

PLACES OF PENRITH

PENRITH



LOCAL HOUSING STRATEGY

DRAFT – FEBRUARY 2022

PENRITH
CITY COUNCIL

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ACKNOWLEDGEMENTS

Penrith City Council wishes to acknowledge the contribution of consultants from Ethos Urban and HillPDA in the development of the Local Housing Strategy.



VERSION CONTROL

The Local Housing Strategy is an iterative document. It is expected that the Strategy will be reviewed and updated as new information comes to hand, particularly revised population projections, Census data, major infrastructure commitments or State Government directions.

Council was required to prepare a Local Housing Strategy to support its first Local Strategic Planning Statement (LSPS). A draft Local Housing Strategy was exhibited with the LSPS in late 2019. That draft Strategy was submitted to the Department of Planning and Environment (DPE) for review. However, subsequent revised population projections from the DPE, the COVID-19 pandemic and the announcement of station locations for the Sydney Metro Western Sydney Airport have all had implications for the provision of housing across our LGA. Council has sought to address these matters in an updated version of the Local Housing Strategy.

The following table sets out key versions of the Local Housing Strategy to date:

Version 1	Draft status (i.e. endorsed by Council for public exhibition but not finalised). Prepared with input from Ethos Urban. Publicly exhibited from 30 September to 11 November 2019. Based on DPE projected population of 258,000 residents by 2036. Submitted to DPE in August 2020. DPE conditional approval granted July 2021.
Version 2	Prepared with input from HillPDA. Based on DPE projected population of 350,900 residents by 2036, together with consideration of subsequent impacts of COVID-19. Publicly exhibited from 5 April to 10 May 2022. Endorsed by Council in [insert date when milestone met]. Submitted to DPE in [insert date when milestone met].



STATEMENT OF RECOGNITION OF PENRITH CITY'S ABORIGINAL AND TORRES STRAIT ISLANDER CULTURAL HERITAGE

Council values the unique status of Aboriginal people as the original owners and custodians of the lands and waters, including the land and waters of Penrith City.

Council values the unique status of Torres Strait Islander people as the original owners and custodians of the Torres Strait Islands and surrounding waters.

We work together for a united Australia and City that respects this land of ours, that values the diversity of Aboriginal and Torres Strait Islander cultural heritage, and provides justice and equity for all.

Disclaimer

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ABBREVIATIONS

ABS	Australian Bureau of Statistics
ADG	Apartment Design Guide
AMF	Adaptive Management Framework
ANEF	Australian Noise Exposure Forecast
ARH	Affordable Rental Housing
BASIX	Building Sustainability Index
CBD	Central Business District
CDC	Complying Development Certificate
CHP	Community Housing Provider
CNOS	Canadian National Occupancy Standard
COVID-19	2019 Novel Coronavirus
DA	Development Application
DCP	Development Control Plan
DoH	Department of Housing
DPE/DPIE	Department of Planning and Environment (formerly Department of Planning Industry and Environment)
EP&A Act	Environmental Planning and Assessment Act
FSR	Floor Space Ratio
GCCSA	Greater Capital City Statistical Area
GFA	Gross Floor Area
GPEC	Greater Penrith to Eastern Creek Investigation Area
GSC	Greater Sydney Commission
GSRP	Greater Sydney Region Plan
LAHC	Land and Housing Corporation
LEP	Local Environmental Plan
IDO	Interim Development Order
INGP	Indigenous Status (ABS Census)
LGA	Local Government Area
LHS	Local Housing Strategy
LRMD	Low Rise Medium Density Housing Code
LSPS	Local Strategic Planning Statement
MUD	Multi-Use Depot (Department of Defence)
MRA	Metropolitan Rural Area
NATSEM	National Centre for Social and Economic Modelling
NCC	National Construction Code
NRAS	National Rental Affordability Scheme
NSW	New South Wales
PMF	Probable Maximum Flood Level
SA	Statistical Area
SEPP	State Environmental Planning Policy
SREP	Sydney Regional Environmental Plan
SSC	State Suburbs (ABS Census)
SSP	Sydney Science Park
TAFE	Tertiary and Further Education
TfNSW	Transport for NSW
WELL	Werrington Enterprise Living and Learning Precinct
WCD	Western City District
WSIP	Western Sydney Infrastructure Plan

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EXECUTIVE SUMMARY

PENRITH CITY'S HOUSING VISION

Penrith City 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 City'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 Sydney Metro Western Sydney Airport 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 City over a period of 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 up to 2036.

