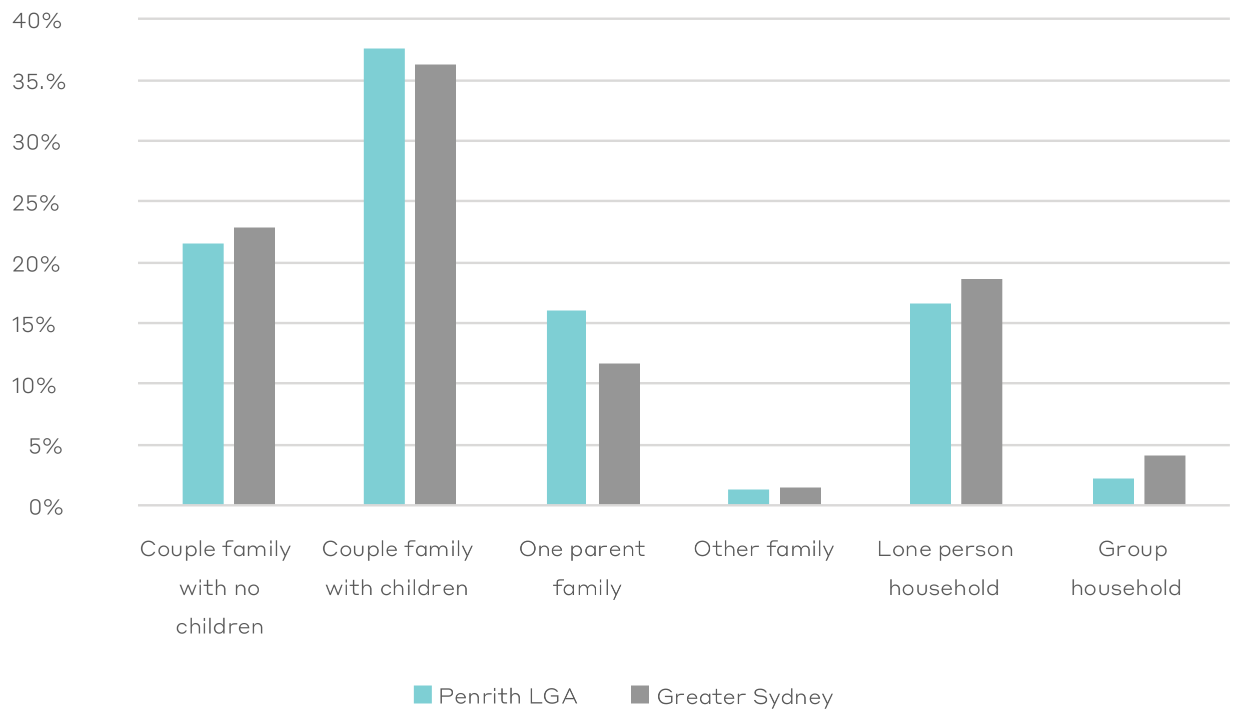


Figure 12 – Household composition comparison between Penrith and Greater Sydney

Source: Penrith Community Profile 2018

Household Size

Table 4 shows the dwelling size profile for the Penrith LGA as at the 2006, 2011 and 2016 census. **Figure 13** shows how this compares to the statistical average across Greater Sydney. The breakdown of dwelling sizes has remained largely the same. 2 person households continue to remain the most popular household size in Penrith, at 29.6% of all households. This is followed by 1 person households at 19.2%, 4 person households at 18.6% and 3 person households at 18.3%. Households containing 5 persons or more continue to remain comparatively rarer.

Table 4 – Household size 2006-2016

Number of persons	2006	2011	2016
1 person	18.6	19.2	19.2
2 persons	29.3	29.6	29.6
3 persons	18.3	18.2	18.3
4 persons	19.6	18.9	18.6
5 persons	9.6	9.1	8.8
6 or more persons	4.7		5.5

Source: Penrith Community Profile 2018

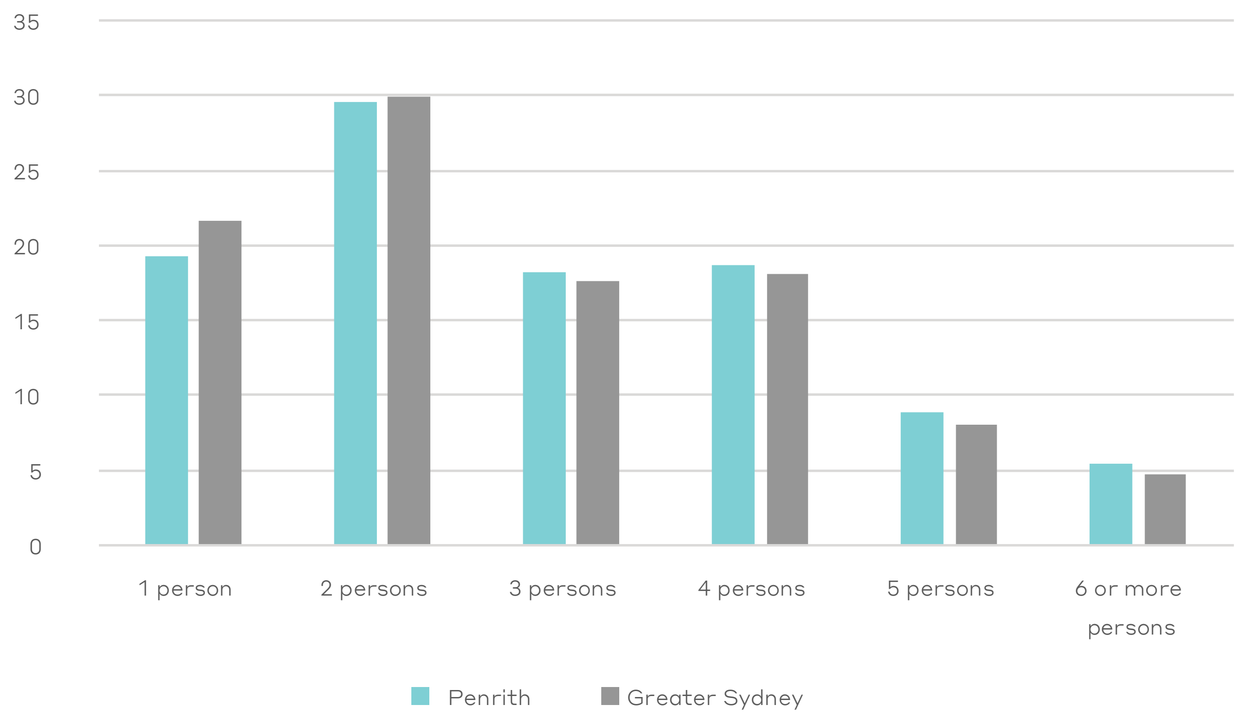


Figure 13 – Household size comparison between Penrith and Greater Sydney

Source: id. Consulting 2018

2.2 Housing Profile

Dwelling Type

'Separate houses' (i.e. detached dwellings) are the predominate dwelling type in Penrith City accounting for 80.5% of total dwellings **(Figure 14)**. When comparted to Greater Sydney, Penrith has a significantly higher portion of separate houses and lower representation in medium and higher density housing stock.

Table 5 shows the number of dwellings in the Penrith LGA for 2006, 2011 and 2016, in addition to the total change in amount of dwellings and total growth percentage between 2006 and 2016. The type of dwelling which has seen the most growth in terms of percentage are semi-detached/terrace houses and townhouses, with a 65.1% increase.

Separate houses continue to be by far the most common type of dwelling, with 54,018 separate houses within the LGA in 2016 accounting for 80.5% of all dwellings (down from 84.8% in 2006). Separate houses have seen a 8.2% increase between 2006 and 2016. Furthermore, there has also been an exponential 810.7% increase in dwellings with their structure not stated.

Table 5 – Dwelling type, Penrith LGA, 2006 - 2016

Dwelling structure	2006		2011		2016		Change	
Separate house	49,943	84.8%	49,817	81.0%	54,018	80.5%	4,075	8.2%
Semi-detached, row or terrace house, townhouse etc.	4,888	8.3%	6,717	10.9%	8,072	12.0%	3,184	65.1%
Flat, Unit or Apartment:	3,679	6.2%	4,575	7.4%	4,402	6.6%	723	19.7%
Other dwelling (a)	377	0.6%	292	0.5%	314	0.5%	-63	-16.7%
Dwelling structure not stated	28	0%	103	0.2%	255	0.4%	227	810.7%
Total dwellings	58,913	100%	61,501	100%	67,066	100%	8,153	13.8%

Source: Penrith Community Profile 2018

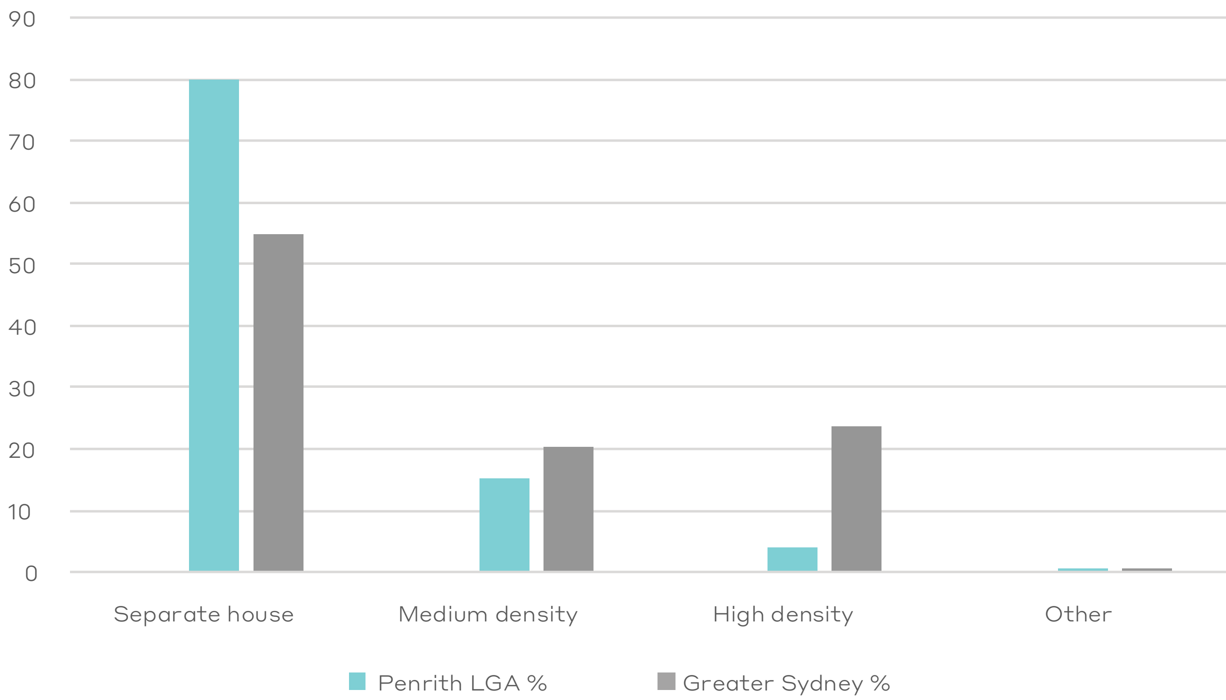


Figure 14 – Household type (2016)

Source: Penrith Community Profile 2018

Tenure Type

Figure 15 shows the tenure type profile for dwellings in the Penrith LGA in 2006, 2011 and 2016. In 2016, ownership with a mortgage continues to be the most common tenure type (38.8%), followed by renting (28.6%) and outright ownership (24.8%). Compared to Greater Sydney, Penrith LGA had a higher proportion of dwellings who had a mortgage (Greater Sydney: 31.5%) and a lower proportion of those which owned the dwelling outright (Greater Sydney: 27.7%) or were renting (Greater Sydney: 32.6%).

Outright home ownership and ownership with a mortgage has declined in Penrith LGA from 2006 to 2017, while the number of dwellings being rented has increased. However, it is noted that there has also been an increase in the number of dwellings not declaring their tenure type.

Rural suburbs in the Penrith LGA were more likely to be fully owned compared to other residential Penrith suburbs. The suburbs with the highest rates of renting were that of Penrith suburb (47.5% of dwellings), St Marys (46.5%), Kingswood (44.5%), North St Marys (44.1%) and Werrington (42.3%).

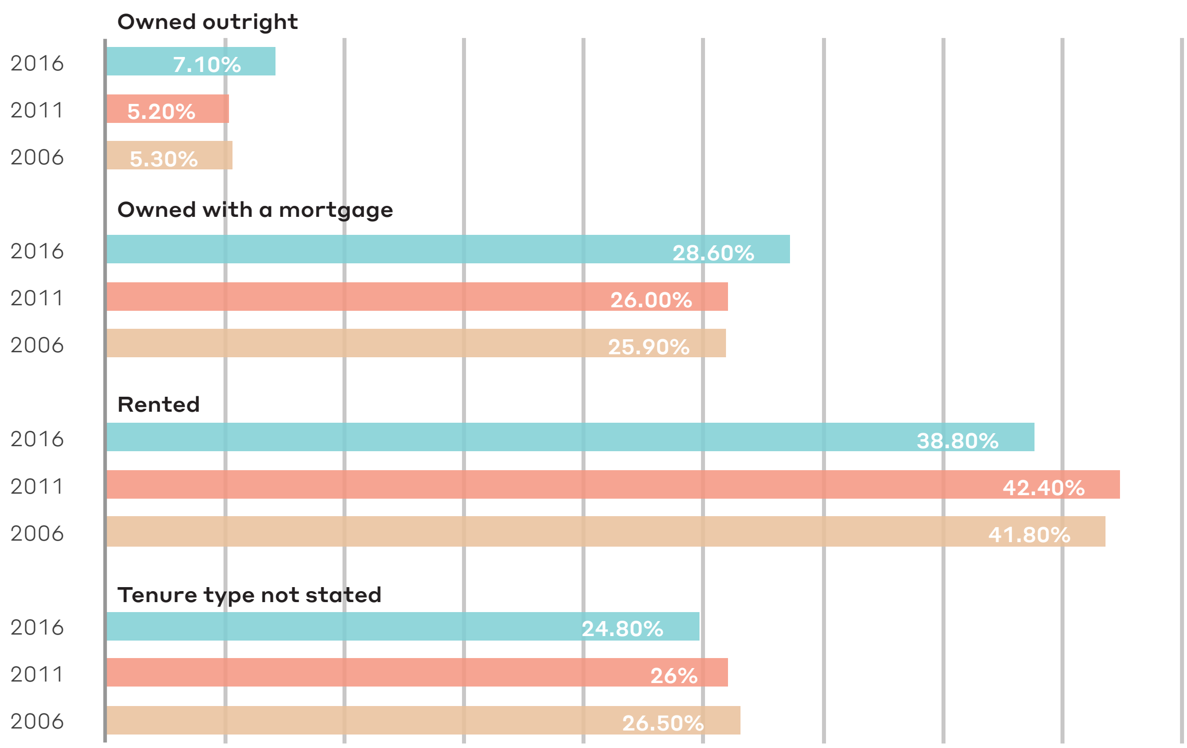


Figure 15 – Tenure type of Penrith dwellings, 2006 - 2016

Source: Penrith Community Profile 2018

Median Property Prices

Table 6 shows the median sale prices for properties in different SA3s in the Greater Sydney Region as of March 2017. The Penrith area had a lower median sale price (average of $665,000) compared to the neighbouring Hawkesbury ($765,000) and Sydney Inner City ($965,000) areas, but had a higher median sale price than the neighbouring Blue Mountains ($641,000) area. Median weekly rents followed similar trends.

Table 7 shows the median price of a House, Unit, and Vacant Land in Penrith LGA from 2004 and 2018. The prices of houses and units have seen steady increase, with their prices approximately doubling between the years of 2004 and 2018. The prices of vacant land has also exhibited fluctuation but has remained comparatively more constant.

Table 6 – Median sale prices, Greater Metropolitan Region by SA3

SA3	Median sale price
Sydney Inner City	$965,000
Hawkesbury	$765,000
Blacktown	$722,000
Liverpool	$720,000
Parramatta	$698,000
Penrith	$665,000
Blue Mountains	$641,000

Source: Penrith Community Profile 2018

Table 7 – City of Penrith median sales price for house, unit and vacant land 2004-2018

Year	House	Unit	Vacant Land
2004	$345,000	$275,000	$463,000
2005	$332,500	$265,000	$350,000
2006	$328,000	$255,000	$320,000
2007	$330,000	$255,500	$325,000
2008	$330,000	$252,000	$313,000
2009	$345,000	$265,000	$269,000
2010	$369,950	$280,000	$264,000
2011	$375,000	$280,000	$253,000
2012	$393,000	$291,000	$252,000
2013	$433,000	$318,000	$275,000
2014	$510,000	$377,500	$303,980
2015	$615,000	$458,650	$380,000
2016	$650,000	$509,500	$415,625
2017	$707,500	$520,000	$427,125
2018	$685,000	$514,000	$460,000

Source: Penrith Community Profile 2018

Median Property Price by Suburb

Median house prices varied across Penrith City suburbs **(Figure 16)** in March 2017. Median house prices were $645,000 in Cambridge Park and Colyton, $817,500 in Caddens, $1,470,000 in Luddenham and $2,935,000 in Kemps Creek.

Median rent for a house ranged from $395 per week in Werrington to $650 per week in Agnes Banks.

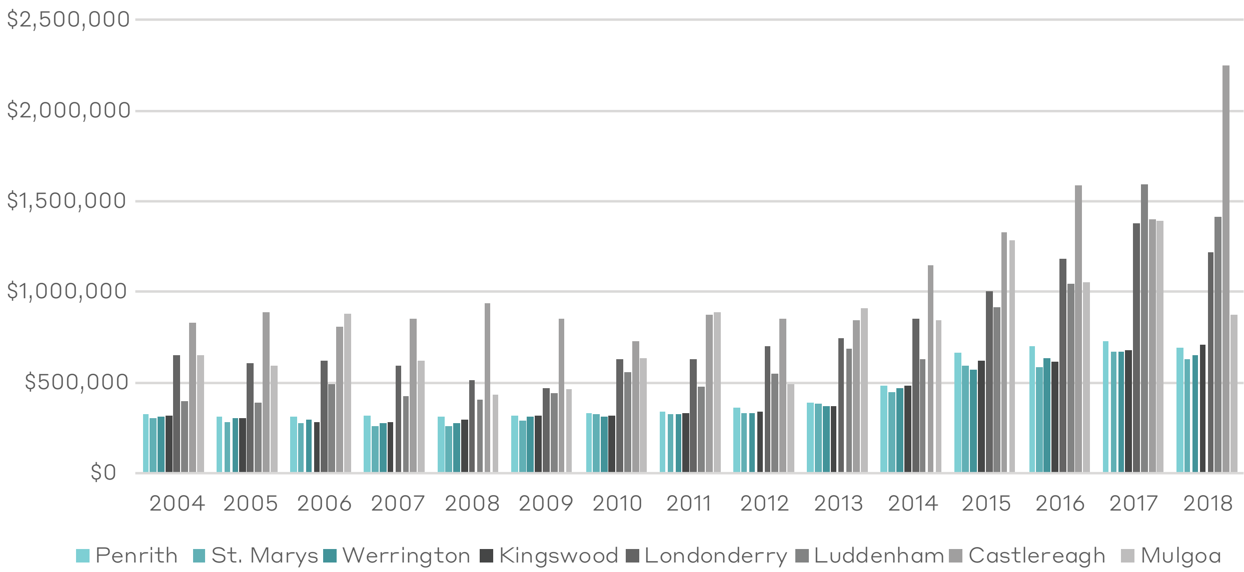


Figure 16 – Property prices in selected Penrith suburbs over time

Source: Penrith Community Profile 2018

Housing Stress

Housing stress **(see Figure 17)** is defined by the NATSEM (National Centre for Social and Economic Modelling) as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on housing costs, whether it be rent or mortgage payment.

In 2016, 12.2% of Penrith City's households were experiencing housing stress compared to 11.8% in Greater Sydney. While Penrith City had a higher proportion of households experiencing housing stress, it is important to note that this varied across the City. Proportions ranged from a low of 4.3% in Orchard Hills to a high of 19.2% in St Marys. The five areas with the highest percentages were St Marys (19.2%), Werrington (19.0%), Penrith (18.2%), North St Marys (17.9%) and Kingswood (17.7%).

