



## Building sustainable neighbourhoods

LIVEABILITY AND DIVERSITY FOR FUTURE GENERATIONS

# Local Planning Strategy Review

## Issue Paper 3

Issue Category: Structural issues

April 2024

Issue	Phase 2 Action
<b>Misaligned developer and policy objectives and lack of policy understanding influencing built form outcomes.</b>	Engage with industry to understand development influences and how statutory planning mechanisms may be able to influence better outcomes.

**Key Findings:**

- Stakeholder engagement with developer representative bodies and individual developers was undertaken to better understand developer influences and how development outcomes are impacted by statutory planning mechanisms. Key takeaways from this engagement include:
  - Return on investment is maximised for infill developments by building larger houses.
  - Land value impacts on a landowners ability to develop certain housing typologies.
  - Access to financing for a housing development can be dependent on the particular housing typology proposed.
  - Restrictive policy provisions can significantly impact on the affordability of a development.
  - Opportunity for continued engagement with the development industry in the development of future planning policies
- A recent review and update of the City’s development application checklists has improved transparency for applicants when lodging a development application as to the specific policy requirements which are applicable to their development.

**Review of development application lodgement material:**

The issue of a lack of developer understanding influencing built form outcomes was raised during Phase 1 engagement with State and local government planning officers.

It was noted that in some cases, developers or those preparing plans (ie. draftspersons and designers) did not have a comprehensive understanding of relevant local planning policies prior to undertaking preliminary design works for a site, and therefore would run into numerous issues once the development application was lodged, often resistant to then make significant changes to the established design for the site.

To address this, the City has undertaken a review of the development application lodgement checklists, to ensure that they reflect the particular requirements of relevant local planning policies that may apply to certain types of development.

Specific to infill development, the development application checklist which applicants are required to fill out and submit with their application, now includes requirements for developers to acknowledge whether or not they have provided information on the plans which relates to specific provisions in policies relating to infill development. (e.g. landscaping plans, building performance diagrams etc.). This will ensure that developers are required to acknowledge the additional requirements set out by local planning policies which apply to infill development applications prior

to lodgement which in turn, will mean a greater likelihood that these considerations have influenced the proposed design.

### Stakeholder engagement:

To better understand the factors that influence development outcomes in the City of Joondalup, the City undertook a round of consultation through engagement with developer representative bodies and individual developers.

The intention of this consultation was to improve the City’s understanding of factors influencing the development industry when designing and lodging development and subdivision applications for infill development in the City. This will give the City a better understanding of the context within which infill dwellings are developed to allow for the Local Planning Strategy to ensure that it achieves a balance between meeting additional housing need while ensuring housing meets the liveability and sustainability expectations of the community and best practice planning.

### Outcomes of stakeholder engagement:

The engagement was undertaken through a survey sent to a list of individual developers who had lodged development applications for infill development in the City of Joondalup within the last two years, as well as through meetings set up with the following developer representative bodies:

- Housing Industry Association
- Planning Institute of Australia

Key takeaways of this engagement with developer representative bodies are summarised below:

Topic	Summarised feedback
<i>Housing Trends</i>	
	<ul style="list-style-type: none"> <li>• In the Australian housing market, larger houses result in more value. Developers and landowners will seek to maximise their return on investment by maximising the value and therefore size of their dwelling.</li> <li>• Infill development is typically a product developed for downsizing/low maintenance living. This is inconsistent with provisions for increased landscaping and trees.</li> </ul>
<i>Market Influence</i>	
	<ul style="list-style-type: none"> <li>• Land value directly impacts the ability for a landowner to develop a particular dwelling type on a lot (e.g. double storey).</li> <li>• Banks are typically hesitant to finance a development where it is considered to either be an overcapitalisation for the lot (based on size and location) or where there is no precedent for that typology in the area.</li> </ul>
<i>Statutory Planning Mechanisms</i>	
	<ul style="list-style-type: none"> <li>• Provisions included within the amended R-Codes Volume 1 for small dwellings should work to incentivise greater dwelling diversity for infill developments.</li> <li>• Policy provisions for larger room sizes, increased street setbacks, increased landscaping, tree planting etc. result in a smaller envelope for development on the lot. This can impact viability for the development as it forces a design to be double storey where in some cases landowners can</li> </ul>