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

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

The Local Housing Strategy sets out a framework for housing delivery in Penrith City. Key elements of this framework include:

- Continued housing growth in and around the established centres of the East-West Economic Corridor, being Penrith, Kingswood, Werrington and St Marys.
- The establishment of new housing in and around the emerging centres with stations on the Sydney Metro Western Sydney Airport line.
- Planning and longer-term redevelopment of identified Urban Investigation Areas.
- Promoting resilient, affordable, sustainable, high-quality centres and neighbourhoods that contribute to the wellbeing of our residents.
- Promoting a diverse mix of housing types that offer choice and cater to all segments of our community.

EXECUTIVE SUMMARY

In order to understand Penrith City's ability to accommodate further housing, we must first determine the theoretical capacity of the land within our LGA, and the likely demand for housing into the future. Essentially, demand considers 'How many people will live in our City in the future?' and 'How will they want to live?'. In answering these questions, Council can then propose some housing targets, setting out how and where we will provide housing for our community.

Penrith City's housing capacity, demand and targets are summarised below.

THEORETICAL HOUSING CAPACITY

There is capacity within Penrith City's existing residential and mixed use areas to accommodate approximately **23,300 to 32,000 new dwellings** under existing planning controls.

The majority of housing growth in the short term is expected to occur within Penrith City's new release areas; namely around Caddens, Orchard Hills North, Glenmore Park and Jordan Springs. There is likely to be some infill development across a number of key sites within the East-West Economic Corridor, subject to planning approval.

In locations where future Sydney Metro station precincts are delivered, future capacity will be increased however the rezoning, delivery and provision of new housing around these locations will be entirely dependent on the progress and staging of the Sydney Metro link.

While Council and the State Government may "target" a particular quantum of dwellings and dwelling mix, actual housing delivery will be influenced by a range of factors including population growth, market trends and household preferences.

HOUSING DEMAND

Over the next 20 years, Penrith LGA will experience significant population growth. By 2036, the NSW State Government projects that Penrith will be home to more than 350,850 residents, representing an increase of approximately 149,250 residents (74%) from 2016.¹ On this basis, a total of 60,332 new dwellings would be required to support the growing population, 82% more dwellings than at 2016. This Strategy indicates that the population growth may be more moderate than the above projection predicts. As such, three separate scenarios are proposed.

Scenarios for future housing demand are as follows:

- Scenario 1: Assumes the DPE 2016 projection, as communicated through the GSC's District Plan (generally in-line with the Draft Local Housing Strategy (Version 1)).
- Scenario 2: Assumes the most recent DPE 2019 population and dwelling projections.
- Scenario 3: HillPDA scenario, which builds on the DPE 2019 projections and incorporates trends related to the COVID-19 pandemic, actual housing growth and dwelling approvals.

Based on the scenarios, the following dwelling demand estimates have been identified:

- 2016 to 2026: Around 18,000 additional dwellings.
- 2016 to 2036: Around 36,000 additional dwellings.

DWELLING TARGETS

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

A target of between 16,000 and 17,800 new dwellings is proposed for the 2016 to 2026 period. This range represents the status quo of approximately 1,700 dwellings delivered per year, to the upper limit of estimated demand.

Technical studies assumed approximately 8,200 dwellings would be delivered by July 2021, while the actual figure was around 8,000 dwellings. A target of 7,800 to 9,600 new dwellings for the 6-10 year period (2021-2026) is proposed. 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.

A total 2016-2036 target of between 36,000 to 40,000 dwellings is proposed. Based on the anticipated delivery from 2021-2026, a target of

20,000 to 22,000 new dwellings is proposed for the 11-20 year period (2026-2036). Figures have been expressed as range due to the uncertainty related to the long term effects of COVID-19 and the role of international migration in driving demand for housing in Penrith and Greater Sydney. The figures are also heavily reliant on the successful precinct planning and delivery of State-led infrastructure projects. The ranges provided for the 2026 to 2036 period estimates should be revisited following further forecasting resulting from the 2021 Census and State policy regarding precinct planning outcomes.