An analysis of the change in housing stress between 2011 and 2016 show that the greatest increases in overall housing stress were in central Penrith and around Jordan Springs. It is noted new release areas (such as Jordan Springs and Glenmore Park Stage 2, are subject to the highest level of housing stress. This is discussed further in Section 2.3

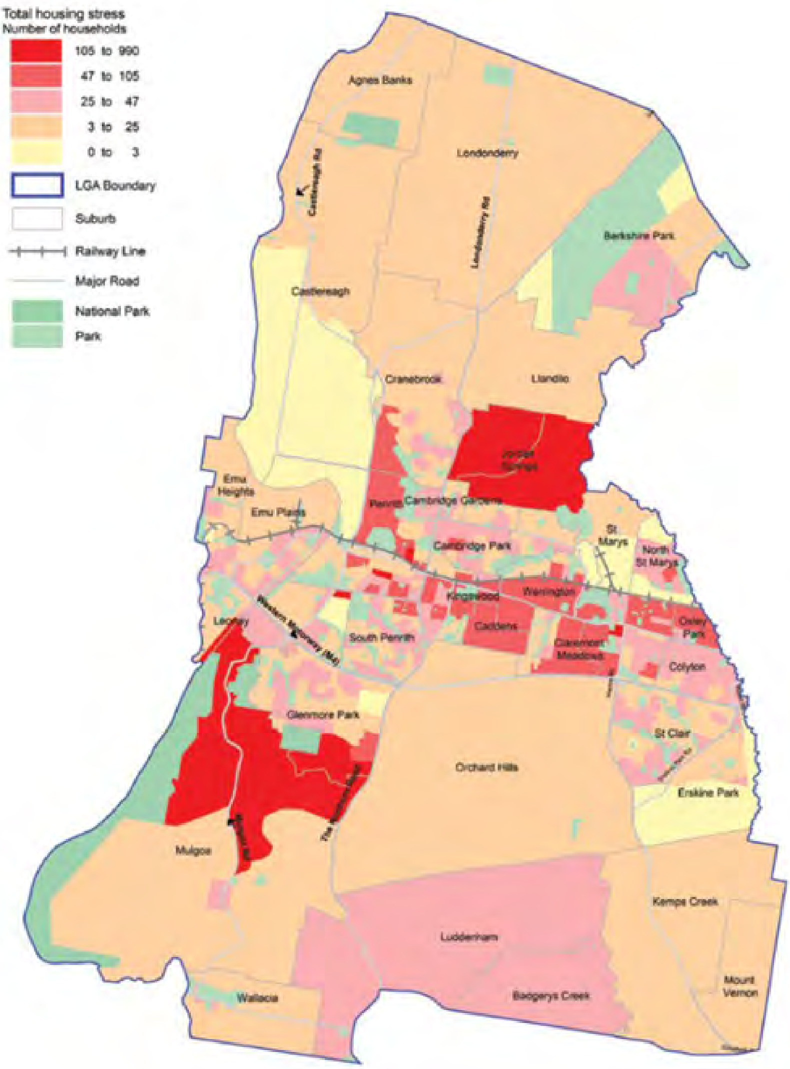


Figure 17 – Housing Stress in Penrith

Source: Penrith Community Profile 2018

2.3 Land Use Constraints & Opportunities for Housing

There are a range of environmental constraints which can place limitations on future development. Land use patterns, topography, landscape and a diversity of lot sizes offer a variety of residential environments within the Penrith LGA. New housing types and design will be largely influenced by existing environmental constraints and land uses.

Located at the foothills of the Blue Mountains World Heritage Area, the majority of the Penrith LGA is undulating however the western lands and parts of the south east have slopes greater than 20%. The large areas of land within the southern portion of the MRA are identified as environmental conservation areas, which typically sit outside of areas that are zoned or comprise residential development.

Flooding is a serious environmental constraint for the provision and location of new housing in Penrith. Minimising the risk to life or property damage by flooding should be the key priority when determining the appropriateness of land use and development. The Hawkesbury-Nepean river and the South Creek river catchment has also influenced existing and future housing capacity. While these two rivers contribute to environmental values and natural amenity, there is substantial flood risk around the Penrith Lakes and central Penrith as well as land south of Mulgoa and within the South Creek river catchment.

Penrith is also characterised by a substantial area of agricultural and rural lands, within the MRA and rural villages. Any future development should not impede existing agricultural or rural lands and as a general rule, expansion of the footprint of existing villages should be avoided, with the growth coming from sensitive infill or development of underutilised land within these villages.

The key environmental and land use constraints include:

- Flooding;
- Landscape and environmental significance;
- Biodiversity;
- Topography;
- Industrial;
- Aircraft noise;
- Future Infrastructure; and
- Agricultural and rural lands.

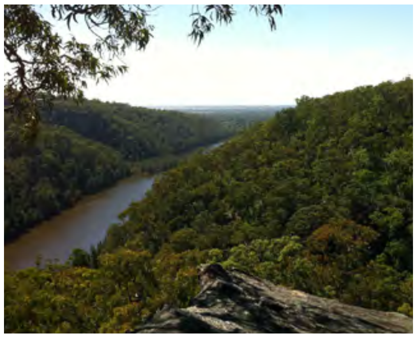
Ultimately, the development of new housing is discouraged where it may significantly impact the scenic, landscape or existing land uses within a centre. However, there is scope to investigate different design measures that respond to environmental constraints and establish partnerships or government initiatives to provide sustainable and appropriate dwellings suited to the area.

Flooding

Flooding is a serious environmental constraint for the provision and location of new housing in Penrith. Minimising the risk to life or property damage by flooding should be the key priority when determining the appropriateness of land use and development.

Flooding in Penrith CBD

Penrith CBD, a location which provides substantial opportunity for additional residential development, is also significantly constrained by the Hawksbury-Neapean PMF level. Future housing can be provided within the CBD subject to responsive design and planning controls which require developments to be suitably elevated from flood levels (e.g. shop top housing).

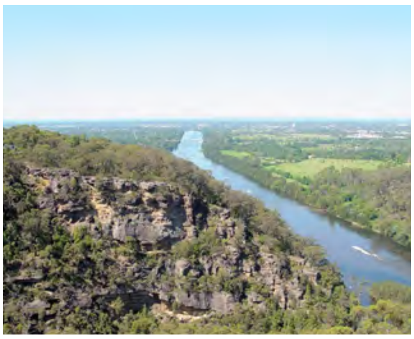


Environmental Significance

Future housing should seek to protect ecological and biodiversity values, particularly along riparian corridors and locations of environmental significance.

Biodiversity

Future residential development should seek to minimise the removal or clearing of native vegetation. Any removal of native vegetation should be undertaken in accordance with relevant legislation.



Topography

Locations with a slope greater than 25% should not be promoted as candidate locations for more intense residential development.

Industrial

Existing industrial precincts in Penrith support employment and service the urban lands. There are examples of residential development adjacent to Industrial precincts in Penrith.

Urban Services

There is policy direction to maintain existing industrial and urban services land. There may be longer term opportunities beyond 2036 for industrial land to provide a mixture of industrial, commercial and residential land uses.

Aircraft Noise

The future operation of the Western Sydney Airport will introduce a new flight path across Western Sydney. The scale of impact of future noise is dependent on final runway configuration, number of flights and seasonal fluctuations.

Urban Investigation Area

Land identified as being above the ANEF 20 contour is considered inappropriate for new residential development. Parts of the Mt Vernon investigation area and the Western Sydney Airport Growth Area are affected by the ANEF 20 contour.

Future infrastructure

Major infrastructure projects can constrain land use and development (whilst also present significant opportunities for alignment of housing and infrastructure). This may include segregating existing communities, increasing noise and air pollution, fragmenting properties and reducing levels of amenity for properties directly abutting.

The location of housing adjacent to future major infrastructure should be carefully sited to minimise land use conflicts.

Agricultural and Rural Lands

Development should not impede on existing agricultural or rural lands. A limited range of housing in rural villages may play a role in supporting future commercial or local village land uses. As a general rule, expansion of the footprint of existing villages should be avoided, with growth coming from sensitive infill or development of under-utilised land within these villages.

Landscape Significance

Housing in these locations should be discouraged where it would significantly impact on the scenic or landscape values of the area.

2.4 Housing Capacity

SUMMARY

There is capacity within Penrith's existing residential and mixed use areas to accommodate 17,545 new dwellings to 2036.

Over the next 20 years, there is also additional capacity for new dwellings in Penrith's urban investigation areas and other strategic opportunity sites. It is estimated that these locations could deliver approximately 47,150 new dwellings to 2036.

Overview

An assessment of Penrith's housing capacity has identified opportunities for new housing in the following locations:

- Areas that are currently zoned for residential or mixed use;
- Investigation and strategic opportunity areas for future residential or mixed use.

Overall, the assessment has found that Penrith has capacity to accommodate approximately 17,545 new dwellings to 2036 within existing residential areas.

In addition to this existing capacity, there is also future capacity for new housing in Penrith's urban investigation areas. Over the next 20 years, these locations could deliver approximately 47,150 new dwellings.

Assessment Approach

Penrith's ability to accommodate new dwellings in the future is largely influenced by the amount of land available for residential development. As identified in **Section 3,** not all vacant land has the propensity to be developed for new housing due to environmental, land use or geographical constraints.

Penrith's existing and future housing capacity has been determined using a five-stage analysis process as follows:

- Review of existing LEP and DCP provision to identify vacant sites within Penrith's established and greenfield areas that are currently zoned for residential or mixed uses.
- Identification of future strategic development or opportunity sites/locations
- Review of strategic planning proposals including:
  - Current Planning Proposals
  - Council's Accelerated Housing Delivery Program
  - Identified Urban Investigation Areas (UIA)
- Calculation of remaining existing capacity under current planning controls
- Calculation of indicative future capacity under future development scenarios.

The findings of the capacity assessment are discussed in further detail.

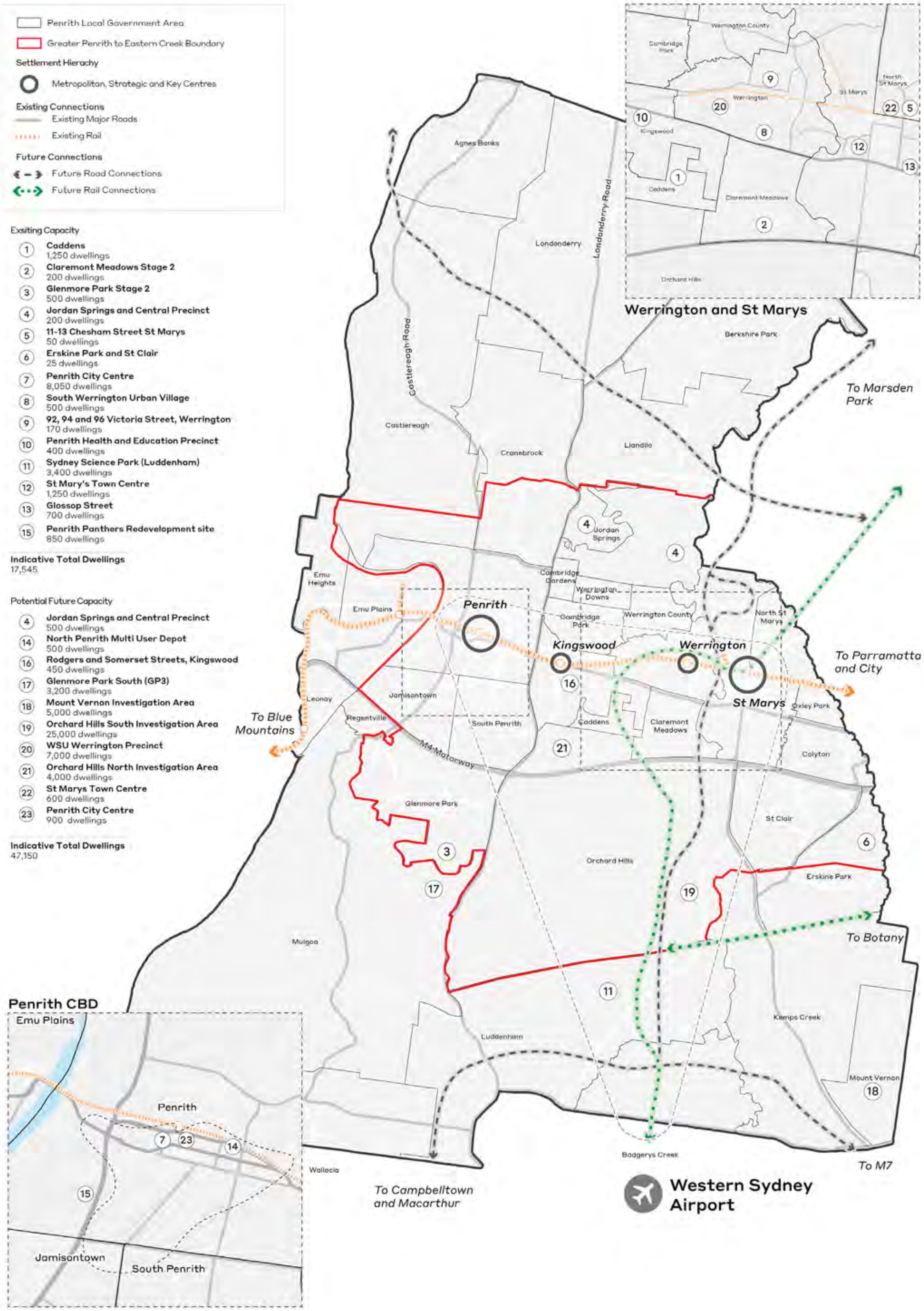


Figure 18 – Summary of Penrith's Housing Capacity

Source: Ethos Urban

Existing Capacity

There is capacity within Penrith's existing residential and mixed use areas to accommodate up to 17,545 new dwellings to 2036 under existing planning controls. When broken down over indicative time scales, it is expected existing residential areas in Penrith will accommodate:

- 4,525 dwellings to 2021
- 9,020 dwellings between 2021 - 2026
- 4,000 dwellings between 2026 - 2036

Approximately 34% of new dwellings (6,050 dwellings) will be delivered within Penrith's existing greenfield and new release areas and 66% within existing infill/established residential areas (11,495 dwellings).

The majority of housing growth in the short term is expected to occur within Penrith's new release areas; namely around Caddens, Glenmore Park, Jordan Springs and Claremont Meadows. There is likely to be some infill development across a number of key sites within the Penrith CBD, subject to planning approval.

It is noted that other residential areas across Penrith may experience a degree of housing change over the next 20 years. Incremental infill and suburban development is expected to continue across the municipality as revitalisation of existing housing stock and new sites become available over time.

Refer to **Appendix A** for further details about Penrith's existing capacity.

Proposed Future Capacity

Over the next 20 years, there is also additional capacity for new dwellings in land that is not currently zoned for residential uses. The most significant opportunities for new housing exist in Penrith's urban investigation areas (UIAs), around future train station precincts and within other strategic opportunity precincts.

it is estimated that these locations could deliver approximately 47,150 new dwellings. Broken down across different development contexts, it is expected that future residential areas and mixed use precincts in Penrith will accommodate:

- Approximately 9,450 new dwellings in infill locations; and
- Approximately 37,700 new dwellings in greenfield areas, including UIAs.

Breaking down the high range growth scenario for the whole LGA, the indicative future housing capacity can be distributed indicatively as follows:

- 500 dwellings between 2016-2021
- 10,200 dwellings between 2021-2026
- 21,450 dwellings between 2026 - 2036
- 15,000+ dwellings beyond 2036

In the longer term, the majority of new housing is likely to occur primarily within Glenmore Park South (Stage 3) and Orchard Hills. In locations where future train station precincts are delivered, future capacity may be increased however the rezoning, delivery and provision of new housing around these locations be entirely dependent on the progress and staging of the new North-South Rail link.

Rural Villages

Penrith has a network of rural villages within the northern and southern portions of its Metropolitan Rural Area (MRA). Penrith's MRA contains a diverse range of rural landscapes ranging from traditional broadacre farming landscapes to rural residential villages. Penrith's rural villages are unique locations with contribute to diverse local identity and Penrith's attractiveness as a place to live and work.

A significant portion of land within Penrith's MRA is heavily constrained by environmental factors such as flooding, bushfire and environmental conservation.

Parts of Penrith's rural south will be impacted by change over time, associated with Western Sydney Airport's noise contour, amenity issues associated with the construction of major city shaping infrastructure and the extension of the M12 motorway.

There are five rural villages in Penrith comprising Agnes Banks; Londonderry; Luddenham; Mulgoa and Wallacia. As defined by the Penrith Rural Lands Strategy (2006) there are also five other rural settlements defined as 'Rural Centres' comprising Berkshire Park; Castlereagh; Kemps Creek; Llandio.

An assessment of each rural village against current planning controls has been undertaken to determine the availability of land for residential development based on existing zoning and minimum lot size controls. This analysis identifies the 'theoretical capacity' for new housing under existing controls, assuming that only one dwelling per minimum lot size is provided. In more established rural villages, such as Mulgoa some dual occupancies may be delivered. The findings of this assessment are presented in **Appendix A.**

Overall, it has been identified that some of Penrith's rural villages have capacity to accommodate additional residential dwellings based on the existing zone controls and minimum lot size controls. It is acknowledged however the majority land within the MRA is significantly constrained by environmental factors such as flooding, bushfire or environmental conservation. Council is currently preparing a Rural Strategy which will establish a revised planning framework to guide the future for rural villages across Penrith.

2.5 Housing Demand

SUMMARY

The number of people living in Penrith will increase by 56,900 residents. Approximately 24,272 new dwellings will be required to support the growing population.

Locations forecast to accommodate the greatest population increase include Penrith CBD, St Mary's and Jordan Springs.

Historic development approval trends have fluctuated over the past 5 years, particularly within the higher density market. There is not the same marked peak and decline in approvals for dwelling houses, indicating that the market for this type of housing is more sustainable over the long term in Penrith.

The demand profile for new housing across different housing types is summarised as:

- 7,070 between 2016 - 2021
- 5,870 between 2021 - 2026
- 5,530 between 2026 - 2031
- 5,360 between 2031 -2036

When compared with Penrith's existing and future capacity, analysis has shown there is ample supply within across the short, medium and long term.

Forecast Population Profile

Over the next 20 years, Penrith LGA will experience significant population growth. By 2036, Penrith will be home to more than 258,000 residents, representing an increase of approximately 56,900 residents (28%). Over this period a total of 24,272 new dwellings will be required to support the growing population, 34% more dwellings than at 2016. The faster proportional rate of growth in dwellings reflects both an overall increase in population and continuing trends for smaller household sizes, changing structure population and diversification of household composition.

In 2016, Penrith City's population was approximately 201,400 people. Over the period 2011-2016, Penrith's population increased relatively rapidly, by an average of +3,400 people per annum (+1.8% p.a.). Comparatively, Greater Sydney's growth rate was slightly lower for the same period (1.7%).

The resident population of the Penrith City is forecast to increase from around 201,400 people in 2016, to approximately 258,200 people by the year 2036, representing an increase of some 56,800 persons (see **Table 8)**.

The rate of growth is projected to slow progressively between 2016 to 2036, indicating that the population growth experienced over the past 5 years (2011-2016) represents a peak.

Figure 19 shows the projected age structure of Penrith LGA between 2016, 2026 and 2036 in 5-year age groups, the percentage of the population in each age group, and the total projected change in number of persons per age group between 2016 and 2036.

The age groups which are projected to exhibit the strongest growth between that of 2016 and 2036 are that of 70-74 year olds (+3,985 persons), 35-39 year olds (+3804), 10-14 year olds (+3662), and 80-84 year olds (+3642),

As can be seen in **Figure 19,** although there will be a strong proportional increase in the amount of elderly residents, particularly those aged 70 and above, the largest proportion of residents will continue to be those of children and teens aged 0 – 19 and working aged residents between 20 and 50.

According to these projections, housing in the Penrith LGA will continue to require to cater to families with children, but also increasingly to an elderly group of residents.

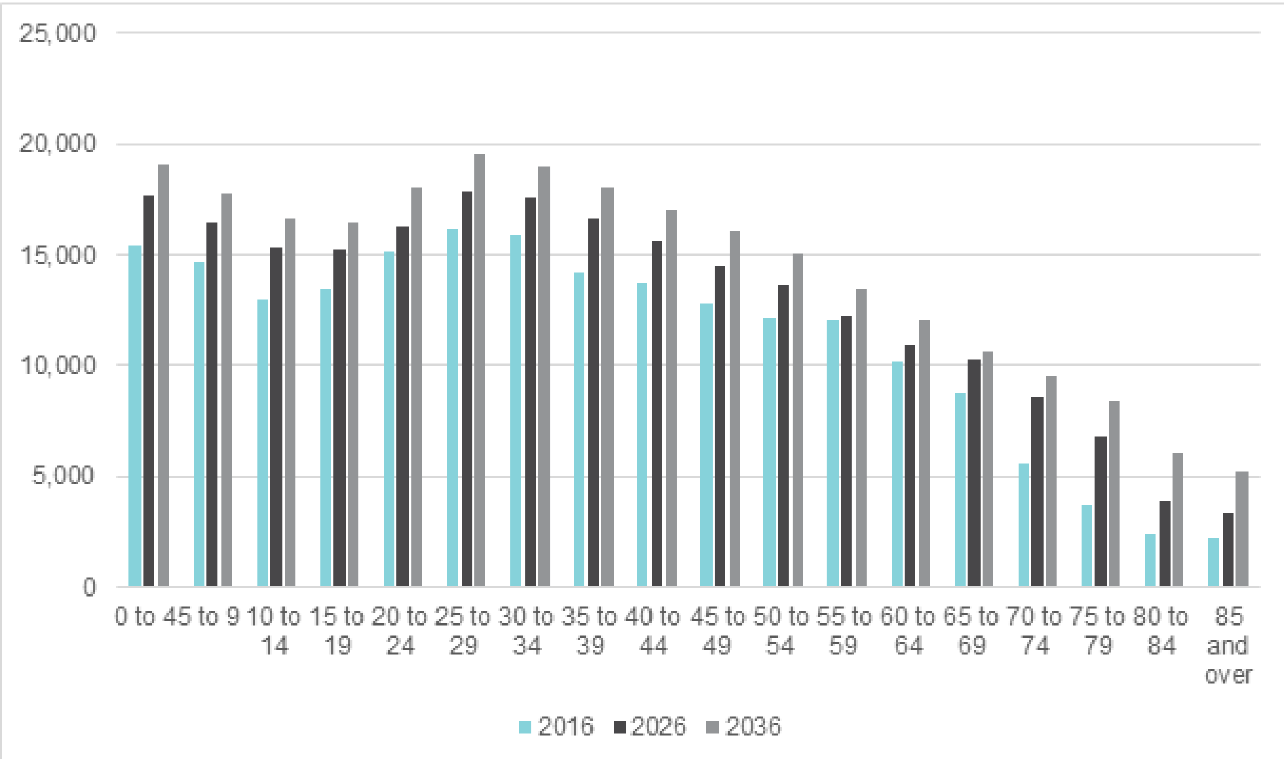


Figure 19 – Penrith projected age structure

Source: Penrith Community Profile 2018

Table 8 – Penrith projected population increase

	2016	2021	2026	2031	2036
Population	201,400	219,320	232,750	245,680	258,200
Population Increase (no.)		+17,920	+13,430	+12,930	+12,520
Average annual growth rate (no).	-	+3,580	+2,690	+2,590	+2,500
Average annual growth rate (%)	-	1.7%	1.2%	1.1%	1.0%

Source: Penrith Community Profile 2018

Forecast Demand by Location

Demand for housing will be generated in small areas where population growth is anticipated to occur. The forecast results, provided by i.d. Consulting, show the most substantial population growth over the next 20 years in

- Penrith (+15,000 residents)
- St. Marys (+5,500 residents)
- Jordan Springs (+5,300 residents)
- Werrington (+4,000 residents)
- Kingswood (+3,700 residents)

Conversely forecast data anticipates that very little, or negative, growth will occur over the years from 2016 to 2036 in:

- Emu Heights (-100)
- St Clair (-200)
- Orchard Hills - Rural South (-200)
- Cranebrook (-400)

It is noted that the current forecast data does not account for potential changes in housing policy in Penrith LGA, for example the identification of new greenfield release areas, announcement of the North South Rail Line and other transformative infrastructure projects across Western Sydney over the next 20 years. Orchard Hills is a prime example of a location that will substantially change over the next 20 years as a result of major infrastructure delivery.