	<p>not afford that typology, or are unable to get finance for that typology based on the land value.</p> <ul style="list-style-type: none"> <li>• Incentives in policy a good way to push for better outcomes.</li> </ul>
<i>Best Practice Discussion</i>	
	<ul style="list-style-type: none"> <li>• Opportunities for engagement to improve planning literacy in the community.</li> <li>• Density codes should be appropriate to the street typology.</li> <li>• Highest densities should be in close proximity to activity centres and transport nodes, and taper down with distance.</li> </ul>

Key takeaways from survey question responses from individual developers are summarised below.

<b>Survey Question</b>	<b>Summarised feedback</b>
<i>Development viability factors</i>	
a. What are the main considerations for a property developer when determining how to redevelop an established residential property at a higher density? (e.g. density code, market demand for a particular housing type, return on investment, planning controls for built form? etc).	<p>Main considerations include:</p> <ul style="list-style-type: none"> <li>• Return on investment.</li> <li>• Potential sale price.</li> <li>• Market demand for a housing product based on location of the block.</li> <li>• What are the risks/implications from planning policy.</li> <li>• Time for project completion.</li> <li>• Client preferences</li> </ul>
b. In the context of the City of Joondalup, are there particular design aspects for infill developments that are typically 'must haves' for a development to be viable? (e.g. minimum number of bedrooms or bathrooms, number of car spaces, single story? etc).	<p>Typically in the context of the City of Joondalup, the following design aspects are important for the viability of a project:</p> <ul style="list-style-type: none"> <li>• Single storey</li> <li>• Three bedrooms</li> <li>• Two bathrooms</li> <li>• Double garages</li> <li>• Single garages are more viable for aged and dependent dwellings</li> </ul>
c. Are there design related obstacles you commonly encounter in the development application (or pre-lodgement) process in the City of Joondalup?	<ul style="list-style-type: none"> <li>• Landscaping and deep soil areas for trees are typically difficult to meet, especially where a landowner is only able to afford a single storey dwelling.</li> <li>• Street setback and garage setback requirements add additional uncertainty for the ability to meet other policy requirements.</li> </ul>
d. How significantly do land values impact on the type/design (e.g. number of beds & baths, single or double story, inclusion of architectural detail/amenity) of infill developments?	<ul style="list-style-type: none"> <li>• Higher land values require yield for a development to be greater to ensure a development is viable. This means at least a three bedroom, two bathroom development with a double garage becomes important.</li> <li>• The likelihood of a double storey dwelling typology being developed increases with land value.</li> </ul>
<i>Statutory planning mechanisms</i>	
a. In the context of infill development, do incentives in policy work/are they readily utilised? If yes, are there any specific	<ul style="list-style-type: none"> <li>• Often the impact of tree retention on the design or yield for a development means that they are typically not retained, even where there are incentives.</li> </ul>