Table A summarises estimated dwelling supply for years 0-5, years 6-10, and years 11-20 of the strategy.

Table A: Estimate dwelling targets

Housing supply years	Low	High
2016 - 2021	6,600	8,200
2021 - 2026	7,800	9,600
2026 - 2036	20,000	22,000

Source: HillPDA 2021

Why the year 2016?

Local Housing Strategies have their origins in 2018 with the GSC's Region Plan and District Plan. Also in 2018, the DPE released a Local Housing Strategy Guideline which included a template for all councils to follow in preparing their strategies. Many of the projections and targets upon which Local Housing Strategies are based begin with the year 2016 – being the Census year immediately preceding much of this work by the State Government.

The GSC developed a 20-year strategic housing vision and describes housing targets in five or ten year increments.

Therefore in this document, any reference to a:

0-5 year target refers to 2016-2021

6-10 year target refers to 2021-2026, and

11-20 year target refers to 2026-2036.

Where this Strategy discusses increases in dwelling numbers or changes over time, it typically refers to changes since 2016 (unless otherwise specified). Where it talks about a 20-year vision or timeframe, it refers to the period between 2016 and 2036.

EXECUTIVE SUMMARY

About dwelling targets

The Greater Sydney Commission (GSC) has set some of the housing targets for the Penrith LGA, while other targets discussed in this Strategy reflect the work of Council and its consultants.

The GSC set a target in the District Plan (released March 2018). This target called for 6,600 additional dwellings between 2016 and 2021. This target has been exceeded (approximately 8,000 dwellings delivered) at the time of writing this revised version of the LHS.

The GSC's Letter of Support for the LSPS (issued March 2020) set a further target. The target calls for 7,500 to 10,000 additional dwellings in the period 2021-2026. Scenario 3 in this revised Strategy projects around 9,400 additional dwellings in that period, so the target is on-track to be met.

Beyond 2026, no specific target has been set by the State Government. The DPE's Local Housing Strategy Approval Letter (issued July 2021) requires that Council work with the DPE in confirming a 10+ year target - that is, for the period 2026-2036. This revised LHS provides the evidence and thinking behind the setting of this longer-term target.

Four themes weave their way through this Local Housing Strategy. These themes can be found, broadly, within State Government planning policies, District-wide plans and programs, feedback we have heard from our community, and Council's own strategies, plans and initiatives formed over many years. These four themes form the foundation of the Local Housing Strategy and are summarised below:

LOCATIONS FOR HOUSING GROWTH

This Strategy has developed a new framework for Penrith LGA which comprises a settlement hierarchy of centres and housing change areas. The framework will ensure that future housing, development and service provision is rationally and strategically planned and sequenced over the next 20 years. The framework sets out growth across the LGA over the next 20+ years through the designation of three levels of 'housing change' as follows:

- **Key growth locations:** 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 City's housing growth and will support a variety of housing forms at increased densities.
- **Greenfield and infill areas:** comprise the majority of residential land in Penrith City. 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.

Locations for housing growth means:

- ✓ Housing supply delivered in the right location at the right time.

HOUSING AFFORDABILITY

There is commitment at State Government level to delivering affordable rental housing across Greater Sydney, however, there is no LGA-level affordable housing policy for Penrith City. While the median price of housing is low in Penrith City by Metropolitan Sydney standards, income levels are also lower on average

Housing affordability means:

- ✓ Supporting the provision of specialised and affordable housing to accommodate residents with particular needs with regard to design, location, tenure and cost.

HOUSING DIVERSITY

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 to ensure that new housing is provided in locations with established infrastructure networks. In the longer-term, infrastructure commitments within Penrith may unlock new areas for mixed housing supply supported by access to new, high quality public transport.

Housing diversity means:

- ✓ Ensuring 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.
- ✓ Ensuring local infrastructure appropriately caters to the future demand generated in key growth locations, greenfield and infill areas.

HOUSING DESIGN, CHARACTER AND RESILIENCE

The DPE have released its Local Character and Place Guideline to elevate the consideration of local character in NSW planning decision making. 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.