Table 9 shows the projected population of the Penrith LGA by suburb, as per id. Consulting population forecasts.

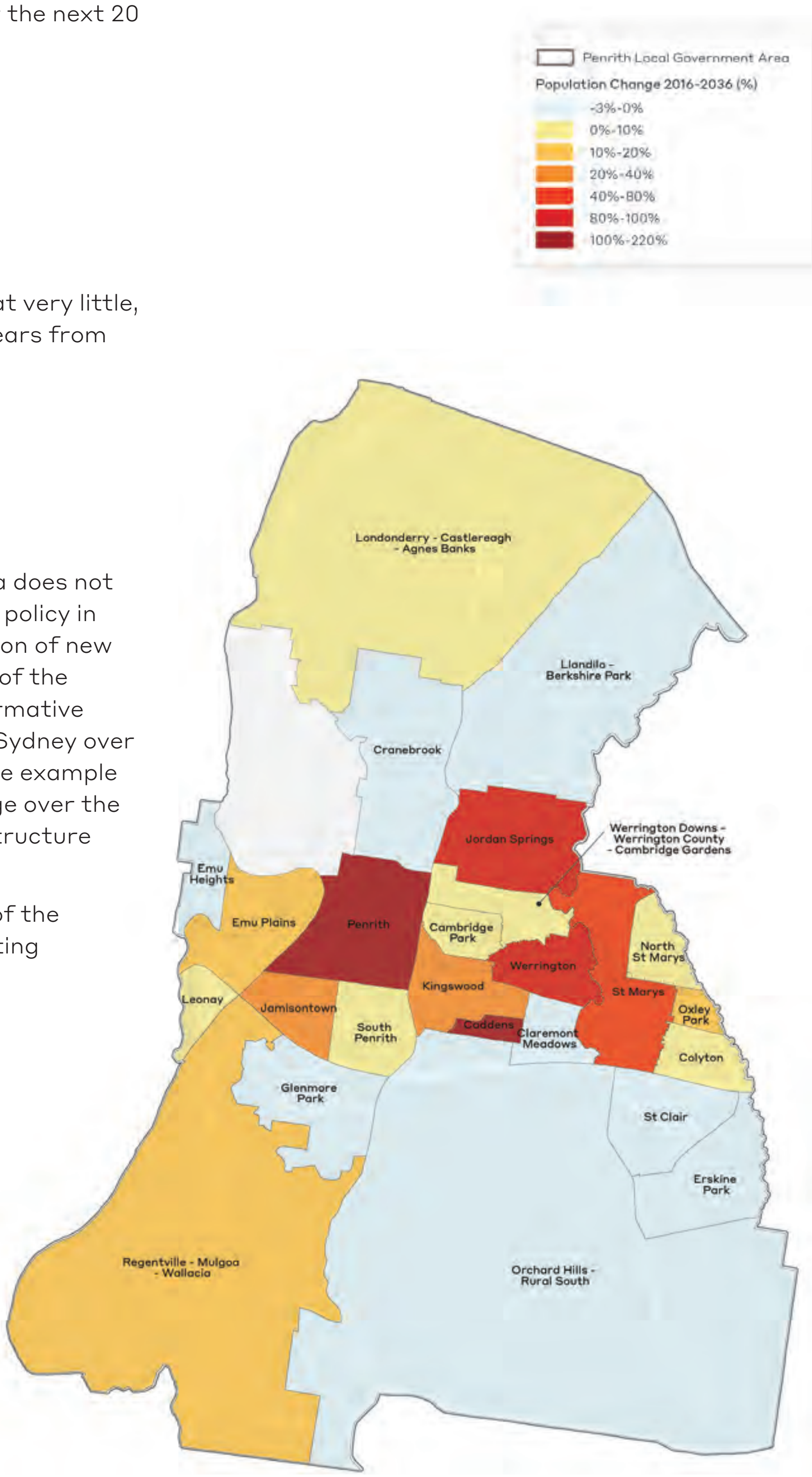


Table 9 – Population forecast by suburb

Area	2016	2021	2026	2031	2036	Change 2016 - 2036
Penrith City	201,404	219,315	232,754	245,683	258,195	+56,791
Caddens	1,068	3,163	3,634	3,549	3,456	+2,389
Cambridge Park	6,889	6,999	7,078	7,262	7,515	+626
Claremont Meadows	4,920	5,006	4,938	4,932	4,955	+35
Colyton	8,600	8,616	8,701	8,867	9,091	+491
Cranebrook	16,268	15,900	15,780	15,789	15,939	-329
Emu Heights	3,362	3,258	3,273	3,302	3,349	-13
Emu Plains	8,621	8,909	9,137	9,371	9,643	+1,022
Erskine Park	6,595	6,463	6,502	6,621	6,807	+212
Glenmore Park	23,679	24,949	24,402	24,038	23,815	+136
Jamisontown	5,614	5,991	6,219	6,563	7,003	+1,389
Kingswood	10,026	11,937	12,789	13,217	13,728	+3,702
Leonay	2,583	2,558	2,612	2,670	2,790	+207
Llandilo - Berkshire Park	3,894	3,925	3,971	3,997	4,016	+122
Londonderry - Castlereagh - Agnes Banks	5,704	5,736	5,814	5,935	6,062	+358
North St Marys	4,040	4,163	4,213	4,335	4,446	+406
Orchard Hills - Rural South	5,057	5,069	4,974	4,931	4,922	-134
Oxley Park	3,076	3,215	3,349	3,511	3,669	+593
Penrith	13,630	16,920	20,493	24,805	28,613	+14,983
Penrith Lakes	13	1,012	4,934	9,579	13,779	+13,766
Regentville - Mulgoa - Wallacia	4,071	4,589	4,690	4,796	4,913	+842
South Penrith	12,070	12,041	12,250	12,616	13,040	+970
St Clair	20,377	20,182	20,136	20,127	20,244	-133
St Marys	12,739	14,329	15,644	16,953	18,157	+5,417
Jordan Springs	5,317	9,446	11,134	10,918	10,634	+5,317
Werrington	4,158	5,874	7,022	7,831	8,207	+4,049
Werrington Downs - Werrington County - Cambridge Gardens	9,033	9,064	9,066	9,169	9,402	+369

Source: id. Consulting

Development Approvals to 2018

Development approvals data can provide an indication of housing supply and demand trends over a period of time.

As shown below in **Figure 20,** Penrith observed a peak in residential development approvals in 2015. The most notable characteristic of this peak is the significant growth in multi-dwelling and apartment housing types. The rate of approvals of dwellings houses is relatively stable in comparison to the growth and then decline in approvals for other dwelling types. This broadly reflects the surge in broader housing investment that occurred in the market at that time attributed to cyclical macro-economic factors.

Total dwelling approvals subsequently declined in the years 2016, 2017 and 2018 as the broader residential market shifted from an investment phase to a downturn period. Notably, the share of dwelling approvals attributed to 'residential flat building' declined significantly over the period 2015-2017 as this typology became less financially viable for developers due to falling house prices and tighter lending restrictions on investors. While there has been some fluctuation in the approvals of high density housing, there is not the same marked peak and decline in approvals for dwelling houses, indicating that the market for this type of housing is more sustainable over the long term in Penrith.

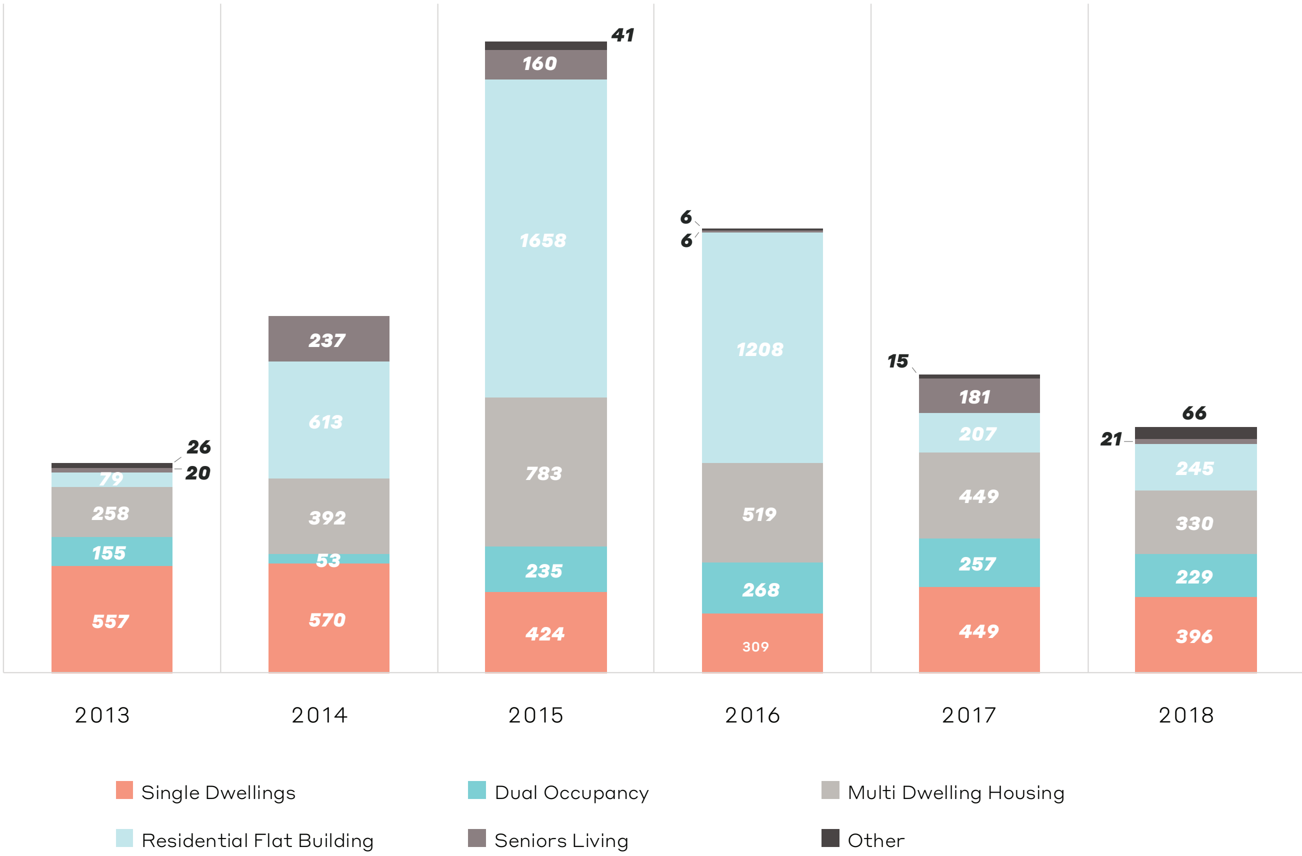


Figure 20 – Number and type of dwellings approved each year

Source: Penrtih City Council data

Building Approvals to 2018

Building approvals data can provide an indication of future residential building activity and housing supply. A breakdown of building approvals data for 2017-18 by SA2 areas in Penrith City is shown in **Figure 21** below.

The highest SA2 for total dwelling approvals is Castlereagh-Cranebrook with some 4,000 approvals, the vast majority of which are detached houses. The majority of this growth is in the Jordan Springs release area. Other localities with good availability of greenfield land, like Kingswood-Werrington (which includes the Caddens release area) and Mulgoa-Luddenham-Orchard Hills (which includes newer parts of Glenmore Park) also show strong approvals for dwelling houses. Penrith was the second highest SA2 for total dwelling approvals (some 3,400 approvals with the vast majority of dwelling approvals were attributed to the 'flat, unit & apartment' category. This reflects the availability of suitable development sites including North Penrith and other sites in and around Penrith CBD. There is also strong evidence of potential growth in medium density housing types (eg, townhouses) in locations that have access to public transport, such as Penrith, Kingswood, Werrington and St Marys, and to a lesser extent, Oxley Park.

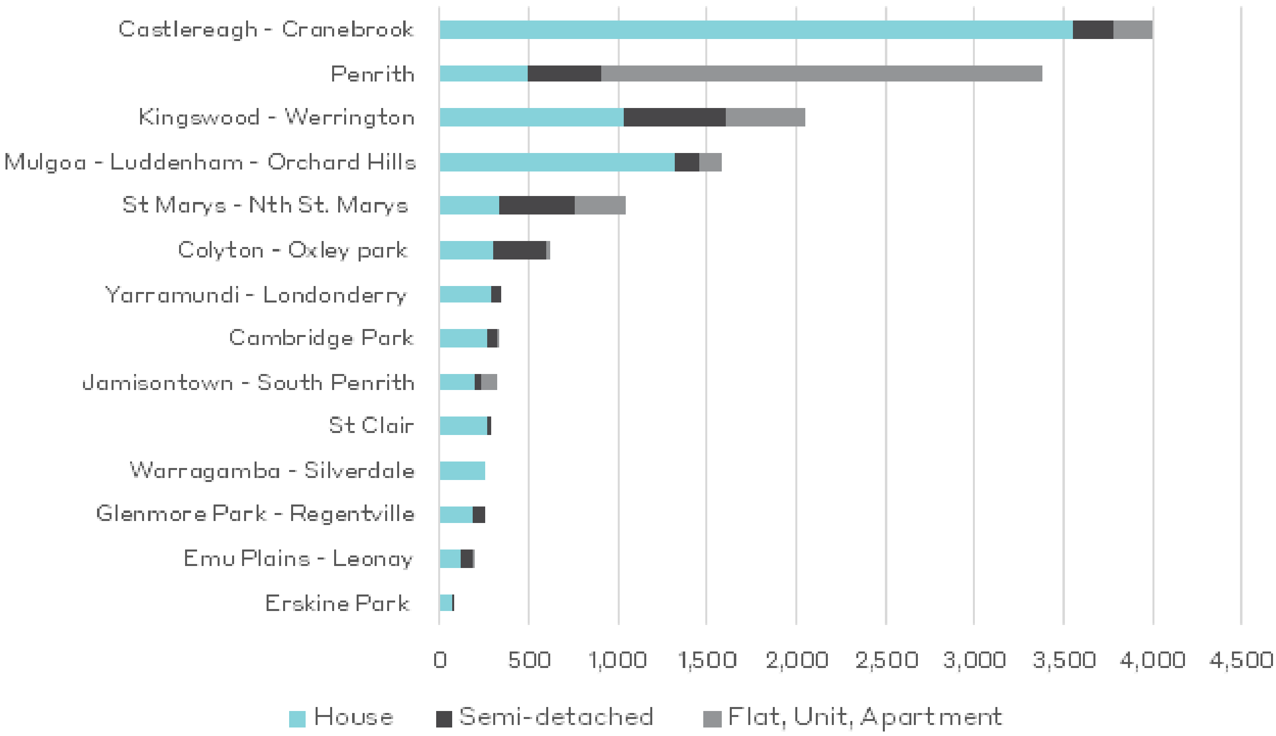


Figure 21 – Number of building approvals by SA2 in Penrith City, 2017-18

Source: ABS, 2016

Dwelling Completions to 2018

To understand recent dwelling construction activity, the Department of Planning and Environment Greater Sydney Regional Housing Activity dataset was reviewed. This dataset records dwelling approvals and dwelling completions for detached dwellings and multi-dwelling housing (which includes a wide range of dwelling types including medium and high density townhouses and apartments).

Dwelling completions data from 2012 to 2018 provides an indication of residential construction activity in the relatively recent past, and is summarised in **Table 10.**

When comparing dwelling approvals and completions data for the same period (allowing for a 12 month average lead time between approval and completion), around 80% of dwellings that were approved from 2011-2017 were also constructed within the six year period (2012-2018).

The Greater Sydney Commission has set five-year dwelling completion targets for each local government area in metropolitan Sydney, from 2016 to 2021. At the time of preparing this report, we are just over half way through this period. DPIE dwelling completion data has been updated to September 2018, roughly 40% through the five-year target period. Between July 2016 and September 2018, 4,100 dwellings were delivered, comprising 1,900 detached houses and 2,200 multi-unit dwellings. There are a number of key points to note from this subset of the longer term data:

- The proportion of multi-unit dwellings in this period was 53.5%, significantly higher than the 38% for the period 2012-2018. This corresponds with a significant spike in approvals for higher density dwellings (refer to Section 2.4).
- The annual rate of dwelling completions is 1,863, which is also significantly higher than the annual completion rate for 2012-2018.
- The majority of the increased rate of dwelling completions is due to higher density apartments and townhouses, with the rate of completions for detached dwellings remaining comparatively more constant over time.

Table 10 – Penrith dwelling completions, July 2012-June 2018

Heading	Detached dwellings	Multi-Unit Dwellings	Total Dwellings
Total dwelling completions	5,371	3,311	8,682
Average annual rate of completions	895	552	1447
Percentage of total	62%	38%	100%

Source: Greater Sydney Regional Housing Activity, Department of Planning and Environment (accessed 3 May 2019)

Demand for New Dwellings 2016-2036

Demand for new dwellings can be estimated based on analysis of projected population growth and change. Using demographic analysis (refer to Section 2.0), **Table 11** provides a breakdown of housing demand in five year time periods through to 2036. Overall demand is projected to decrease in relative terms in the later years of the forecast period, because the rate of population growth is projected to decline.

Separate housing is forecast to have the highest share of housing demand up to 2021. From 2021 to 2026, this share is forecast to decline slightly, driven in part by demographic and household formation factors such as lower average household size, and changes in household compositions. Importantly, demand across these different housing types is highly substitutable. Households are likely to shift demand between different housing types, in particular between separate and medium density housing. In the longer term, demographic changes and changing market drivers for housing preference will drive a higher proportion of smaller and well located households, so demand for high density dwellings will remain more constant than demand for medium and low density housing, although there is likely to be some interchange between medium and high density forms depending on price, availability and specific housing preferences.

Table 11 – Housing demand to 2036, 5 year increments

Housing Type	2016 - 2021	2021 – 2026	2026 - 2036
Separate housing	3,110	2,200	3,890
Medium density housing	2,890	2,670	5,070
High density housing	1,070	1,010	1,930
Total housing	**7,070**	**5,870**	**10,890**

Source: id forecasts (City of Penrith), Ethos Urban

3.0

HOUSING VISION AND OBJECTIVES

3.0 Housing Vision

3.1 Housing Vision

To guide the future delivery of housing across the LGA over the next 20 years a municipal housing vision has been established:

> *Penrith will provide a diverse range of housing to cater for a changing and growing population. Housing types will cater for differing needs and lifecycle choices. Housing will be affordable, environmentally sustainable and responsive to the local character of Penrith's neighbourhoods, new release areas and rural villages.*
>
> *New housing design will be high quality and resilient to the changing climate of Western Sydney. Medium and higher density housing will be provided in locations with good access to services and high frequency public transport, including existing train stations and those associated with the Western Sydney Airport Metro between St Marys and the Aerotropolis. Housing for families will continue to be delivered through targeted and coordinated land releases in locations that are accessible to jobs, services and transport.*

3.2 Housing Objectives

To implement the vision, the following supporting objectives have been developed:

1. To encourage the provision of new housing in locations that are within walkable catchments around high quality public transport networks and key centres.
2. To ensure that any expansion of the urban area is targeted to locations supported by infrastructure, where a diversity of housing types is appropriate, and are aligned with District or Regional growth
3. To ensure there is a diversity of housing types, sizes and tenure that are flexible, adaptable, and appropriate to the changing needs of current and future residents.
4. To ensure local infrastructure appropriately caters to the future demand generated in incremental and substantial change areas.
5. To support the provision of specialised and affordable housing to accommodate residents with particular needs with regard to design, location, tenure and cost.
6. To ensure new housing respects local character values of Penrith's diverse neighbourhoods or contributes to positively in localities where character will transform over time.
7. To promote housing resilience through high quality and environmentally sustainable design.

3.3 Housing Targets

There are three key outcomes to be determined in relation to the supply of new dwellings for the period from 2016 to 2036:

- Analysis and determination of whether the 5 year dwelling target for Penrith is to be met.
- Establishing a new dwelling target for the next five years (2021-2026).
- Estimating the likely contribution Penrith will make to achieving the new dwellings anticipated to be required for the Western City District to 2036.