<p>development incentives which would be readily utilised by the development industry?</p> <p>Examples of development incentives include:</p> <ul style="list-style-type: none"> <li>• Retention of a mature tree allowing for reduced landscaping requirements.</li> <li>• Height bonuses where lots are amalgamated.</li> <li>• Additional plot ratio allowance for meeting minimum green star energy rating.</li> </ul>	<ul style="list-style-type: none"> <li>• For green energy ratings, the current cost of construction and the increased cost of green initiatives makes the incentive unviable.</li> </ul>
<p>b. In your view, how effective is the design guidance included in the R-Codes Vol. 2 when designing apartments? Do you think the same level of guidance would be worthwhile for grouped dwellings in a low and medium density context?</p>	<ul style="list-style-type: none"> <li>• Guidance included in draft medium density codes is sufficient to guide draftspersons/architects when designing infill developments.</li> </ul>
<p>c. Would an overall vision of the desired development outcomes in infill areas be utilised/useful for developers? For example, this could look like wording, and/or imagery to describe/show the intended built form outcomes for an infill area, included in a Local Planning Policy/Precinct Structure plan.</p>	<ul style="list-style-type: none"> <li>• Feedback from Local Government on the overall vision and goals for infill development areas is crucial.</li> <li>• Opportunity for engagement with developers when designing policy provisions would be very beneficial.</li> <li>• Depicting examples of desired outcomes in a vision would be helpful.</li> </ul>
<p><i>Market influence in development outcomes</i></p>	
<p>Infill development in the City of Joondalup in medium density areas tends to be reflective of a family home typology (e.g. three bed x two bath with a double garage) even on small subdivided blocks.</p> <p>a. From a developer perspective, what are the factors influencing this trend?</p> <p>b. Would policy which requires greater diversity in dwelling mix for infill developments in the City of Joondalup result in a change in development trends?</p>	<ul style="list-style-type: none"> <li>• Generally the market demand in the City of Joondalup is for a three bedroom x two bathroom product.</li> <li>• Small dwelling provisions included within the medium density code will be beneficial for incentivising a greater diversity of dwelling typologies.</li> <li>• Incentives which offer reduced landscaping, open space and outdoor living area for two bedroom single garage homes would assist with incentivising this typology.</li> </ul>
<p><i>Development industry ideas for improving development outcomes:</i></p>	
<p>a. Do you believe statutory requirements which reflect those set out in the draft Medium Density Codes and the City's Development in Housing Opportunity Areas Local Planning Policy for minimum room sizes, minimum ventilation and light access and landscaping and tree planting requirements are effective in addressing issues around liveability and sustainability for infill development?</p>	<ul style="list-style-type: none"> <li>• Generally agree that some standards need to be in place, but to a certain extent where development viability is not stifled. For example tree planting requirements often mean that a development needs to lose its alfresco roof which is an undesirable outcome.</li> <li>• The medium density code strikes a reasonable balance of practicality from a development perspective, whilst delivering sustainable and liveable built form outcomes.</li> <li>• HOALPP takes policy requirements too far, wherein development becomes unviable.</li> </ul>

If no, how do you believe these issues are best addressed?	
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**Implications for the Local Planning Strategy:**

There are some key takeaways which are important for the City to consider when preparing the Local Planning Strategy and development control around infill development:

- Affordability implications from policy provisions have a real impact on landowners in the City when looking to develop housing within infill areas. While it is important that the City ensures new development meets community expectations by way of liveability and sustainability, the City also has a role to provide additional housing to meet the needs of the community and broader State Government planning directions. It is therefore important to ensure that development controls for infill development are not so onerous that they render development of affordable housing products to be unviable. This indicates opportunity for the City to test any revised development controls with the development industry before implementing future changes as part of the Local Planning Strategy review.
- The City can draw upon the recently amended R-Codes Volume 1 to ensure that development achieves a balance of delivering well designed liveable and sustainable homes while still allowing additional housing to be developed to meet community need.
- Development of an overall vision for infill areas would assist with communicating to the development industry the overall intended outcomes for infill areas. This vision should be developed with community input and can be considered as part of future actions undertaken as part of Phase 3 of the Local Planning Strategy review.
- There is opportunity for the City to explore how it provides pre-lodgement advice for infill developments, and where improvements in this area may be possible, and the resource and budget implications of this.

**Recommendation:**

As development industry is the arm through which the majority of housing is delivered in WA, it is recommended that the City continues to engage with industry where input is valuable. Based on the feedback provided it is considered that industry engagement would be beneficial for the development and testing of development controls/provisions in future new or modified local planning policies that augment the R-Codes, which are implemented in response to actions included in the Local Planning Strategy.