Short-term housing supply (2019- 2021)

Penrith's dwelling target under the Western City District Plan is 6,600 dwellings. It is reasonable to anticipate that the latter part of the 2016-2021 period (that is, the period from 2019-2021) is likely to see an easing in the number of dwelling completions, relative to the 2016-2018 period, because the market has slowed due to stricter lending practices. The slow down in completions is anticipated to be more marked in the higher density dwelling types, because overall price reductions are likely to significantly impact on the feasibility of developers delivering this product, relative to low density dwellings where margins are less impacted by price corrections. It is estimated approximately 3,400 new dwellings will be delivered to the market to the end of June 2021. In total this would see 7,500 dwellings completed over the 2016-2021 period. It is expected that the largest proportion of dwellings will be detached housing, however, medium and high density dwellings combined will deliver more than half of the total new dwelling stock to 2021. This is consistent with recent trends in dwelling approvals and completions, and reflects a shifting market preference for higher density dwelling types. However, it is also a response to cyclical market conditions.

The recent property boom has led to rapid price increases which has in turn assisted the financial viability of higher density residential development in Penrith. Increasing house prices mean that the differential between the cost of a detached dwelling and an apartment (which has a minimum unit cost to bring to market because of construction and financing costs) is sufficient to make apartments attractive to a larger number of buyers. However, because higher density development in Penrith is much more sensitive to price fluctuation in the market, the recent downturn in prices indicates that higher density construction activity is contracting. This means that the forecasts for high density dwellings are lower for the second half of the five year period than the first half, and there is a greater risk that this segment of the dwelling pipeline could deliver less than the estimate above. However, even if this does occur, the anticipated delivery of detached houses and medium density dwellings is likely to mean that Penrith meets the overall dwelling target in the District Plan.

Table 12 – Forecast Supply of Housing to the Market (2016-2021)

Housing Type	Constructed	Estimated Supply to Market	Total Supply to Market
	(Jul '16 to Sep '18)	(Oct '18 to Jun '21)	(2016 to 2021)
Detached housing	1,900	1,570	3,480
Medium density housing	1,200	1,000	2,200
High density housing	1,000	820	1,820
Total	**4,100**	**3,400**	**7,500**

Source: NSW Department of Planning and Environment (Sydney Greenfield Monitor), Ethos Urban

Note: Nominal split based on previous trends

Western City District Targets 0 - 5 Years

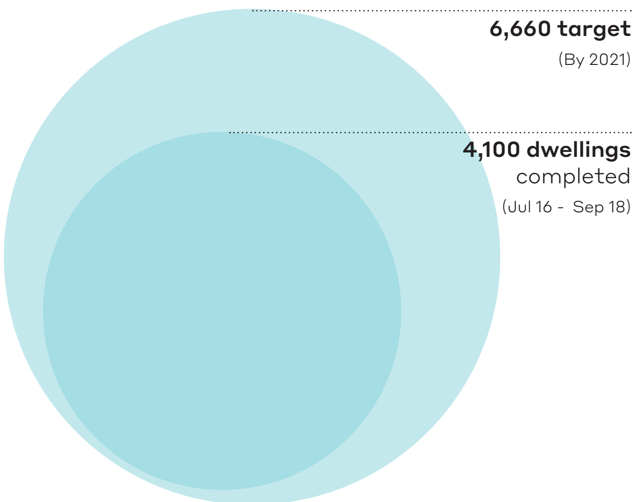
The Western City District Plan identifies a housing target of 6,600 new dwellings to 2021 for Penrith LGA. This target represents approximately 16% of the new housing requirement within the Western City District. The targets for the Western City District are reproduced in **Table 13** below.

Table 13 – Dwelling targets for the Western City District

LGA	1-5 Year Housing Target	%
Blue Mountains	650	1.63%
Camden	11,800	29.61%
Campbelltown	6,800	17.05%
Fairfield	3,050	7.65%
Hawkesbury	1,150	2.89%
Liverpool	8,250	20.70%
Penrith	6,600	16.56%
Wollondilly	1,550	3.89%
Total	**39,850**	

Source: Greater Sydney Commission

At the time of preparing this report, we are just over half way through this period. DPIE dwelling completion data has been updated to September 2018, roughly 40% through the five-year target period. Between July 2016 and September 2018, 4,100 dwellings were delivered, comprising 1,900 detached houses and 2,200 multi-unit dwellings.



Medium and Long-term housing supply (2021 -2036)

Capacity analysis (refer to **Section 2.6**) indicates that there is sufficient capacity for the market to continue to deliver detached housing over the next 15+ years. The market in Penrith is likely to be primarily driven by detached dwellings, particularly in the period up to 2026. While developable greenfield land is available, the development industry is anticipated to continue to deliver a relatively steady supply of detached dwellings to meet demand from population growth. Population growth is projected to slow (relative to rates over the last 5-10 years, which have been historically high), and this is reflected in the estimated supply of new dwellings.

The balance between low, medium and high density dwellings should also reflect changing demographic characteristics, bearing in mind that the higher density segment will experience greater, but diminishing, volatility in response to market cycles over the 20 year life of the Housing Strategy. It is also relevant to note that the estimated dwelling supply for the forecast periods from 2026 onwards are higher than population driven demand (as presented in Section **1.1.2**).

The higher supply forecasts are a reflection of more favourable market conditions that are likely to attract more buyers to Penrith. These factors include the potential supply of new development sites that are well located in relation to jobs, services and transport, in particular the influence of the Western Sydney Airport (to be operational in 2026) and associated public transport infrastructure including stage 1 of the Western Sydney Airport Metro from St Marys to the aerotropolis. These factors are anticipated to drive stronger market conditions and house prices that will reduce the risks associated with higher density residential development that are currently a feature of the Penrith housing market.

Table 14 summarises estimated dwelling supply for years 0-5 (already discussed above, years 6-10, and years 11-20 of the strategy.

Table 14 – Supply of New Houses Across 5 Year Periods

Housing Supply	2016 - 2021	2021 – 2026	2026 - 2036
Detached housing	3,480	3000	4,650
Medium density housing	2,200	2100	4,100
High density housing	1,820	1400	3,250
Total	**7,500**	**6,500**	**12,000**

Source: Ethos Urban

Penrith Dwelling Targets 6 - 10 Years

A target of 6,100 to 7,800 new dwellings is proposed for the 6-10 years period (2021-2026), see **Table 15.** This range has been informed by a current understanding of the estimated supply of housing across all housing types and the forecast demand over these periods and where there are expected to be demand and supply gaps in the types of housing over the next few periods. In addition, these figures take into account what the market is likely and able to deliver and expectations on future demographic trends in household formation. As a result, the new target sees most of the housing being delivered being separate housing, and a slightly smaller proportion in medium density housing. While high density housing will provide the smallest share of housing. High density housing is also the most susceptible to market fluctuation, and therefore variances could have a more significant impact on overall completions than for other dwelling types.

Dwelling Estimates beyond 2026

A similar rationale was also provided for 2026 to 2031 period dwelling estimate. In addition, this figure has been informed by the lower total demand for housing in this period, based on demographic forecasts. The estimates for 2031 to 2036 have also been adjusted to account for expected increase in demand for high density housing which will arise due expected strong growth in house prices in this period and the preceding period, important city shaping infrastructure projects coming online during or shortly following this period, and a more diversified and stronger economy and employment opportunities in the Western City District.

It's important to note that these figures have been expressed as range due to the fundamental uncertainty inherent in forecasting. This uncertainty increases the further out into the future and is reflected to the larger ranges provided for the 2026 to 2031 and 2031 to 2036 period estimates.

Table 15 – New Dwelling Target for years 6-10 and estimates for 2026-2036

Housing Types	2021-2026 target	2026 – 2036 estimate
Separate housing	3,000 – 3,600	4,400 - 7,200
Medium density housing	2,200 – 3,000	4,000 - 6,400
High density housing	900 – 1,200	2,400 - 3,000
New Target	**6,100 - 7,800**	**10,800 - 16,600**

Source: Ethos Urban

4.0

PRIORITY 1

HOUSING LOCATION

4.0 Housing Framework Plan

4.1 Overview

Locating housing in the 'right' places is essential to promoting sustainable, liveable and prosperous communities. The location of housing can greatly influence transport choices, housing affordability access to employment, retail community services and open space. It also has significant implications for the cost and provision of infrastructure.

Penrith's development context is ever changing and to ensure that the location of future housing is appropriate, it is important to establish a broad framework to guide Council. This will assist in determining the best locations for future growth both within Penrith's established suburbs and greenfield areas. When developing the framework, the following factors must be taken into consideration:

- Penrith's role in contributing to additional housing to accommodate expected population growth across Western Sydney and the greater metropolitan area;
- Maximising access to existing and future public transport and activity centres;
- Protecting areas with significant environmental, heritage, landscape or amenity values;
- Improving housing choice and affordability;
- Diversifying the mixture of housing types and sizes across the City;
- Retaining a mix of residential lot sizes across the City; and
- Development constraints such as physical attributes, buffer requirements and other development overlays.

This Strategy has developed a Housing Framework Plan (HFP) to guide the location and delivery of housing over the next 20 years.

The HFP sets out a spatial vision for growth across the LGA over the next 20+ years through the designation of three levels of 'housing change' as follows:

- Housing Diversity Areas
- Incremental Change Areas
- Limited Change Areas

Each of these change areas are discussed in further detail below and summarised in **Figures 22 and 23.**

Housing Location Objectives:

1. To encourage the provision of new housing in locations that are within walkable catchments around high quality public transport networks and key centres
2. To ensure that any expansion of the urban area is targeted to locations supported by infrastructure, where a diversity of housing types is appropriate, and are aligned with District or Regional growth

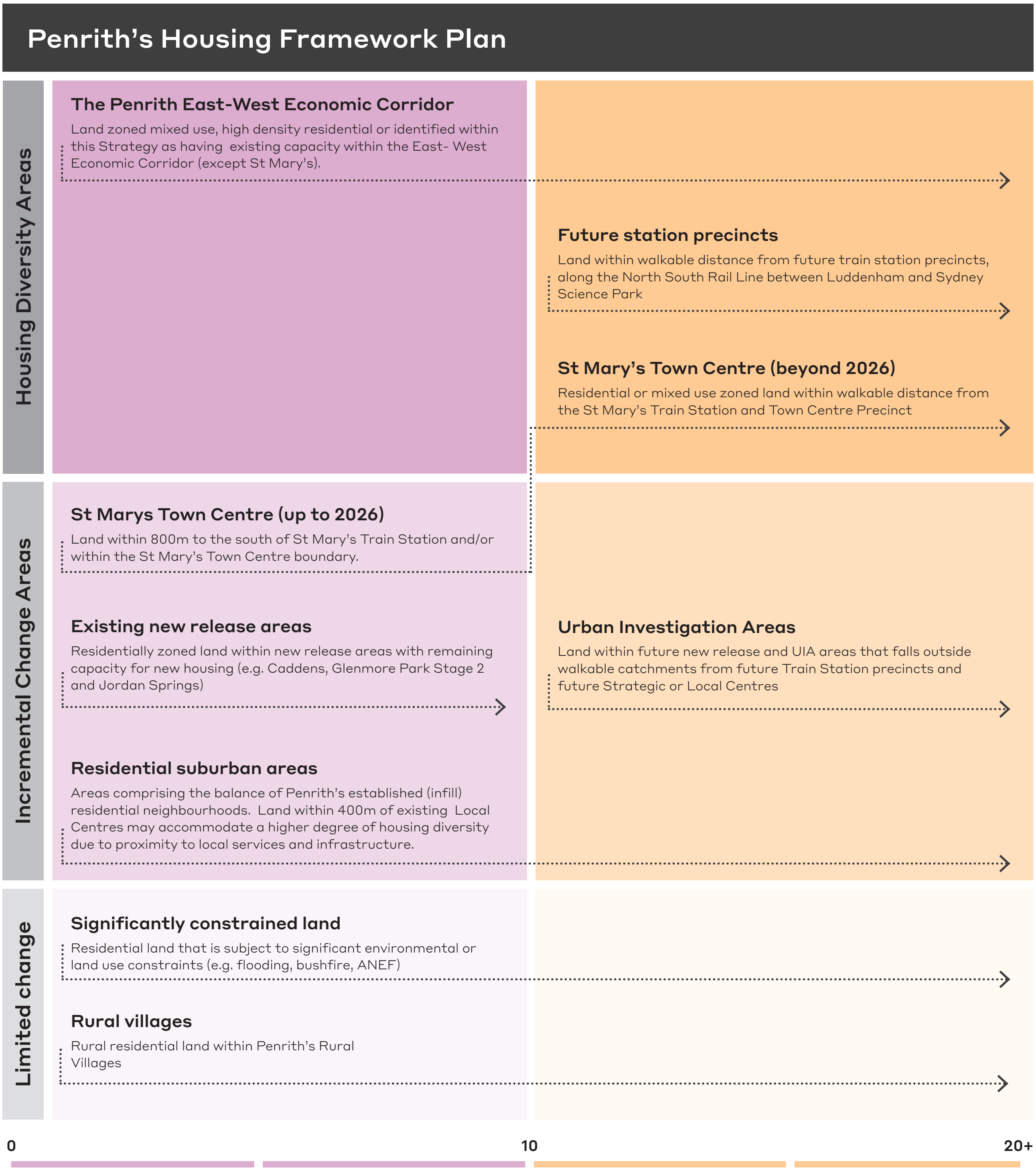


Figure 22 – Summary of Penrith's Housing Framework Plan

Source: Ethos Urban

Penrith's Housing Framework Plan:

20-Year Spatial Plan to 2036

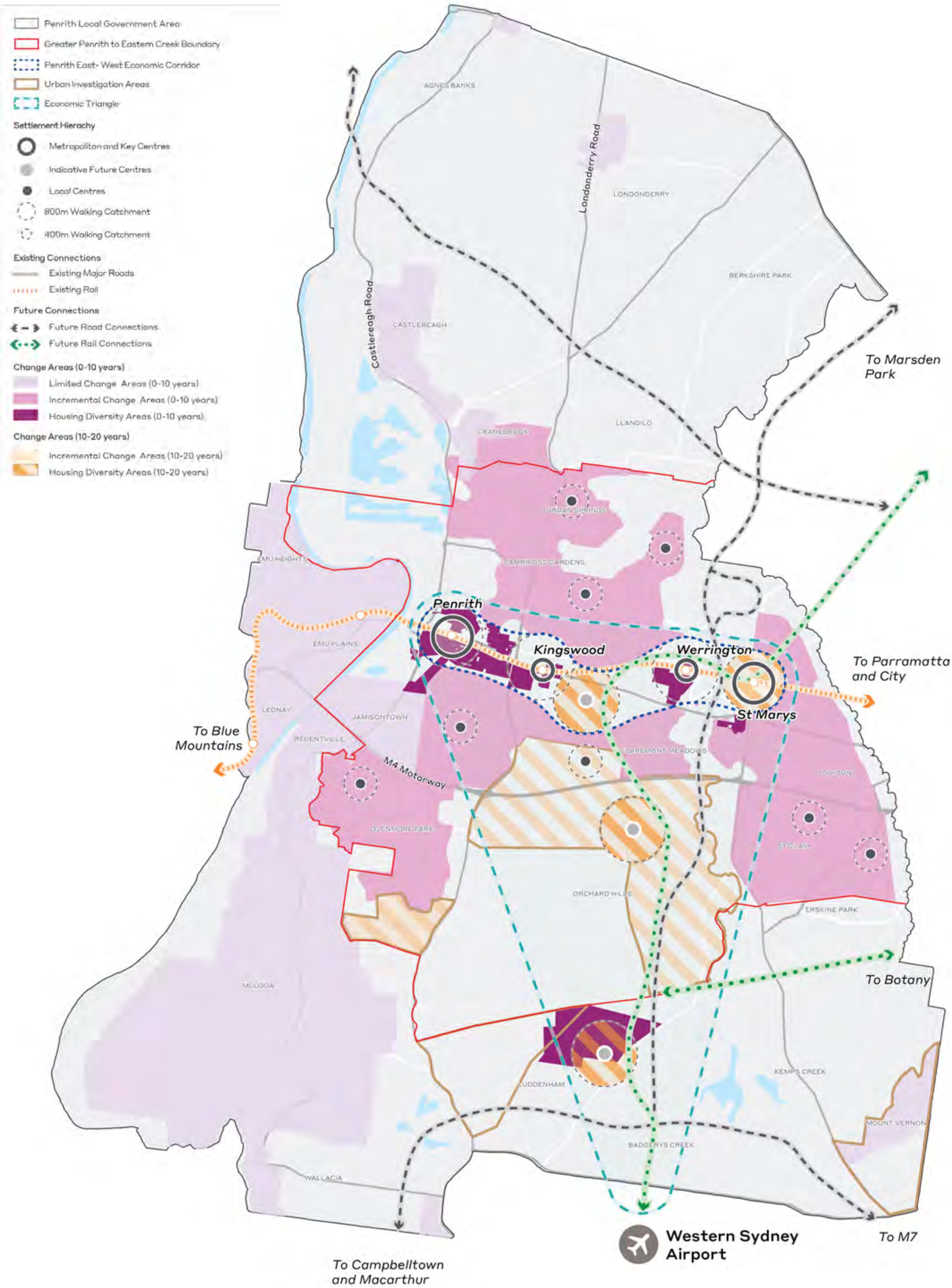


Figure 23 – Penrith Housing Framework Plan Map

Source: Ethos Urban

4.2 Housing Diversity Areas

Housing Diversity Areas are well serviced and high amenity mixed use neighbourhoods within proximity to quality public transport and convenient access to district level services, social infrastructure and open space. Over the next 20 years, these locations will accommodate the majority of Penrith's housing growth and will support a variety of housing forms at increased densities.

Housing Diversity Areas in Penrith meet one or more of the following criteria:

- Located within the East-West Economic Corridor;
- Zoned either Mixed Use (B4), High Density (R4) or located on commercial lands that support residential uses within the Corridor;
- Within walking distance (800m) to existing or future high frequency public transport;
- Land may be partially impacted by environmental, heritage or land use constraints.

Housing Diversity Areas should be prioritised for high quality mixed use, medium density and higher density residential development within a compact urban form. Council should seek to proactively encourage and facilitate opportunities for transformational development in these locations that will enhance and improve the public domain.

Key locations that will accommodate housing diversity in Penrith over the next 20 years are:

- Penrith's East-West Economic Corridor;
- St Mary's Town Centre (beyond 2026);
- Future station precincts;
- Existing centres.

Further discussion of the role and function of each of these locations to accommodate future growth is discussed in the following pages. Refer to **Figure 24** for the Housing Diversity Map.

Recommendations

1. Support the provision of new housing at increased densities to promote housing diversity within Penrith's East - West Economic Corridor.
2. Establish a precinct-plan for emerging centres around train station precincts which identify locations for increased height and FSR to deliver more density. This should be prepared subsequent to the confirmation of future station locations.
3. Support housing diversity and change within walkable catchments to the east of St Mary's Town Centre within existing residential zones in the short to medium term.
4. Maintain capacity for larger format commercial uses on large sites within the St Mary's Town Centre. Residential and other mixed uses should be integrated where possible.
5. Investigate increasing densities across existing residential and business zones within St Mary's Town Centre beyond 2026.
6. Develop a Masterplan for the Glossip Street Precinct in collaboration with key partners and government agencies.
7. Discourage rezoning of land around future station precincts in the short to medium term until there is certainty over future train station locations.
8. Support the revitalisation of existing centres in a manner that will deliver high quality built form outcomes and enhance the public domain and provide community benefit.

Penrith's Housing Framework Plan:

Housing Diversity Areas

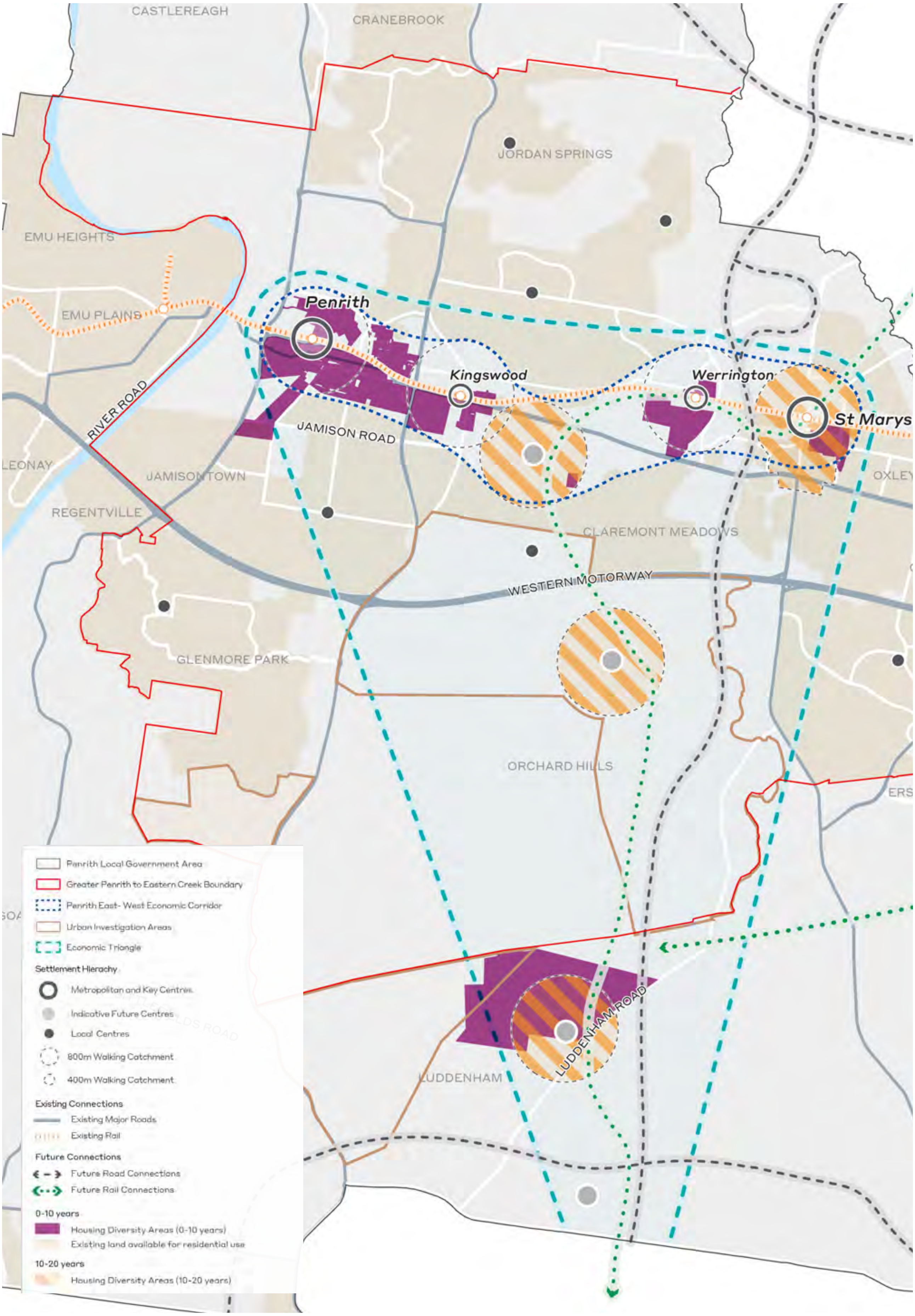


Figure 24 – Housing Diversity Areas

Source: Ethos Urban

East - West Economic Corridor

The Penrith East-West Economic Corridor has capacity to accommodate approximately 8,000 new dwellings under existing planning controls. These new dwellings will likely be delivered over the next 10 years - primarily around the Penrith CBD, Kingswood and Werrington.

Over the next 20 years major infrastructure projects such as the Outer Sydney Orbital and the North-South Rail line will increase capacity for north-south and east-west connectivity within Penrith's economic triangle. As the influence of the Western Sydney Airport and new transport infrastructure grows and consolidates, the role of key mixed use centres such as Kingswood and Werrington is likely to mature as development densities increase and commercial, industrial and employment generating uses diversify and growth continues.

Other trends that are likely to influence future housing within the East-West Economic Corridor:

- Population related growth in retail and services, and higher density living, are anticipated to continue in and around the Penrith CBD.
- Significant investment in the Nepean Hospital and the Penrith Health and Education Precinct will attract knowledge intensive industries.
- Commercial and industrial development around the airport (in the aerotropolis) and the Western Sydney Employment Area is anticipated to strengthen.
- Increased population densities are likely to drive stronger demand for related services including health care, education (including tertiary education) and other human services.

These factors will continue to influence the role and function of Penrith CBD relative to other locations like Werrington and St Marys, which will be increasingly attractive to more strategic industries.

Key to the regeneration and success of Penrith's East-West Economic Corridor will be the sustainable provision and upgrade of community infrastructure such as public parks, open space and community facilities.

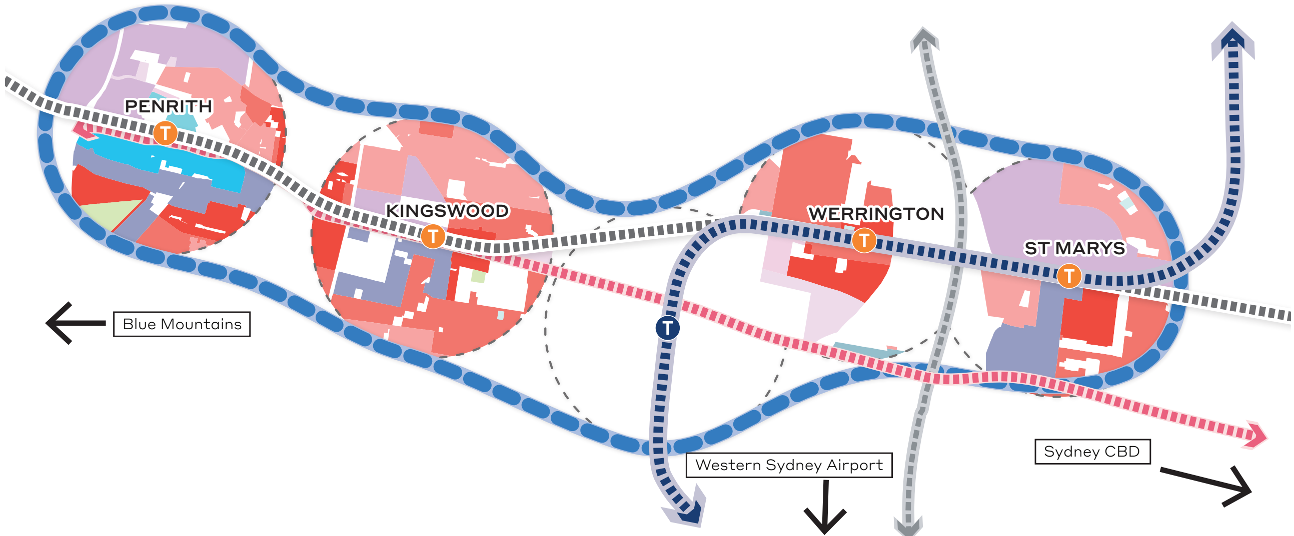


Figure 25 – Existing East-West Economic Corridor

Source: Ethos Urban

St Marys (beyond 2026)

St Mary's has been identified as a Strategic Centre and will play an important role in accommodating future housing, commercial uses and mixed use.

As a highly accessible location that will transform into a major gateway in the coming years, St Marys is likely to shift more towards new commercial and industrial floorspace, as demand for more floorspace and more diverse economic activity grows. In this context, ensuring that there are future opportunities for new commercial and supporting residential uses to support the changing role and function of the town centre will need to be carefully managed.

There are many opportunities for housing diversity in St Marys Town Centre including the provision of affordable and other specialist housing types. There is also a high concentration of Council owned land within the town centre boundary including several large car park sites which present optimal conditions for urban regeneration.

Prioritsation of commercial land uses and adaptable (or flexible) floor space in the short to medium term will ensure that opportunities to catalyse on the major infrastructure upgrades to St Marys train station can be realised beyond 2026. This is consistent with the scenario testing undertaken as part of the St Marys Town Centre Economic Development Strategy (2019).

On the periphery of the Town Centre, there are also opportunities for increased housing diversity, particularly within the eastern area along Glossip Street. The majority of the Glossip Street precinct falls within an 800m catchment from the St Marys train station and there may be future opportunities beyond 2026 to explore rezoning some of the existing Medium Density (R3) land to High Density (R4) or Mixed Use (B4). This would further increase and unlock additional housing capacity within the town centre. Council should prepare a masterplan for this area to develop a vision and spatial framework to guide future housing growth in this area. The masterplan should be prepared with consideration for the future role and function of the centre and the forecast commercial growth that will occur over the next 10 years.

Future Station Precincts

Land located in proximity to future train stations should be preserved in the short to medium term for higher density and mixed-use development. This is particularly important around Werrington and Orchard Hills where there are large parcels of land in single ownership. Council will develop principles to guide growth and change in future station precincts. If no stations are identified for the Orchard Hills Urban Investigation Area, its potential to contribute to Penrith's overall housing capacity will be a very long-term prospect.

Planning for the extension of the North-South Rail line from St Marys to Rouse Hill has recently been announced, and if construction proceeds within the time frame of this Strategy, it is likely to be a catalyst for redevelopment of social housing estates north-east of St Marys and a further opportunity to deliver new housing.

Existing centres

There are several existing centres located outside Penrith's East-West Economic Corridor which present opportunities for urban regeneration. These sites present opportunities for Council support new housing and development that is led through a placebased planning approach.

Existing centres will contribute to the overall delivery of housing across Penrith LGA and provide opportunities for new housing supported by new services, open space and community infrastructure. As the provision and development of major infrastructure is delivered over the next 20 years, it is likely that new redevelopment opportunities will become available.

4.3 Incremental Change Areas

Incremental Change Areas comprise the majority of residential land in Penrith. These locations are typically outside walkable catchments from public transport and centres and are more reliant on car usage as the primary mode of transportation.

Incremental Change Areas in Penrith meet one or more of the following criteria:

- Located outside land identified as a Housing Diversity Area;
- Located outside walkable catchments from existing or future train stations (800m) or local centres (400m);
- Zoned either Medium Density (R3) or General Residential (R1) or equivalent;
- Suitable for a mixture of medium density and low density dwelling forms, consistent with local character.
- Land may be partially impacted by environmental, heritage or land use constraints.

To support the objective of housing diversity, this Strategy acknowledges that some residential land within 400m of existing or future local centres may be suitable for more compact forms of housing (i.e. medium density or shop top housing). This should be supported by Council where it can be demonstrated that development outcomes will be consistent with local character and deliver housing diversity.

Sensitive design controls are also necessary across all Incremental Change Areas to effectively manage the amenity impacts of infill development. In locations where existing housing interfaces with Housing Diversity Areas, the transition of built form and amenity outcomes should be a key consideration and priority for Council.

Overall, Incremental Change Areas will allow for a modest level of housing growth and will support a variety of detached and medium density housing forms. Locations identified for incremental change in Penrith over the next 20 years are:

- St Mary's Town Centre (up to 2026)
- Existing new release areas
- Penrith's residential suburban areas
- Urban Investigation Areas (outside walkable catchments of future station precincts)

Further details about the role of these locations to accommodate future housing is discussed further in the following pages. Refer to **Figure 26** for the Incremental Change Area Map.

Recommendations

1. Support incremental housing change within Penrith's residential suburban areas
2. Support medium density housing within proximity to Local Centres across Penrith's infill and new release areas to promote housing diversity
3. Prioritise the delivery of new housing in existing new release areas with remaining capacity in the short to medium term
4. Retain existing planning controls within the B4 Mixed Use Zone within St Marys and investigate the need for minimum non-residential GFA in line with the St Marys Town Centre Economic Development Strategy
5. Program the rezoning of Urban Investigation Areas to provide increased capacity and align with future infrastructure and projected need in the longer term. The development of precinct-wide masterplans centred around nominated train station locations should inform future rezoning.

Penrith's Housing Framework Plan:

Incremental Change Areas

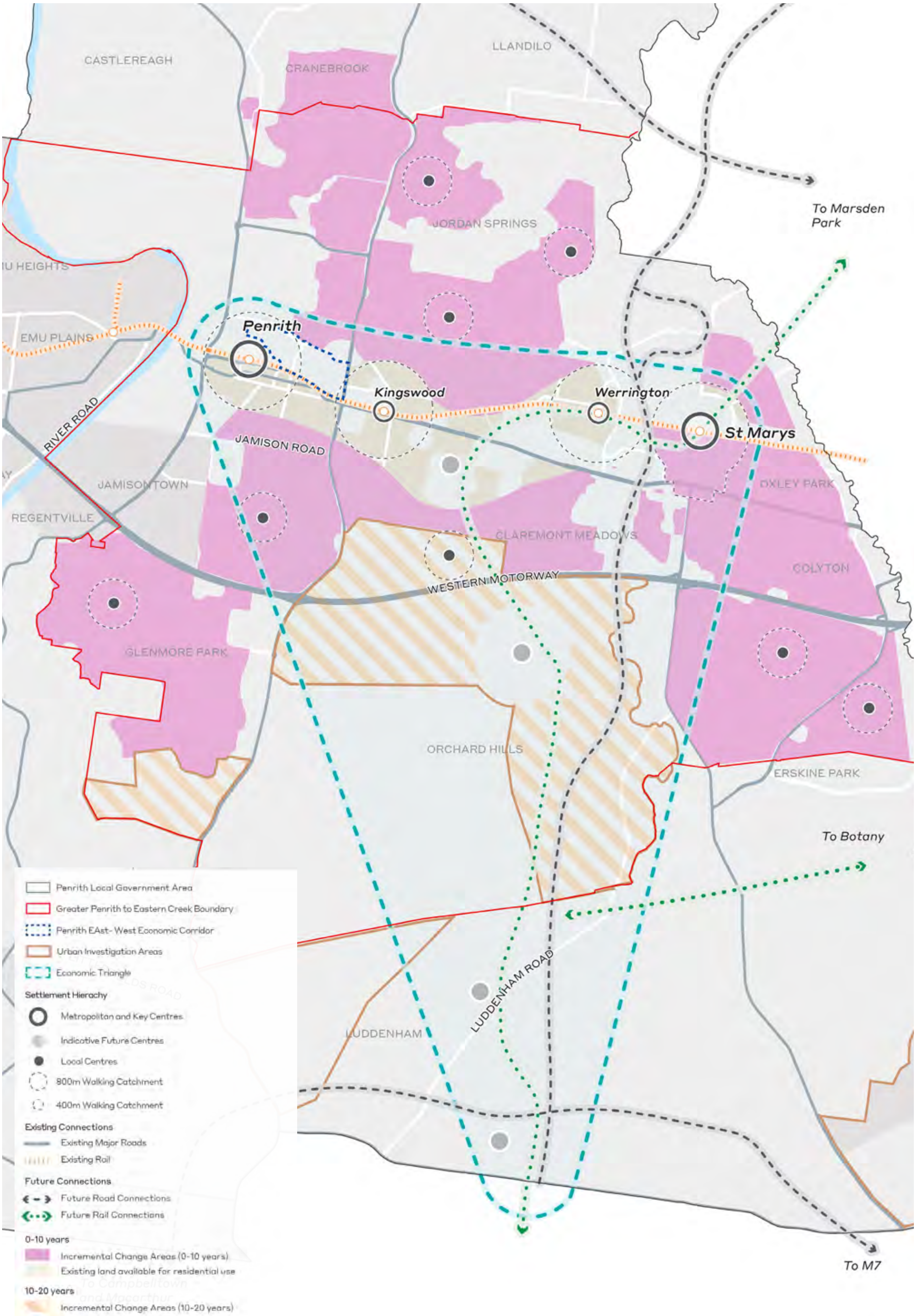


Figure 26 – Incremental Change Areas

Source: Ethos Urban

St Mary's Town Centre (up to 2026)

Consistent with the longer term strategic planning vision for St Mary's Town Centre, the HFP has identified land within the St Marys Town Centre for incremental change in the short to medium term. Over the next 10 years, modest levels of housing change will occur consistent with existing development patterns.

Proposals for increased densities should be should be prioritised around the periphery of the town centre or be assessed against Council's strategic priorities with regard to the future role and function of the centre.

A height limit of 24 storeys predominantly applies within the town centre and future proposals for higher density development are required to provide active street frontages as per existing LEP controls. Opportunities to review the requirement for retail and commercial uses across additional floors (or adpatable design requirements) within the town centre should be undertaken in line with the recommendations from the St Marys Town Centre Economic Development Strategy.

Residential suburban areas

The balance of existing residential land within Penrith's established residential neighbourhoods will accommodate a modest level of housing change over the next 20 years. Within Penrith's residential suburban areas there is also a network of local centres and neighbourhood centres.

Local centres are a focal point of communities and, where they include public transport and transport interchanges, play an important role in realising the concept of the 30-minute city. While local centres are diverse and vary in size, they provide essential access to day to-day goods and services close to where people live. As Penrith changes over time, local centres will play a key supporting role in providing supplementary local services outside the East-West Economic Corridor. They will also benefit from various upgrades to roads and infrastructure that will, over time increase accessibility and connectivity to the East-West Economic Corridor.

There are opportunities for a greater degree of housing diversity within walkable catchment (400m) of these centres. Future housing within local centre catchments will accommodate a range of dwelling types in accordance with existing zoning provisions and may include various types of medium density housing that is consistent with local character.

New housing will be consistent with existing local character and also responsive to relevant environmental, heritage and land use constraints. There is also a neighbourhood of centres distributed throughout Penrith's residential suburban areas. These locations have limited capacity for growth as they are usually located on the periphery of the urban fringes and outside typical walking catchments to public transport.

Existing New Release Areas

New release areas are masterplanned residential neighbourhoods located on the fringe of Penrith's urban core. This Strategy has identified there is capacity for approximately 6,500 new dwellings within Penrith's existing new release areas over the next 10 years. These locations are:

- Caddens;
- Claremont Meadows (Stage 2);
- Glenmore Park (Stage 2);
- Jordan Springs and Central Precinct; and
- South Werrington Urban Village.

Within these areas, new housing will continue to be provided in a consistent manner to historic and existing development trends.

Urban Investigation Areas

UIAs are large parcels of land which have been identified for future housing, commercial and mixed use purposes.

Locations directly adjacent to, and within proximity of future train stations will accommodate greater housing change and growth, it is expected that remaining land within these large precincts will be developed in a manner consistent with Penrith's historic suburban development trends. Similarly to Penrith's established residential suburban areas, these locations will accommodate a modest level of housing growth beyond 2026.

4.4 Limited Change Areas

Limited Change Areas will experience minimal housing growth over the next 20 years. These locations are highly constrained and either subject to special local character, environmental, heritage or physical development constraints. Future housing in these areas will be limited to single dwellings or dual occupancies provided in accordance with local character values.

Limited Change Areas in Penrith meet one or more of the following criteria:

- Located within a rural-residential village setting
- Located outside reasonable walking distances to public transport or services;
- Land is substantially constrained;
- Suitable for low density housing.

The limited level of growth and change in these areas takes into consideration the existing land use and development patterns, extent of infrastructure and extent of sensitivity to environmental hazards, particularly bushfire and flooding.

In Limited Change Areas, Council should seek to support small scale residential development and change consistent with the local character of the area.

Refer to **Figure 27** for the Limited Change Area Map.

Recommendations

1. Maintain a low-level of housing growth and avoid urban intensification in Limited Change Areas.
2. Discourage intensification of residential development in Penrith's rural villages. Where new or replacement dwellings are provided, ensure consistency with existing landscape and rural character.
3. Support opportunities to deliver housing for specific sub-markets including seniors living, executive housing and rural-residential dwellings that are consistent with existing and future economic activities and amenity of the rural area.
4. Maintain existing minimum lot sizes in rural villages.
5. Protect the Metropolitan Rural Area by preventing the expansion of the residential footprint within rural villages.
6. Support low-density residential infill development or renewal on vacant land in rural villages.

Penrith's Housing Framework Plan:

Limited Change Areas

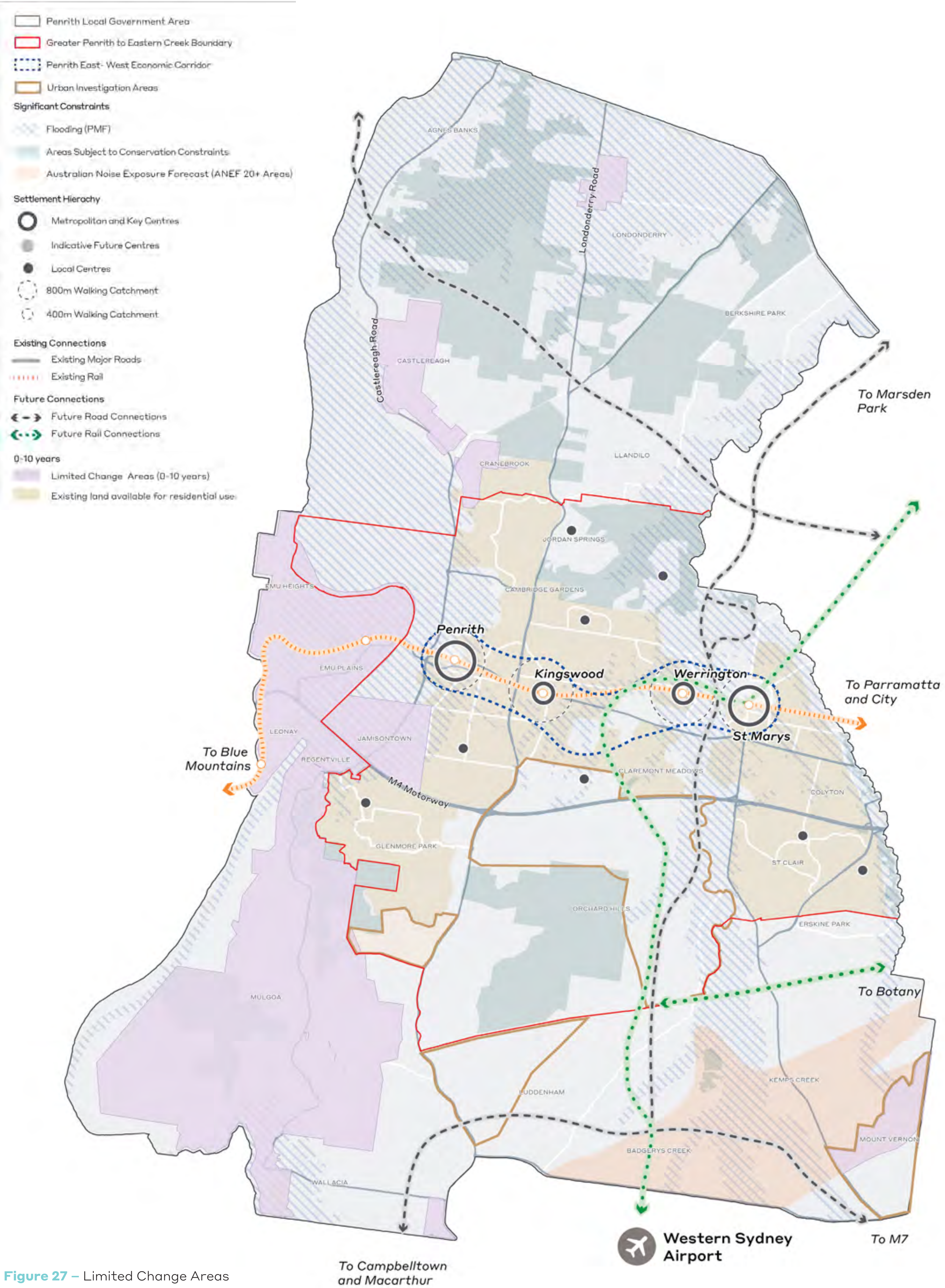


Figure 27 – Limited Change Areas

Source: Ethos Urban

Constrained Land

As identified in **Section 3,** there are a number of land use constraints that will restrict or influence the provision of future housing in Penrith.