Issue	Phase 2 Action
<b>Complexity of planning framework results in difficulty to engage meaningfully with the community.</b>	Review of the City's development application consultation materials to identify areas where greater transparency can be provided.

### Key Findings:

- Community consultation for development applications is guided by principles set out in the *Planning and Development (Local Planning Schemes) Regulations 2015* and the City's *Planning Consultation Local Planning Policy*.
- A recent review of the City's consultation material has been undertaken to improve transparency and provide additional information to give adjoining landowners a greater understanding of what they are being asked to make comment on. This has been undertaken in response to the feedback received in Phase 1 consultation.

### Mechanisms currently in place:

The below summarises current mechanisms the City uses to provide consistency and transparency in its engagement with the community for development applications:

Planning instrument	Overview
Planning Consultation Local Planning Policy	<ul style="list-style-type: none"> <li>• Outlines requirements for when and how community consultation is required to be undertaken for a development application.</li> <li>• Ensures consistency in the City's approach to community consultation for development applications.</li> </ul>
Website consultation portal	<ul style="list-style-type: none"> <li>• Provides the platform through which community members are able to view development application plans being advertised and provide a submission.</li> </ul>
Mailing of letters	<ul style="list-style-type: none"> <li>• Method by which community members are notified of a development application which might affect them.</li> <li>• Letters provide: <ul style="list-style-type: none"> <li>○ An overview of how the City undertakes planning assessments</li> <li>○ Which design elements of the development application are seeking discretion</li> <li>○ How community members are able to make a submission.</li> <li>○ Contact details for the assessing Urban Planner.</li> </ul> </li> </ul>
Duty planner service	<ul style="list-style-type: none"> <li>• A service provided by the City where community members are able to attend the City's administration building, or make a telephone call, without appointment anytime between the hours of 8.30am and 5pm on a weekday to discuss planning matters, including advertised development applications with the on-duty Urban Planner.</li> </ul>

### Statutory context:

Methods of consultation and length of consultation periods are guided by the *Planning and Development (Local Planning Schemes) Regulations 2015* (LPS Regulations) and the City's *Planning Consultation Local Planning Policy*. In particular, the LPS Regulations specify the maximum length of time that consultation can occur and this cannot be increased.

## **Review of consultation material:**

A review of the City's consultation methods and material has been undertaken recently in response to the feedback received. This review has resulted in the following work being undertaken:

- Consultation letters and website text has been restructured and where possible, plain language has been used. Letters now include information pertaining to discretions requested by the applicant and the associated design objective against which the variation will be assessed.
- A set of frequently asked questions documents have been prepared which are now included in all consultation letters sent, and are accessible from the City's consultation portal on the website.
- Different FAQ documents have been prepared for associated development application types, including applications for:
  - Single houses and grouped dwellings
  - Minor residential development
  - Home businesses and short-term accommodation
  - Commercial and high-density multiple dwellings
- The FAQ documents set out information relating to the following:
  - How development applications are assessed by the City.
  - How and when the City conducts community consultation.
  - Who can submit feedback on planning applications.
  - What aspects of the planning application community members can submit feedback on.
  - How to make a submission.
  - Next steps after consultation.
  - Privacy information.
  - Contact details for the City's Planning Services team.
- The City is progressing the development of a Glossary of Planning Terms which will be uploaded to the City's website for community members to access when reviewing development plans for consultation.

The changes made are being monitored and if necessary, further amendments be made.

## **Opportunities to address issues further:**

Given the work undertaken as outlined above, it is considered that the issues raised have been adequately addressed within the parameters for consultation set out in the LPS Regulations and the *Planning Consultation Local Planning Policy*. It is however noted that documents and policies that relate to community consultation are dynamic and continue to be regularly reviewed and updated where changes are required or where further improvements are identified.