New housing should not be located in the following areas:

- Residential land around Emu Plains, Emu Heights, Regentville and Jamisontwon due to flooding and evacuation route constraints.
- Land subject to Western Sydney Airport ANEF 20 Contour around Mount Vernon.
- Sites with local or state heritage significance.
- Land within environmental conservation areas or subject to high bushfire risk.
- Land where slope is greater than 25% (e.g. Leonay).

Rural Villages

Located within Penrith's Metropolitan Rural Area, rural villages play an important role in the metropolitan rural context.

Rural villages are generally characterised by large, informal lots, typically larger than 2 hectares and primarily comprising single and double storey dwellings. In Penrith, rural villages are located in the northern and southern portions of the LGA.

Generally, Penrith's rural villages have very limited growth capacity due to agricultural activities and limited ability to support future commercial or neighbourhood centre land uses / characteristics.

There are opportunities for Council to support housing diveristy where it caters for the needs of specific groups. For exmaple, the Penrith Rural Lands Strategy identifies the following locations that may be suitable for seniors housing:

- Mulgoa;
- Wallacia; and
- Lononderry.

This Strategy supports the provision of housing that does not increase the density beyond what is currently permitted or conflict with existing environmental, rural and agricultural values of Penrith's Rural Villages.

5.0

PRIORITY 2

HOUSING DIVERSITY

5.0 Housing Diversity

5.1 Housing Diversity

LGA contains a variety of residential settings ranging from compact urban areas to conventional suburbs and expansive rural acreages. Changing demographic influences over time will shape future need and demand for housing. Over the next 20 years, housing for families (which has historically been the focus of new housing in Penrith) will continue to be important. However, the Penrith community will experience more rapid increases in couples without children, single person households and an overall ageing population.

Over the next 20 years, Penrith's population will grow to 258,200 residents, representing an increase of 56,800 people. Also, during this time, it is forecast that 24,272 new dwellings will be required. Averaged over a 20-year period, this means approximately 1,200 new dwellings will be needed each year.

Housing diversity is influenced by a range of characteristics including dwelling type, dwelling size and configuration, lot size, tenure, price point, location. More diverse dwelling types will be required to support changing community needs and preferences. In the short to medium term, this Strategy advocates for housing diversity to be prioritised within the East-West Economic Corridor (particularly within walking distance of Penrith, Kingswood, Werrington and St Marys stations) to ensure that new housing is provided in locations with established infrastructure networks. In the longer-term infrastructure commitments within Penrith (particularly the Western Sydney Airport Metro from St Marys to the Aerotropolis) may unlock new areas for new housing supply or further support the need to intensify land use density and mix in existing centres, where population growth will be supported by access to new, high quality public transport. Locations such as Orchard Hills South and Werrington may present significant opportunities to transform into new urban forms with a greater mix of housing types and densities with high frequency public transport at its core. However, these outcomes are dependent on confirmation that the Western Sydney Airport Metro will be operational by 2026, and decisions on the location and network function of new stations.

Housing Diversity Objective

1. To ensure there is a diversity of housing types, sizes and tenure that are flexible, adaptable, and appropriate to the changing needs of current and future residents.
2. To ensure local infrastructure appropriately caters to the future demand generated in Housing Diversity and Incremental Change Areas.

5.1.1 Detached Dwellings

Detached houses presently comprise the majority of housing stock in Penrith, accounting for 80.5% of all new housing to 2016. The availability of Greenfield land associated with new release areas, upgrades to the major road network and housing demand have incentivised the delivery of detached dwellings on the periphery of the urban area.

Over the next ten years it is expected that the rate of supply of detached dwellings will remain consistent with historic delivery trends (on average 300 - 400 dwellings per year). Greenfield release areas like Glenmore Park, Caddens and Jordan Springs will continue to provide new housing irrespective of future planning or provision for transport infrastructure and services. Historic dwelling approvals data suggests that fluctuations in residential market conditions over the next 10 years are unlikely to impact significantly on the supply of detached dwellings, relative to other dwelling types, particularly high density apartments, which are much more susceptible to housing market cycles.

Recommendations

1. Maintain the consistent delivery of lower density detached housing in identified new release areas.

Figure 28 – Example of an older detached dwelling in Penrith

Source: Ethos Urban

5.1.2 Medium Density Housing

The provision of medium density housing is occurring 'haphazardly' throughout the established residential areas of Penrith. The delivery of multi-dwelling housing across Penrith's established suburbs has presented a number of issues and challenges. Existing development controls within the LEP and DCP have resulted in the proliferation of multi-dwelling housing (townhouses) in established suburbs that are characterised by larger, narrow lots, older and poorer quality housing stock, lower median housing prices and with high availability of unconstrained medium density zoned land (Oxley Park is a prime example). This has translated to certain neighbourhoods with rows of townhouses that are incongruous with existing local neighbourhood character and streetscape amenity. These locations are also usually outside public transport and service centre catchments.

Opportunities to diversify the medium density housing stock through the planning framework are emerging. Introduced in July 2018, the Low Rise Medium Density Code seeks to encourage well designed dual occupancy dwellings, manor houses and terraces. The approvals process for these housing typologies are subject to a fast track complying development approval process. The Code only applies in areas where Councils have already permitted medium density housing. Low rise medium density housing as complying development is permitted in the R1, R2, R3, R4 and RU5 zones where medium density housing is already permitted under the council's Local Environmental Plan.

The design principles contained in the Low Rise Medium Density Design Guide for complying development have been developed in partnership with the Government Architect's Office, with the intent to ensure a consistent approach to the design and delivery of quality low rise medium density housing. Section 2 of the guideline includes detailed provisions for dual occupancies (side by side), manor houses and dual occupancy (one above the other) and terraces. The Design Guide also includes explanatory guidance to assist in the interpretation of the key design provisions contained in Section 2. The guideline specifically notes that any new development should respond to the local context, character of the area, and provide appropriate architectural form and articulation.

Medium density housing in Penrith

Within Penrith LGA, this State policy would apply to the R1 and R3 zones for dual occupancies, manor houses and multi dwelling (terrace) housing, and the R2 and RU5 zone for dual occupancies only.

Exclusions for where complying development cannot be carried out under the State Policy will continue to apply. For example, complying development cannot be carried out in:

- State or locally listed heritage items;
- heritage conservation areas;
- land reserved for public purposes;
- environmentally sensitive land (critical habitat, wilderness or threatened species areas); and
- areas excluded by councils based on local circumstances.

Figure 29 – Example of multi-unit dwelling

Source: DPIE

Furthermore, the State policy applies existing requirements for complying development on bushfire prone land and flood control lots are the same as under the Housing Code.

Given above, it is considered unreasonable to restrict the application of the low rise medium density housing code to areas that already permit these forms of housing, based on environmental constraints.

As Penrith Council has been deferred from the Code, the Penrith Development Control Plan 2014 continues to provide detailed land-use specific provisions LGA wide. Part D2 of the DCP stipulates the design guidelines for residential development including dual occupancies, secondary dwellings and multi dwelling housing. Part D2 contains a range of provisions relating to these housing typologies that aims to guide the development of dwellings with respect to internal amenity, streetscape, landscaping and energy efficient design.

The key provisions and objectives relating to the design of medium density residential development as prescribed by the Low Rise Medium Density Design Guide and Part D2 of Penrith DCP are outlined in **Table 17.**

Table 17 – Comparison between LRMD Code and Penrith LEP/DCP

Key design provisions	Low Rise Medium Density Design Code	Penrith LEP 2010 and Penrith DCP 2014
Floor space ratio / Gross floor area	• Gross floor area: 80% of site area in R3 zone (equivalent to 0.8:1).	• No control. • NB: No FSR in R3 zones under PLEP 2014.
Height	• 9m (2 storeys)	• 8.5m (2 storeys)
Minimum Street Frontage	• 18m	• 22m
Minimum lot size	• In accordance with the LEP. Where the LEP does not specify a minimum lot size of $600m^2$ applies.	• $800m^2$
Setbacks	• Front: 3.5m • Side setback: 1.5m • Rear setback: 3m-15m (dependent on lot size and height refer clause 3B.11 of the Codes SEPP)	• Front: 5.5m • Side setback: 2m (minimum) • Rear setback: 4m (minimum)
Landscaped Area	• Minimum landscaped area of 20% of the lot area and must have a minimum width and length of 1.5m. • Forward of the building line the minimum landscape area is 25%.	• Minimum landscaped area of 40%, with a minimum width of 2m.
Private Open Space	• $16m^2$ with a minimum width of 3m.	• $25m^2$ with on area measuring at least 5m x 4m.
Car Parking	• 1 space per dwelling	• 1 space per one bedroom • 1.5 space per 2 bedrooms • 2 spaces per 3 or more bedrooms • Visitor parking is to be provided for developments that have 5 or more dwellings: 1 space for every 5 dwellings. • Refer Part C10.2 of the DCP.

Given that the Penrith LEP or DCP do not specify any GFA or FSR controls, the developable area of a site is primarily guided by the minimum landscaped area control (40%) and other controls including setbacks and private open space. This ultimately allows for 60% of the site to be developed. However, the Codes SEPP and Design Guide clearly specify a maximum GFA for land within the R3 zone as 80% of the lot area.

The key implication of the low rise medium density code within Penrith LGA will likely occur through varied design outcomes, in particular for multi dwelling housing within the R1 and R3 zones. Existing provisions in the Penrith DCP 2011 (Section D2 Residential Development) that guide the design and built form outcomes of multi dwelling housing, encourage a suburban style of multi-dwelling housing, reflecting traditional forms of cottages and cottage gardens (e.g. pitched roof lines, larger front gardens, break buildings into separate blocks). The low rise medium density housing code and design guide introduces a different multi-dwelling form, shifting toward a more urban terraced-style form.

Design Verification Statements are required as part of any complying development to demonstrate how the built form of the development contributes to the character of the local area. A DCP can also contain local strategic planning statements that describe local character and will inform the content of the Design Verification Statement and site analysis required by the Design Criteria. This is intended to ensure the built form, articulation and scale of low rise medium density housing relates to the local character of the area and the context, not to determine the applicability of the State policy.

To ensure these schemes respond to the context of the area, Council is recommended to develop its character statements as part of the preparation of its local strategic planning statement, which can later form part of the Penrith DCP. This will provide guidance when designing a scheme for low rise medium density housing within the LGA.

A review of planning controls (in the Penrith LEP and DCP) to improve design and amenity outcomes for medium density infill development is considered appropriate to deliver better amenity outcomes for residents and facilitate infill development making a more positive contribution to local character in established suburbs.

Recommendations

1. Develop local character statements as part of the preparation of its local strategic planning statement process for inclusion within the Penrith DCP. This will provide guidance when designing a scheme for low rise medium density housing within the LGA.
2. Retain the application of the low rise medium density housing code to areas zoned R3 Medium Density Residential zone and R4 High Density Residential zone, which already permit this form of housing.
3. Review the application of the R3 Medium Density Residential zone to prioritise in well serviced locations within walking distance to identified centres as follows:
   - within 1,000 metres of Metropolitan, Strategic and Key Centres
   - within 400m of local and neighbourhood centres.
4. Increase minimum lot size controls for multi dwelling housing in the R3 Medium Density Residential zone and R4 High Density Residential zone to 1,200sqm under Clause 4.1A of the Penrith LEP 2010. This aims to ensure appropriate size and dimensions are provided for medium density housing.
5. Increase the minimum lot frontage control within the DCP to a minimum 28 metres to encourage greater street address for multi dwelling housing in the LGA, in particular for lots with significant lot depths.

5.1.3 Higher Density Housing

In 2015, there was a significant increase in the number of higher density development approvals in Penrith in response to favourable market and economic conditions at the time (a booming residential market with strong investor and owner-occupier demand and increasing prices). Sustaining market conditions that support the delivery of higher density housing in the future will be a key challenge for Penrith over the next 10 years. At present, median house prices in key locations such as Kingswood and St Marys are insufficient to support a viable and sustainable higher density product. Notably, higher density residential development has been well received by the community and most successful in Penrith where development scale has provided scope for place making, for example at Thornton and Jordan Springs.

However, demographic change will require a shift in the mix of apartment sizes in the LGA, with an expected increase in residents aged over 70, a decline in the overall household size and shift in the number of lone person households over the next decade. To manage this change, Council should seek to review its bedroom mix provisions in its DCP to increase the proportion of studio / 1-bedroom dwellings being delivered.

Higher density infill development in locations characterised by more fragmented underlying land ownership patterns (for example in the established centres at St Marys, Kingswood and Penrith CBD) is less able to deliver place-making outcomes on-site that accommodate the pressures of localised population increases. Council needs a robust infrastructure contributions framework and a program to deliver improved local infrastructure, particularly parks, streetscape improvements and community facilities) to ensure that as these centres transform to a more mixed use and higher density character, the amenities and services needed to support higher density living are delivered.

This LHS encourages the development of compact urban areas focused around the East-West Economic Corridor to maximise accessibility to facilities and services. This direction is consistent with District and Metropolitan State Planning policies including the Western City District.

Recommendations

1. Require higher density developments to provide a suitable bedroom mix to encourage smaller dwelling types (i.e. studio and 1-bedroom dwellings) to reflect the anticipated decline in the household size and shift in the number of lone person households over the next 10 years.
2. Update existing contribution plans for district and local open space and community facilities to accommodate additional demand generated in areas of housing diversity. This requires an update to works program and staging to meet future population needs.
3. Focus the delivery of a revised works program to fund new and revitalised open space and community facilities within the East-West Economic Corridor to maximise accessibility to facilities and services.
4. Develop a Social Infrastructure Plan for the LGA to understand, coordinate and advocate for the future supply of community infrastructure in Penrith's new release areas. This will inform the revised works program.

5.1.4 Seniors Housing

To 2036 it is expected that the population aged 65 years and over in the Western Parkland City will increase from 12% to 17%. Based on the 2016 ABS Census data, 65-74-year old's were the fastest growing age group in the Penrith LGA between 2011 to 2016, increasing by 40.8%.

As a result of the ageing population more diverse dwelling typologies will be required to support the changing demographics and ensure an adequate supply of specialised housing towards the future. Some segments of the Penrith community have particular requirements for housing in terms of design, location, tenure and cost. There is also a strong desire for members of these population groups to live independently within their local area. It is therefore important to note that the demographics of Penrith's rural villages, including Londonderry, Luddenham – Wallacia, Mulgoa, Castlereagh – Agnes Banks and Llandilo have a generally higher proportion of people in the older age groups when compared to that of Penrith City. However, a review of development applications lodged between January 2013 and January 2018 reveal that development for the purposes of seniors housing has typically been located within Penrith and the surrounding suburbs including South Penrith, Emu Plains and Leonay.

Therefore, the appropriate design and location of housing can support the changing demographics within Penrith. The LEP currently allows for seniors housing development in the R1, R3, RU5, and B4 zones. While the State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 (Seniors SEPP) permits the development of certain types of seniors housing and sets out certain standards that prevail over local planning provisions should there be an inconsistency between them. It aims to encourage the creation of housing that is appropriate to the ageing population by allowing seniors living developments to be located on land zoned for urban purposes even where its prohibited under the standard instrument. It is noted that the Seniors SEPP does allow for site compatibility certificates to be issued to allow a DA for seniors housing to be considered on land where it would otherwise be prohibited but is broadly compatible with surrounding land uses. The Seniors SEPP also includes provisions to incentivise development uplift in the form of an FSR bonus for vertical villages. However, this is only applicable where residential flat buildings are permitted and the development will deliver on site support services as well as at least 10% of the dwellings as affordable places.

Notwithstanding, it is considered that the current zones where seniors housing is permissible with consent is appropriate in the context of Penrith and its existing demographics. Importantly, the RU5 zone allows for the development of seniors housing which recognises the ageing cohort in these areas. To this extent, seniors housing should continue to be permitted in established urban centres and rural villages and where new release areas provide community centres (i.e. Jordan Springs). These areas should be generally flat with no significant obstacles, are proximate to retail, community and recreational facilities and are well serviced by public and / or community transport in accordance with clause 26 of the Seniors SEPP.

Additionally, the Penrith DCP refers to the need to provide safe and easy access to buildings for all people and recommends that 10% of all dwellings (or a minimum of one dwelling) must be designed in accordance with the Australian Adaptable Housing Standard, allowing dwellings to be capable of adaptation for people with a disability or elderly residents. This is consistent with the Liverpool, Blacktown and Parramatta LGAs and should be retained. However, the Apartment Design Guide (ADG) provides controls in relation to universal design. This form of housing is specifically designed to allow for the future adaptation of a dwelling to accommodate the occupant's needs, allowing residents to age in place. The ADG recommends that new developments achieve a benchmark of 20% of the total apartments incorporating the Liveable Housing Guidelines and universal design features. This allows for design features to be incorporated from the outset and promotes housing flexibility for all community members. It is recommended that this provision be considered in all medium-high density developments to encourage and to support ageing in place.

The desire to age in place can also be achieved through the appropriate provision of smaller dwelling typologies by recognising the need to provide 1 and 2 bedroom dwellings within proximity to established and planned centres. This can be provided in the form of multi-unit housing, balanced with medium density terraces and villa homes. This diversification of housing stock is necessary to support the needs of Penrith's ageing population.

Recommendations

1. Support the provision of seniors housing in established urban centres, rural villages, and new release areas where there is supporting social infrastructure, community facilities and transport.
2. Within Residential Flat Buildings, maintain the delivery of 10% of all dwellings (or a minimum of one dwelling) being designed in accordance with the Australian Adaptable Housing Standard under the Penrith DCP.
3. Maintain existing requirements for at least 20% of new dwellings to include universal design features to support ageing in place as per existing ADG standards.

5.1.5 Boarding Houses

The State Environmental Planning Policy (Affordable Rental Housing) 2009 (the ARH SEPP) sets out the regime for the development and maintenance of affordable rental housing in NSW. Division 3 of the ARHSEPP applies to boarding houses, which is permitted with consent on land zoned R1, R2, R3, R4, B1, B2 and B4 zones within the LGA. Since 2013, there have been 20 development applications for boarding houses within Kingswood, delivering approximately 360 boarding rooms.

Boarding houses within Kingswood play an important role in this area, by providing suitable and affordable accommodation for students within proximity to Western Sydney University – Kingswood. As there is no statutory definition for purpose-built student accommodation in NSW, these developments are typically categorised as boarding houses, the development of which is regulated under the ARH SEPP.

Given the importance of this type of housing in accommodating the need for student accommodation in the area, it is recommended that State policy remains active in this area.

Recommendations

- In recognising boarding houses play an important role in providing suitable accommodation for students and key workers in proximity to Western Sydney University, Nepean Hospital and Metropolitan, Strategic and Key Centres, investigate appropriate locations for boarding houses in conjunction with the preparation of local character statements whilst discouraging clustering.

5.1.6 Executive Housing

Executive housing broadly relates to the provision of large detached dwellings located on large lots, marketed as premium real estate to attract skilled professionals. They are typically located on the periphery of a suburb and are often associated with a recreational function like a golf course. While it is noted that some housing within Penrith reflects the typical characteristics of executive housing, in areas such as Twins Creek which provides large houses in a high amenity location, it is considered to be a market-led response and is largely driven by the socio-economic characteristics of households.

To this extent, executive housing should be considered in high amenity areas defined by natural landscapes and views and vistas, for instance in new greenfield or master planned areas where larger lots can be accommodated on the periphery of Penrith's urban areas. There is also scope to consider the provision of executive housing within the RU5 and RU4 zones, where the objective of the zones are to preserve natural landscapes which is commensurate with the desired character for these types of dwellings.

Recommendations

- Recognise the role of executive housing in contributing to housing diversity in the LGA. This form of housing may be suitable in new centres and where existing natural landscapes are commensurate with the desired character for these types of dwellings.

6.0

PRIORITY 3

HOUSING AFFORDABILITY

6.0 Housing Affordability

6.1 Overview

Housing is a fundamental human right and one of the universal determinants of health and wellbeing. The concept of 'affordability' is a relative issue – what is affordable for some is not affordable for others. This Housing Strategy recognises that the geographic characteristics and design of Penrith's residential areas also contributes to the degree of 'affordability' or 'unaffordability'. For example, lower cost of housing often comes at the expense of a lack of basic living needs in a local area, including health services, education, affordable transport, healthy food and employment. Lower cost housing is also often a product of location relative to these facilities and services. In the Penrith context, the local housing market is relatively more affordable than, for example, inner Sydney, because it is located further from the major employment hubs, and has relatively lower levels of amenity and accessibility to higher order education and health care services.

Increasing the supply of affordable rental housing is a priority for all levels of government across Greater Sydney. Ensuring that affordable rental housing and social housing is delivered to meet the needs of very low, low, and moderate-income households is essential to enhancing the social sustainability of the Penrith community as it grows.

There is commitment at NSW Government level to delivering affordable rental housing across Greater Sydney, however, there is no LGA-level affordable housing policy for Penrith. The socio-economic profile of Penrith LGA indicates growing need for affordable rental housing across the Penrith LGA.

In the Penrith context, while the median price of housing is low by metropolitan Sydney standards, income levels are also lower on average, and highly variable, meaning that for some segments of the population and in some locations, affordability pressures are more acute. This indicates an ongoing need for affordable rental housing and improved housing affordability in the area.

Housing Affordability Objectives:

1. To support the provision of specialised and affordable housing to accommodate residents with particular needs with regard to design, location, tenure and cost.

Recommendations

1. Explore the establishment of a broad based scheme for affordable housing delivery that includes a combination of mechanisms including affordable housing contributions and incentive mechanisms so there is flexibility for the housing industry to deliver or make financial contributions towards affordable housing in Penrith.
2. Investigate broad-based funding options that recognise the delivery of market-priced housing creates a need for targeted affordable housing provision to ensure all residents have the ability to access housing.
3. Focus specific measures for the delivery of affordable housing on locations that maximise access to jobs, health and education, and that affordable housing is 'tenure blind' and meets the same amenity standards as market housing.
4. Investigate the inclusion of affordable housing targets, inclusionary zoning, development incentives and affordable housing funding schemes in identified Housing Diversity Precincts, particularly locations likely to benefit from new public transport infrastructure.
5. Balance plans for the renewal of precincts with growth potential with the retention of existing affordable housing stock to maintain a market-driven supply of affordable housing.

Definitions

Affordable rental housing is a specific housing type that is provided for very low to moderate income earners. Affordable rental housing is priced so that these households are also able to meet basic living expenses such as food, clothing, transport, medical care and education.

Affordable rental housing is generally delivered with assistance from government, including through planning incentives, and may include a range of housing types and sizes. It may be owned by private developers or investors, local governments, not for profits or community housing providers. It is generally managed by not for profit community housing providers.

There are two main definitions of affordable rental housing:

> *Housing that costs below 80% of the median rent of similar properties within a locality.*
>
> *Housing that costs up to 30% of household incomes across very low, low and moderate income bands.*

When very low, low, and moderate income households are paying more than 30 per cent of their income on housing, they are said to be in "housing stress". However, as Gurran et al. have identified:

"There are limitations to the "30 per cent" affordability measure. For lower income earners, "after housing costs" income might be a more accurate indicator of housing cost burdens. In addition, when households need to travel further as a consequence of needing to move to more affordable areas, lower house prices or rents are often offset by higher transport costs. This is particularly the case where households have to commute by private car

Households who may need to access affordable rental housing include those who are unable to access market housing (including people experiencing homelessness) or have low household incomes and spend a high proportion of this income on housing (i.e. are experiencing rental stress).

Existing and Planned Supply of Affordable Housing

Publicly available data about the existing supply of affordable and social housing in Penrith LGA is limited.

SGS Economics and Planning's recent analysis indicates that there were 3,970 social and affordable housing dwellings in Penrith (including 3,592 social housing dwellings and 378 affordable housing dwellings developed under the National Rental Affordability Scheme). It is noted that all NRAS dwellings will lose their subsidy once their ten year subsidy expires, and SGS forecasts that by 2026 only six affordable housing dwellings will remain. However, it is noted that Evolve Housing and Wentworth Community Housing, which both have current stocks of affordable rental housing in Penrith, have committed to retaining affordable housing beyond the 10 year subsidy period.

There are some potential planned housing schemes in the area that will deliver increased and renewed affordable housing in the LGA, including:

- LAHC's Communities Plus site in St Marys will deliver social and affordable housing dwellings, however the number has not yet been announced.
- Wentworth Community Housing has planned or delivered two new affordable housing complexes in Penrith LGA since 2016 (including 61 apartments in Derby Street, Penrith and 49 apartments on Phillip Street, St Marys).
- Evolve Housing, with Payce, have delivered 134 affordable housing units in the Harts Landing development in Penrith CBD.

Housing Stress and Need for Affordable Housing in Penrith

There are a number of ways to analyse demand for affordable housing in Penrith LGA, including analysis of levels of rental stress and unmet demand for social and affordable rental housing.

The levels of rental stress within Penrith LGA indicate a need for affordable rental housing. Despite lower relative housing prices, there are slightly higher rates of rental stress in the Penrith LGA compared with Greater Sydney. 29.6% of renting households in Penrith LGA were experiencing rental stress in 2016, compared with 26.4% in Greater Sydney. There are significant variations in the levels of rental stress across different suburbs in Penrith – for example, 33.5% of renting households in Werrington are in rental stress, compared with 15.2% in Londonderry. Penrith LGA has a similar proportion of households residing in social housing (4.4%) compared with Greater Sydney (4.6%). Affordable rental housing may provide an important stepping stone for households aiming to transition to the private rental market.

There is also likely to be unmet demand for affordable rental housing to 2036. A recent report by SGS Economics and Planning identified that there was demand for 10,392 social and affordable housing dwellings in Penrith LGA in 2016 (14% of total households in Penrith). Demand for social and affordable housing dwellings is driven by the following cohorts:

- people experiencing homelessness,
- households living in social housing, and
- households experiencing rental stress.

SGS has identified that demand for social and affordable housing in Penrith LGA is forecast to rise. Demand will increase from 10,392 dwellings in 2016 to 14,932 dwellings in 2036. Taking existing supply into account, by 2036, there will be unmet demand for 11,340 social and affordable housing dwellings in Penrith LGA. These numbers do not take into account the modest pipeline of affordable rental housing identified above.

Additionally, it is likely that it will be possible to deliver some affordable rental housing within Penrith LGA to meet the needs of the Greater Sydney area – due to the comparable feasibility of this development in this area.

Figure 30 – Harts Landing development in Penrith CBD.

Source: Evolve Housing

House Prices and Rental Trends

The housing market is presently in a period of considerable uncertainty. Decreases in housing prices have already been evident across Sydney. Since the market peaked in late 2017, the median house price has fallen 14.5% with price down 7.2 in the past 12 months. Ratings agency, Moodys anticipates a fall of 9.3% in Sydney in 2019. Generally however, forecasters believe the rate of decline in Sydney is slowing though several expect the market to continue to decline until 2022.

Within Sydney, house price decline has varied between regions and suburbs with Parramatta decreasing by up to 30% over the past 12 months, while Seven Hills has decreased by just 5.4% over the same period.

In theory, a decrease in housing prices relative to income will provide a more affordable housing market. Incomes in Australia have experienced an extended period of low or no real growth (relative to inflation), so, while house prices have dropped, affordability has not necessarily improved across all markets.

Overall, the substantial downward adjustment in dwelling prices has, to some extent, eased the sense of crisis around housing affordability for some market entrants. The challenge for very low, low and moderate income persons and households remains however, in that many will be reliant on rental housing.

Mechanisms for Meeting Demand for Affordable Housing

There are significant opportunities to deliver affordable rental housing across the Penrith LGA, to support the social and economic sustainability of the community and ensure continued community diversity.

Affordable rental housing should be delivered in locations close to transport networks, employment opportunities and community services – including as part of medium and high density housing schemes with established and emerging centres within the Penrith LGA. Affordable housing delivery should be focused on areas undergoing substantial change and growth, where development activity can be leveraged to deliver positive social outcomes. There may also be opportunities to deliver affordable rental housing in areas where land is comparatively low cost, but well-connected to services and transport networks.

While Council does not have direct responsibility to deliver affordable housing, the planning system can include measures that make it easier to deliver housing that is targeted to lower income households. It is important to ensure that appropriate policies and strategies are in place to enable and support this delivery to occur. Strengthened relationships with the community housing sector will also support the identification of opportunities for new affordable rental housing supply.

There are a range of strategic policy frameworks and delivery mechanisms that have been established to deliver improved housing affordability and increased affordable rental housing over time. Council has access to a range of planning mechanisms for the delivery of affordable rental housing, including the Affordable Rental Housing SEPP (2009), Voluntary Planning Agreements and inclusionary zoning via inclusion in SEPP 70 – Affordable Housing.

The Greater Sydney Commission Region Plan and Western City District Plans (March 2018) include affordable rental housing targets of 5-10% of new residential floorspace, subject to viability. The mechanisms for how these affordable housing targets may be delivered are still under consideration by government, but Council will need to consider how and where to implement this target in the Penrith LGA.

SEPP 70 Affordable Housing Schemes

SEPP 70 allows Councils named in the SEPP to prepare an affordable housing contribution scheme for precinct, areas or developments within their local government area. In LGAs undergoing significant growth, inclusionary zoning measures via SEPP 70 have the potential to deliver significant affordable housing. However, in a sensitive property market, additional requirements to developers to deliver affordable housing may disincentivise housing renewal or reduce the viability of delivering market housing to maintain adequate supply, which can also then impact on affordability. Mechanisms that require private sector developers to contribute towards affordable or social housing (by way of levies, direct contribution or inclusionary zoning), ultimately add to the overall cost of development. The addition of further cost inputs on development will be necessarily passed on in the form of higher retail prices for privately provided dwellings.

In an uncertain development market and in an area where higher density forms of development may already be marginally viable, careful consideration will be needed to ensure attempts to increase the provision of affordable housing do not undermine the provision of higher density housing to the broader market.

Planning instrument incentives

Balanced and financially feasible mechanisms are required to facilitate a diversity of housing that is suitable to families, older people and singles, and it is critical that affordable housing is well located relative to transport, retail and community services.

There is also scope for Council to include incentive mechanisms in the LEP and a related affordable housing scheme to encourage private sector delivery of a proportion of affordable housing. It is recommended that Council further explores the establishment of a broad-based scheme for affordable housing delivery that includes a combination of mechanisms including affordable housing contributions and incentive mechanisms so there is flexibility for the housing industry to deliver or make financial contributions towards affordable housing in Penrith. Incentives could includes measures in exchange for the delivery of a proportion of affordable housing (either through construction or funding contributions) such as:

- The ability to access height and/or floorspace bonuses, for example a bonus of up to 15% gross floor area, subject to at least two thirds of the additional floor area being dedicated affordable housing (the overall bonus and proportion of affordable floorspace would require further viability and amenity testing).
- Concessions on car parking rates of provision, particularly for housing that is located close to public transport, in centres or near other critical services (such as Nepean Hospital or Western Sydney University).
- Concessions on minimum dwelling sizes, with appropriate limitations and assurances of design quality to deliver appropriate liveability standards.
- Consideration of the approach to delivery of amenities within higher density developments including private and communal open space and utilities such as laundries and storage areas that may reduce overall construction costs.

Conclusion

It is recommended that Council further explores the establishment of a broad based scheme for affordable housing delivery that includes a combination of mechanisms including affordable housing contributions and incentive mechanisms so there is flexibility for the housing industry to deliver and/or make financial contributions towards affordable housing in Penrith. Balanced and financially feasible mechanisms are required to facilitate a diversity of housing that is suitable to families, older people and singles, and it is critical that affordable housing is well located relative to transport, retail and community services. An affordable housing scheme would likely include partnerships or other formalised arrangements between Council and a Community Housing Provider, and there are several active and reputable organisations in the Penrith area. It is also recommended that Council works closely with the NSW Land and Housing Corporation to ensure the delivery of a range of housing opportunities for people on very low to moderate incomes and who are experiencing housing stress or difficulties in accessing the housing market.

Large scale precinct renewal precincts should be the focus of targeted affordable housing planning mechanisms, particularly where renewal or greenfield development includes new or upgraded transport infrastructure. For example, precincts around new stations on the North-South Rail Link could be well suited to inclusionary zoning and planning incentive mechanisms as the costs and benefits of affordable housing can be considered when planning controls are being developed for these precincts. Opportunities for renewal in locations that currently offer relatively affordable housing (for example around Werrington) need to consider the implications of removing existing affordable housing stock and replacing it with more expensive new housing.

7.0

PRIORITY 4

HOUSING CHARACTER, DESIGN AND RESILIENCE

7.0 Housing Design, Character and Resilience

7.1 Local Housing Character

The NSW DPIE have released its Local Character and Place Guideline to elevate the consideration of local character in NSW planning decision making. The guideline provides information to clarify the key influences of local character and place, how local character can be integrated into local planning. A Character Assessment Toolkit also provides steps to determine the character of a place, including early and effective engagement, key sources of data, and strategies for mapping local character.

The preparation of Council's Local Strategic Planning Statement is an opportunity to embed key design principles and objectives for localities where there is an identifiable and valued local character which defines and unites the local community. Managing the transition to more dense and diverse housing forms will create challenges for community acceptance of change in the built environment, particularly in low density areas, but also key transit-oriented precincts like St Marys and Kingswood where the degree of change is likely to be more significant.

Housing Design, Character and Resilience Objectives:

1. To ensure new housing respects local character values of Penrith's diverse neighbourhoods and contributes to positively in localities where character will transform over time.
2. To promote housing resilience through high quality and environmentally sustainable design.

Housing growth in the City has traditionally been delivered primarily through Greenfield development, meaning older housing stock has been retained within closer proximity to higher order centres.

Infill housing and redevelopment will play an increasingly important role in the future, given constraints and costs associated with the expansion of new infrastructure and reduced opportunities for continued urban expansion due to natural and built constraints.

It is also important that new housing, particularly when at a higher density, provides an appropriate interface and transition with existing development. In particular it is noted that some Housing Diversity Areas interface with local or state heritage items.

This Strategy reflects a desire to ensure that new housing contributes to creating a unique sense of place, responds to its surrounding context and character, produces quality building design and provides high levels of amenity for current and new residents. This is particularly important in areas anticipated to experience the highest level of change, such as Housing Diversity and Incremental Change Areas.

Council is actively engaging with residents and communities in some parts of Penrith to develop localised character statements and place plans to ensure that future development respects and enhances local character.

Recommendations

1. Based on the forecast distribution of population and likely housing demand it is anticipated that the following locations would be key candidates for more detailed local character assessments as part of future investigations:
   - Short term: train station precincts within the East-West Economic Corridor including Penrith CBD, Kingswood, Werrington and St Marys (short to medium term)
   - Medium term: land around the Nepean Hospital and Penrith Health and Education Precinct
   - Long term: land around future train stations (e.g. Orchard Hills) and Rural Villages.

7.2 Building Heights in Penrith

The NSW Apartment Design Guide (ADG) outlines the minimum floor to ceiling heights for residential uses, including:

- Habitable rooms – 2.7 metres; and
- Non-habitable rooms – 2.4 metres.

The ADG also indicates that 0.4 metres per floor for structure, services, set downs and finishes is provided when calculating building height and number of storeys. Using this guidance, the typical floor to floor height is 3.1 metres for residential floors.

When determining appropriate maximum building heights, the ADG provides guidance on the considerations which should be made. These include, but are not limited to:

- Adding the floor to ceiling heights for the desired number of storeys;
- Add 0.4m per floor for structure, services, set downs and finishes;
- Add 1m to the total to allow for rooftop articulation;
- Add 2m to the total to allow for topographic changes where required;
- Provide additional height in flood prone areas; and
- Further guidance on the setting of height controls can be found on pg. 31 of the ADG.

In relation to identifying suitable floor to ceiling heights within the Penrith DCP, Clause 6A of State Environmental Planning Policy No 65—Design Quality of Residential Apartment Development outlines objectives, design criteria and design guidance set out in Parts 3 and 4 of the Apartment Design Guide, for which a DCP cannot be inconsistent with. This includes: visual privacy, solar and daylight access, common circulation and spaces, apartment size and layout, ceiling heights, private open space and balconies, natural ventilation, storage.

Given a DCP cannot be inconsistent with the objectives, design criteria and design guidance for ceiling heights, it is considered unnecessary to amend the DCP to incorporate ceiling height provisions for residential flat buildings and shop top housing (excl. non-residential floors).

As heights limits within areas zoned R4 do not align with the ADG's guidance on determining maximum buildings heights, it is recommended that these height controls are reviewed to reflect the ADG's considerations. This may require further built form analysis to determine these heights.

It is noted that some residential and mixed use developments surrounding Penrith City Centre have relied upon variation requests to maximum building height controls. This is to provide height allowances for flood planning levels and minimum heights for vehicle entry points. The objectives of Clause 4.6 Exceptions to development standards of the Penrith LEP 2010 is to provide an appropriate degree of flexibility in applying certain development standards to particular development. This applicability of this clause to provide allowances in building height to manage environmental constraints (i.e. to allow for flood planning levels) is considered appropriate.

An alternative to relying on Clause 4.6 variations to make allowances for flood planning levels is to incorporate a new local provision under Part 7 of the Penrith LEP 2010. The purpose of this local provision would be to allow for development consent to be granted to development on land that exceeds the maximum height shown on the Height of Buildings Map by a certain amount, if it is for purposes for managing flood risk.

Recommendations

- Investigate a new local provision under Part 7 of the Penrith LEP 2010 to allow for development consent to be granted to development on land that exceeds the maximum building height shown on the Height of Buildings Map by a certain amount, if it is for purposes of:
  - providing height allowances for flood planning levels to manage flood risk;
  - increased floor to ceiling heights for non-residential floors of a building; or
  - increased floor to ceiling heights for vehicle entry points.

7.3 Housing Design and Siting

The gun-barrel driveway is ubiquitous across multi-dwelling housing in the LGA. This configuration occurs as a result of the following:

- where development involves a narrow lot, a long internal driveway along the side boundary, with dwellings and associated private open space arranged along the other side boundary that address the internal driveway; or
- where involving a larger lot, a long narrow driveway within the centre of the lot that often opens out the broad internal mouth, with dwellings arranged down both sides, and in some occasions at the head of the driveway.

These siting patterns are most prevalent in certain residential neighbourhoods in Penrith such as Oxley Park. The typical lot configuration in Oxley Park align with the above conditions that have led to a dominance of gun-barrel multi-dwelling housing forms. The characteristics of lots within Oxley Park, include:

- significant lot depths of approximately 70 metres
- narrow lot widths of approximately 15 metres.

While the Penrith DCP does require a minimum lot width of 22 metres, the significant depth of lots within the area (70 metres) generally limits design options beyond gun-barrel driveways in order to maximise the development potential of a site.

Furthermore, the need to accommodate on-site carparking and the adverse impact of underground carparking on feasibility results in a dominance of gun barrel driveway configurations for multi dwelling housing. Given that underground carparking is generally not feasible, this means compromised outcomes such as those delivered by the gun barrel driveway have occurred within Oxley Park.

A shift in medium density housing forms across Sydney has seen a move away from a largely internally focused siting, layout and design. Based on classic terrace house typologies, key features of these newer developments include party wall construction, individual dwellings entries from streets and no or limited street setbacks. Typically, sites with a depth of 28-40m are best for traditional terrace housing forms. However this type of multi dwelling housing form is unlikely to deliver a desired development outcome due to the significant depths of urban blocks and lots.

Given the severe lot depths within Oxley Park, it is difficult to see a shift away from gun-barrel driveways without the delivery of a new local roads that can break down the size of urban blocks to allow multi dwelling developments to have double frontages. This serves as a prime example of the how lot configurations can lead to undesired design outcomes for medium density housing within the LGA, and should be a major consideration when identify new areas for this typology.

Figure 31 – An example of existing medium density housing in Penrith

Source: Ethos Urban

7.4 Environmentally Sustainable Development

There are opportunities through this Housing Strategy to improve the environmental performance of Penrith's existing and new housing stock and to encourage a more sustainable design of new neighbourhoods as well as built form.

There is also an ongoing opportunity to support a more sustainable urban form, by using the housing framework plan to guide development and integrate housing with active and public transport, centres and employment nodes. This pattern of development will assist in supporting a more sustainable city that is less reliant on cars and has more walkable neighbourhoods. This Housing Strategy advocates that the principles and approach used to identify areas capable of increased residential densities be similarly applied in the design of new suburbs.

The sustainability requirements of the Building Code of Australia aim to improve the environmental performance of new housing. The universal application of the Code to all new housing development means that its influence is more extensive than the planning scheme, which can only control development when a planning permit is required. The disadvantage of relying solely upon the Building Code is that it does not necessitate the consideration of environmental sustainability at the site analysis stage of development. Nor does it apply holistically to a multi dwelling development.

In saying this, there are requirements under the Building Sustainability Index (BASIX) for water and energy usage and thermal comfort performance. These apply minimum targets to:

- all new residential dwellings.
- alterations and additions to dwellings that cost $50,000 or more.
- swimming pools of 40,000 litres or more.

For these developments, evidence is required to demonstrate that it meets the BASIX requirements. It is anticipated that as older housing stock is replaced with new stock, which are certified to meet the minimum BASIX targets, these can support the reduction of water consumption and greenhouse gas emissions levels of household within the LGA.

7.5 Urban Heat Island Effect

Urban heat is a major challenge for all buildings and developments across the LGA. Penrith's daily maximum temperatures in summer are regularly 10 degrees above Sydney CBD. Penrith is highly vulnerable to heatwaves and significant surface temperatures, with dark tonal colours of the public domain and buildings retaining heat energy, and limited tree canopy within urban areas to provide adequate shading.

Darker building material (i.e. roofs) colours can retain more heat energy than lighter colours, which contribute to the urban heat experience in the Penrith LGA. Design measures are needed to reduce heat energy absorption of buildings within the LGA. This can be supported by encouraging light coloured materials for new buildings that are able to reflect heat better. It is recommended that this is incorporated into the Penrith DCP, in order for this to be considered as part of the design process for new residential dwellings in the LGA.

The Western City District Plan emphasises increasing urban tree canopy coverage and delivering Greed Grid connections and is now a planning priority (W15) that will guide local plan making. The role of green space, tree canopy and reduced impervious surfaces in managing local climatic conditions is particularly important in the context of Penrith's existing climate, and the potential for increased average summer temperatures and the frequency and severity of heatwaves predicted as a result of climate change.

The GSC recognise the relationship between tree canopy cover and land surface temperatures, including instances where a 10 per cent increase in tree canopy cover can lower land surface temperature by 1.13 degrees Celsius. In 2016, the percentage of urban tree canopy cover within the Western District was 16%, with over 46% of residents being exposed to high urban heat. This compares to North District which leads Greater Sydney in urban tree canopy cover with 39%, and has the lowest percentage of residents with exposure to high urban heat 2016 (2% of residents).

Strengthening existing LEP and DCP controls to include objectives to increase tree canopy coverage both on public and private land and protect existing canopy will reduce the urban heat effect and contribute to creating greener and higher quality neighbourhood amenity. This is seen as an important objective to reduce the urban heat island effects within the LGA and wider District. To translate this planning priority down to the local planning framework, Councils are beginning to implement new provisions within their DCPs to achieve this outcome. One instance is Inner West Council's Marrickville DCP

Figure 32 – An example of high site coverage

Source: Ethos Urban

2011 (Draft Part 9.47 Victoria Road Precinct), which is proposing to include objectives and provisions for trees and landscapes, which aim to:

- Increase the tree canopy cover in all development.
- Ensure that existing significant trees both on public and private land are considered and where possible protected.

To achieve Planning Priority W5, it is recommended Council apply a provision that requires a minimum 20% tree canopy coverage for new development in urban areas. It is recommended that an arboriculturist is engaged to inform provisions within the Penrith DCP 2011, that aim to deliver upon the planning priority (W15) of the Western City District Plan. This would form an amendment to Sections C2 Vegetation Management and/or C6 Landscape Design of the DCP, and could include provisions that address:

- a minimum tree canopy coverage within 10 years from completion of a development
- the selection of appropriate tree species based on site conditions
- appropriate soil depths
- encourage the delivery of green roofs, where appropriate
- retainment of significant trees within the public and private domains, where possible, and supported by Arborist

Recommendations

1. Amend Sections C2 Vegetation Management and/or C6 Landscape Design of the Penrith DCP to include a new provision requiring a minimum tree canopy coverage for new development in urban areas. The implementation of this provision should be staged, with a minimum requirement of 20% tree canopy coverage for new development in the short term. Over the longer term, this minimum canopy coverage provision may progressively increase toward a target of 30%.
2. Amend Part D2 Residential Development of the Penrith DCP to encourage light coloured materials for new residential buildings that are able to reflect heat better than darker material. This is to ensure appropriate material colour selection is considered as part of the design process for new residential dwellings in the LGA.

7.6 S7.11 Contributions

A Development Contributions Plan is a public document that enables council to levy new development which assists in the funding of additional local infrastructure and services to support the new development. The infrastructure and facilities funded by the levy generally include parks, community facilities, roads and drainage. Contribution plans are enabled by section 7.11 of the EP&A Act.

Penrith City Council have various contributions plans applying to specific areas or the whole LGA. The current plans that apply to residential development throughout all parts of Penrith are detailed in Table 15. As can be seen in Table 15, many of these contribution plans rely on now outdated forecast dwelling and population projections. This places a significant risk on Council to deliver suitable infrastructure that can cater for additional demand anticipated to 2036. In order to adequately reflect and understand demographic influences within the Penrith LGA including population change, household structure and other social / cultural trends it is recommended that these plans be reviewed to consider the following:

- Provide greater clarity on housing typologies that apply to each plan (i.e. specifically referencing multi dwelling housing in the s94 plan (s7.11)
- Update plans that rely on ABS data to determine occupancy rates which are used to calculate the total contribution payable
- Clarify the extent to which exemptions may apply to specific types of development (e.g. development for the sole purposes of affordable rental housing)
- Review the schedule of works to ensure they are being appropriately integrated with existing communities and streetscape amenity
- Review schedule of works of these plans to ensure where proposed works are located will adequately support areas of focused dwelling and population growth.

Recommendations

1. Review the contribution plans to consider forecast demand anticipated to 2036, based on the latest ABS data. This is to consider the following:
   - Provide greater clarity on housing typologies that apply to each plan (i.e. specifically referencing multi dwelling housing in the s94 plan (s7.11)
   - Update plans that rely on ABS data to determine occupancy rates which are used to calculate the total contribution payable
   - Clarify the extent to which exemptions may apply to specific types of development (e.g. development for the sole purposes of affordable rental housing)
   - Review the schedule of works to ensure they are being appropriately integrated with existing communities and streetscape amenity
   - Review schedule of works of these plans to ensure where proposed works are located will adequately support areas of focused growth.

Council needs a robust infrastructure contributions framework and a program to deliver improved local infrastructure, particularly parks, streetscape improvements and community facilities) to ensure that as these centres transform to a more mixed use and higher density character, the amenities and services needed to support higher density living are delivered.

Contributions Plan	Development to which this plan applies	Population and dwelling projection source
Cultural Facilities Development Contributions Plan 2003	Multi-unit and shop top housing (including integrated housing) Dual occupancies and subdivision Housing for older people	Estimate of dwelling And population potential in Penrith based on forecast from April 2003 The estimated population increase in 20 years, to the end of 2022, is 57,152 to a total of 233,362.
Penrith City Centre Civic Improvement Plan (2008, amended 2015)	Multiple dwelling[1] (rate calculated per dwelling) Seniors living housing (rate calculated per dwelling)	Estimated in the Vision Plan (dated 2007) that there will be a projected growth in the residential population of 10,000 people and a growth in the workforce of 10,000 in the city centre by 2031.
Penrith City District Open Space Facilities Development Contributions Plan 2007	Multi-unit and shop top housing Dual occupancies and subdivision Housing for older people	15 year Forecast of Dwelling and Population Potential as at August 2007
Penrith City Local Open Space Development Contributions Plan 2007	Multi unit and shop top housing Dual occupancies and subdivision Housing for older people	14 year Forecast of Dwelling and population Potential as at December 2006
Werrington Enterprise Living and Learning (WELL) Precinct Development Contributions Plan 2008	Subdivision for residential purposes Construction of a dwelling Dual occupancy Multiple dwelling housing Multi unit housing Seniors housing or other dwellings	Estimated population calculated by applying an average occupancy rates of 2.7 persons per dwelling to the planned number of dwellings in each WELL sub-precinct that was envisaged at the time this Plan was prepared (2008).

[1] S7.11 contributions only apply to the additional number of dwellings and GFA resulting on a development site.

8.0

ACTIONS

8.0 Actions

8.1 Implementation and Delivery Plan

This section presents a consolidated Implementation Plan to realise the vision and objectives for the Penrith LHS. For each action the Implementation Plan indicates Council's role and the priority of the action.

Council's Role

Penrith City Council will play different roles in the implementation of this Strategy. These will vary between the roles of Planner, Provider, Advocate, Partner/Facilitator, Educator and Regulator. A description of these various roles is provided below.

- Planner – in relation to its strategic planning responsibilities.
- Advocate – representing community needs and interests to Commonwealth and State Governments and the private sector.
- Partner / Facilitator – working closely with developers, investors, government department and agencies and peak bodies.
- Educator – provide information to prospective investors, residents and interest groups.
- Regulator – ensuring that residential land use meets urban planning, building and public health regulations and expectations.

Priority

Actions have been prioritised into high, medium, low and ongoing to be completed over the lifetime of the strategy. Priorities should be periodically reviewed and reassessed in line with available budgets, resources and funding opportunities. The timeframe for completing prioritised actions is:

- Short – Action to occur over the next 1-5 years
- Medium – Action to occur over the next 5-10 years
- Long – Action to occur over the next 10+ years
- Ongoing – Action to be undertaken on an ongoing basis

Partner Stakeholders

This Housing Strategy identifies a number of actions which involve participation and collaboration with State, regional and local organisations to enable their realisation. These include, but are not limited to the agencies and organisations listed below.

- Greater Sydney Commission;
- Department of Planning, Industry and Environment;
- Transport for New South Wales (inc. former RMS);
- Western Sydney University;
- Community Housing Provider;
- Private Sector.

Actions

Action		Lead	Partner	Council's Role	Priority
Housing Location					
A1	Support the provision of new housing at increased densities to promote housing diversity within Penrith's East - West Economic Corridor.	Council	N/A	Planner	Ongoing
A2	Establish a precinct-plan for emerging centres around train station precincts which identify locations for increased height and FSR to deliver more density. This should be prepared subsequent to the confirmation of future station locations.	Council	GSC, DPIE	Planner	Short - medium
A3	Support housing diversity and change within walkable catchments to the east of St Mary's Town Centre within existing residential zones .	Council	N/A	Planner	Medium
A4	Maintain capacity for larger format commercial uses on large sites within the St Mary's Town Centre. Residential and other mixed uses should be integrated where possible.	Council	N/A	Planner	Short - medium
A5	Investigate increasing densities across existing residential and business zones within St Mary's Town Centre beyond 2026.	Council	DoH	Planner	Long
A6	Develop a Masterplan for the Glossip Street Precinct in collaboration with key partners and government agencies.	Council	DoH	Planner, Partner	Medium
A7	Discourage rezoning of land around future station precincts until there is certainty over future train station locations.	Council	N/A	Planner	Short - medium
A8	Support the revitalisation of existing centres in a manner that will deliver high quality built form outcomes and enhance the public domain and provide community benefit.	Council	N/A	Planner	Ongoing
A9	Support incremental housing change within Penrith's residential suburban areas.	Council	N/A	Planner	Ongoing
A10	Support medium density housing within proximity to Local Centres across Penrith's infill and new release areas to promote housing diversity.	Council	N/A	Planner	Ongoing
A11	Prioritise the delivery of new housing in existing new release areas with remaining capacity .	Council	N/A	Planner	Short - medium
A12	Retain existing planning controls within the B4 Mixed Use Zone within St Marys Town Centre and investigate the need for minimum non-residential GFA in line with the St Marys Economic Development Strategy	Council	N/A	Planner	Short - medium

Action		Lead	Partner	Council's Role	Priority
A13	Program the rezoning of Urban Investigation Areas to provide increased capacity and align with future infrastructure and projected need in the longer term. The development of precinct-wide masterplans centred around nominated train station locations should inform future rezoning.	Council	GSC, DPIE, TfNSW	Planner, Parnter, Regulator	Short - medium
A14	Maintain a low-level of housing growth and avoid urban intensification in Limited Change Areas.	Council	N/A	Planner	Ongoing
A15	Discourage intensification of residential development in Penrith's rural villages. Where new or replacement dwellings are provided, ensure consistency with existing landscape and rural character.	Council	N/A	Planner, Regulator	Ongoing
A16	Support opportunities to deliver housing for specific sub-markets including seniors living, executive housing and rural-residential dwellings that are consistent with existing and future economic activities and amenity of the rural area.	Council	N/A	Planner	Ongoing
A17	Maintain existing minimum lot sizes in rural villages.	Council	N/A	Planner	Short - medium
A18	Protect the Metropolitan Rural Area by preventing the expansion of the residential footprint within rural villages.	Council	N/A	Planner	Ongoing
A19	Support low-density residential infill development or renewal on vacant land in rural villages.	Council	N/A	Planner	Ongoing
Housing Diversity					
B1	Maintain the consistent delivery of lower density detached housing in identified new release areas.	Council	N/A	Planner	Ongoing
B2	Develop local character statements as part of the preparation of its local strategic planning statement process for inclusion within the Penrith DCP. This will provide guidance when designing a scheme for low rise medium density housing within the LGA.	Council	DPIE	Planner	Short - long
B3	Retain the application of the low rise medium density housing code to areas in the R3 Medium Density Residential zone and R4 High Density Residential zone, which already permit this form of housing.	Council	N/A	Planner, Regulator	Short - medium
B4	Review the application of the R3 Medium Density Residential zone to prioritise in well serviced locations within walking distance to identified centres as follows: • within 1,000 metres of Metropolitan, Strategic and Key Centres • within 400m of local and neighbourhood centres.	Council	N/A	Planner	Short - medium
B5	Increase minimum lot size controls for multi dwelling housing in the R3 Medium Density Residential and R4 High Density Residential to 1,200sqm under Clause 4.1A of the Penrith LEP 2010. This aims to ensure appropriate size and dimensions are provided for medium density housing.	Council	N/A	Planner	Short

Actions

Action		Lead	Partner	Council's Role	Priority
B6	Increase the minimum lot frontage control within the DCP to a minimum 28 metres to encourage greater street address for multi dwelling housing in the LGA, in particular for lots with significant lot depths.	Council	N/A	Planner	Short
B7	Require higher density developments to provide a suitable bedroom mix to encourage smaller dwelling types (i.e. studio and 1-bedroom dwellings) to reflect the anticipated decline in the household size and shift in the number of lone person households over the next 10 years.	Council	N/A	Planner, Advocate, Regulator	Short
B8	Update existing contribution plans for district and local open space and community facilities to accommodate additional demand generated in areas of housing diversity. This requires an update to works program and staging to meet future population needs.	Council	N/A	Planner	Ongoing
B9	Focus the delivery of a revised works program to fund new and revitalised open space and community facilities within the East-West Economic Corridor to maximise accessibility to facilities and services.	Council	N/A	Planner	Short - medium
B10	Develop a Social Infrastructure Plan for the LGA to understand, coordinate and advocate for the future supply of community infrastructure in Penrith's new release areas. This will inform the revised works program.	Council	N/A	Planner	Medium
B11	Support the provision of seniors housing in established urban centres, rural villages, and new release areas where there is supporting social infrastructure, community facilities and transport.	Council	N/A	Planner	Ongoing
B12	Within Residential Flat Buildings, maintain the delivery of 10% of all dwellings (or a minimum of one dwelling) being designed in accordance with the Australian Adaptable Housing Standard under the Penrith DCP.	Council	N/A	Planner	Ongoing
B13	Maintain existing requirements for at least 20% of new dwellings to include universal design features to support ageing in place as per existing ADG standards.	Council	N/A	Planner	Ongoing
B14	In recognising boarding houses play an important role in providing suitable accommodation for students and key workers in proximity to Western Sydney University, Nepean Hospital and Metropolitan, Strategic and Key Centres, investigate appropriate locations for boarding houses in conjunction with the preparation of local character statements whilst discouraging clustering.	Council	N/A	Planner, Advocate	Ongoing
B15	Recognise the role of executive housing in contributing to housing diversity in the LGA. This form of housing may be suitable in new centres and where existing natural landscapes are commensurate with the desired character for these types of dwellings.	Council	N/A	Planner	Ongoing

Actions

Action		Lead	Partner	Council's Role	Priority
Affordable Housing					
C1	Explore the establishment of a broad based scheme for affordable housing delivery that includes a combination of mechanisms including affordable housing contributions and incentive mechanisms so there is flexibility for the housing industry to deliver or make financial contributions towards affordable housing in Penrith.	Council	Community Housing Providers	Planner, Partner	Short
C2	Investigate broad-based funding options that recognise the delivery of market-priced housing creates a need for targeted affordable housing provision to ensure all residents have the ability to access housing.	Council	Community Housing Providers	Planner, Partner	Short
C3	Focus specific measures for the delivery of affordable housing on locations that maximise access to jobs, health and education, and that affordable housing is 'tenure blind' and meets the same amenity standards as market housing.	Council	Community Housing Providers	Planner	Medium
C4	Investigate the inclusion of affordable housing targets, inclusionary zoning, development incentives and affordable housing funding schemes in identified Housing Diversity Precincts, particularly locations likely to benefit from new public transport infrastructure.	Council	N/A	Advocate	Short - Medium
C5	Balance plans for the renewal of precincts with growth potential with the retention of existing affordable housing stock to maintain a market-driven supply of affordable housing.	Council	N/A	Planner	Ongoing

Actions

Action		Lead	Partner	Council's Role	Priority
Housing Design, Character and Resilience					
D1	Based on the forecast distribution of population and likely housing demand it is anticipated that the following locations would be key candidates for more detailed local character assessments as part of future investigations: • Short term: train station precincts within the East-West Economic Corridor including Penrith CBD, Kingswood, Werrington and St Marys (short to medium term) • Medium term: land around the Nepean Hospital and Penrith Health and Education Precinct • Long term: land around future train stations (e.g. Orchard Hills) and Rural Villages.	Council	DPIE	Planner, Advocate, Educator	Short - Long
D2	Investigate a new local provision under Part 7 of the Penrith LEP 2010 to allow for development consent to be granted to development on land that exceeds the maximum building height shown on the Height of Buildings Map by a certain amount, if it is for purposes of: • providing height allowances for flood planning levels to manage flood risk; • increased floor to ceiling heights for non-residential floors of a building; or • increased floor to ceiling heights for vehicle entry points.	Council	N/A	Planner	Short
D3	Amend Sections C2 Vegetation Management and/or C6 Landscape Design of the Penrith DCP to include a new provision requiring a minimum tree canopy coverage for new development in urban areas. The implementation of this provision should be staged, with a minimum requirement of 20% tree canopy coverage for new development in the short term. Over the longer term, this minimum canopy coverage provision may progressively increase toward a target of 30%.	Council	N/A	Planner, Regulator	Short
D4	Amend Part D2 Residential Development of the Penrith DCP to encourage light coloured materials for new residential buildings that are able to reflect heat better than darker material. This is to ensure appropriate material colour selection is considered as part of the design process for new residential dwellings in the LGA.	Council	N/A	Planner, Regulator	Short

Actions

Action		Lead	Partner	Council's Role	Priority
D5	Review the contribution plans to consider forecast demand anticipated to 2036, based on the latest ABS data. This is to consider the following: • Provide greater clarity on housing typologies that apply to each plan (i.e. specifically referencing multi dwelling housing in the s94 plan (s7.11) • Update plans that rely on ABS data to determine occupancy rates which are used to calculate the total contribution payable • Clarify the extent to which exemptions may apply to specific types of development (e.g. development for the sole purposes of affordable rental housing) • Review the schedule of works to ensure they are being appropriately integrated with existing communities and streetscape amenity • Review schedule of works of these plans to ensure where proposed works are located will adequately support areas of focused growth.	Council	N/A	Planner	

A

APPENDIX

Existing Capacity

There is capacity within Penrith's existing residential and mixed use areas to accommodate up to 17,545 new dwellings to 2036. The table below provides an indicative break down of the estimated dwelling capacity based on existing planning controls. Land in this category is currently zoned for residential uses.

Total capacity figures may vary depending on a range of economic and market conditions.

Location	Status	Type	Indicative Remaining Capacity	Expected Delivery Horizon
Caddens	Approved	New release	1,250	0-5 years
Claremont Meadows Stage 2	Approved	New release	200	0-5 years
Glenmore Park Stage 2 - Precinct C	Approved	New release	500	0-5 years
Jordan Springs and Central Precinct	Approved	New release	200	0-5 years
11-13 Chesham Street St Marys	Approved	Infill	50	0-5 years
Erskine Park and St Clair (7 rezoned sites)	Approved	Infill	25	0-5 years
Penrith City Centre	Approved	Infill	8,050	6-10 years (2,050) 10-20 years (2,000) 20+ years (4,000)
South Werrington Urban Village	Approved	Greenfield	500	0-5 years (250) 6-10 years (250)
92, 94 and 96 Victoria Street, Werrington	Approved	Infill	170	6-10 years
Penrith Health and Education Precinct - Mixed Use	Approved	Infill	400	6-10 years
Sydney Science Park (Luddenham)	Approved	Greenfield	3,400	6-10 years
St Mary's Town Centre	Approved	Infill	1,250	6-10 years
Glossop Street	Approved	Infill	700	6-10 years
Penrith Panthers Redevelopment Site	Approved	Infill	850	6-10 years
TOTAL			17,545	

Potential Future Capacity

Over the next 20 years, there is also additional capacity for new dwellings in land that is not currently zoned for residential uses. Beyond 2021, it is estimated that these locations could deliver approximately 47,150 new dwellings. The table below provides an indicative break down of future capacity.

Note land within sites identified as having 'future' capacity are not currently rezoned. Indicative future capacity figures may vary depending on a range of economic and market conditions.

Location	Status	Type	Indicative Future Capacity	Expected Delivery Horizon
Jordan Springs and Central Precinct	Future	New release	500	0- 5 years
North Penrith Multi User Depot	Future	Infill	500	6-10 years
Rodgers and Somerset Streets, Kingswood	Post-exhibition	Infill	450	6-10 years (200) 10-20 years (250)
Glenmore Park South (GP3)	UIA	Greenfield	3,200	6-10 years (1,000) 10-20 years (2,200)
Mount Vernon/Horsley Park Investigation Area	UIA	Greenfield	5,000	20+ years
Orchard Hills South Investigation Area	UIA	Greenfield	25,000	6-10 years (5,000) 10-20 years (10,000) 20+ years (10,000)
WSU Werrington Precinct (North and South sites)	Currently assessing	Infill	7,000	6-10 years (1,000) 10-20 years (6,000)
Orchard Hills North Investigation Area	Pre-exhibition	Greenfield	4,000	6-10 years (1,000) 10-20 years (3,000)
St Marys Town Centre	Pre-exhibition	Infill	600	6-10 years
Penrith City Centre	Post-exhibition	Infill	900	6-10 years
		TOTAL	47,150	

Rural Villages

Rural Village	Remaining Subdivision Potential	Expected Delivery Horizon
Agnes Banks Agnes Banks is located on the boundary of the Hawkesbury LGA, with only a small portion of E4 zoned land within the Penrith LGA. In accordance with the land use controls, dwelling houses, dual occupancies and secondary dwellings are permitted within the E4 Environmental Living Zone. There is limited capacity for Agnes Banks to accommodate future residential development with only 17 lots having capacity to accommodate additional dwellings in accordance with existing planning controls.	17	6-10 years (9) 10-20 years (8)
Londonderry There is limited capacity in Londonderry to accommodate any additional low density residential or rural lifestyle dwellings.	34	6-10 years (17) 10-20 years (17)
Luddenham In its current role and function there is limited capacity in Luddenham for low density residential development. In the long term horizon, Luddenham is likely to transform into a key centre in conjunction with the development of the Western Sydney Employment Area and Aerotropolis. Londonderry is well positioned to accommodate this growth over the next 15 – 20 years.	60	6-10 years (30) 10-20 years (30)
Mulgoa Analysis of recent development approvals indicates a cluster of new development in Mulgoa. As one of the least constrained rural villages in Penrith, Mulgoa has limited capacity to accommodate new residential development.	92	6-10 years (46) 10-20 years (46)
Wallacia Land in Wallacia is constrained by the Hawksbury-Nepean PMF. There is limited development potential in Wallacia.	35	6-10 years (18) 10-20 years (17)
TOTAL	238	

ETHOS
URBAN