Housing design, character and resilience means:

- ✓ Ensuring new housing respects local character values of Penrith City's diverse neighbourhoods and contributes positively in localities where character will transform over time.
- ✓ Promoting housing resilience through high quality and environmentally sustainable design.

With this Local Housing Strategy, Penrith City Council outlines how it will implement its Housing Vision and deliver housing that contributes to the wellbeing of our residents, now and in the future.

1. INTRODUCTION



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

This Penrith Local Housing Strategy establishes a strategic planning framework to guide housing delivery in Penrith LGA over the next 20 years. It sets out actions necessary to manage housing change and growth over the next 20 years. It aligns with the strategic directions in the Penrith Local Strategic Planning Statement (LSPS) and seeks to maximise the benefits from investment in key strategic infrastructure projects in the LGA.

This strategy builds on the previously exhibited draft Local Housing Strategy (Version 1). Since that version was prepared, several events have occurred that will have a significant impact on the location and rate of housing growth in the Penrith LGA. The State Government has announced Metro Stations on the new Sydney Metro Western Sydney Airport line, which will provide a catalyst for urban growth.

The State Government has significantly revised its population projections, and work on planning for the new Western Sydney International Airport and Aerotropolis at Badgerys Creek has advanced. Council has also received and considered submissions following the exhibition of the draft Local Housing Strategy (Version 1), which have informed this document. These matters have been incorporated into the current Strategy.

The Local Housing Strategy applies to all land within Penrith LGA that is currently zoned for residential land uses or permits residential uses. It includes land which is designated as an Urban Investigation Area or proposed for future residential land uses. Conversely, the Strategy sets out to protect the Metropolitan Rural Area (MRA), where only a minor amount of infill development may be expected in the existing rural villages.

1.1 BACKGROUND

In November 2018, the Greater Sydney Commission released *A Metropolis of Three Cities – Greater Sydney Region Plan and Western City District Plan* which set out a requirement for councils to prepare local housing strategies and for these to be given effect through amendments to Local Environmental Plans. The Greater Sydney Commission has indicated that local housing strategies should:

- Make provision for the anticipated growth associated with the 0–5 and 6–10 year housing targets.
- Align projected growth with existing and proposed local infrastructure and open space improvements.
- Identify the right locations for growth, including areas that are unsuitable for significant change in the short to medium term.
- Identify capacity to contribute to the District's 20-year strategic housing target.
- Inform the Affordable Rental Housing Target Schemes for development precincts.
- Coordinate the planning and delivery of local and State infrastructure.

The Greater Sydney Commission set a 0-5 year target for 6,600 dwellings in Penrith LGA in the 2016-2021 period. More recently, DPE set a 6–10 year housing target of 7,500 to 10,000 additional dwellings in the period 2021-2026. Penrith City Council is now to develop a target for the period beyond 2026 as part of its revised Local Housing Strategy having regard for the LGA's capacity to accommodate housing supply. This Strategy is also to consider the potential for Penrith LGA to contribute to a long term housing delivery of 184,000 dwellings in the broader Western City District.

Housing consideration factors

The Western City District Plan indicates that a housing strategy should aim to improve housing affordability and choice by considering the following:

- **Capacity:** land with potential for rezoning for residential development.
- **Viability:** the assessment of new areas and whether the capacity created is financially viable for a range of configurations (one, two, three or more bedrooms) and is consistent with market demand and planning controls.
- **Good design:** buildings that exhibit design excellence in neighbourhoods that are walkable, cycle friendly, connected to transport and services, and have a mix of land uses to support active healthy and socially-connected communities.
- **Environment:** green infrastructure including urban bushland and waterways, local features (such as topography, heritage and cultural elements, visual impacts, natural hazards such as flooding, special land uses and other environmental constraints), lot sizes, strata ownership, and the transition between different built forms.
- **Mix:** a mix of housing types that allow people to relocate within their local area and stay connected to community services, friends and family.
- **Supply:** land zoned for residential development, served by adequate infrastructure and ready for development projects.
- **Affordable rental housing:** through housing diversity for those on moderate incomes and affordable rental housing for low and very low income households.
- **Local character:** recognising the distinctive and valued combination of characteristics that contribute to local identity.
- **Social housing:** more and better access to supported and/or subsidised housing.
- **Delivery:** the staging of enabling infrastructure, upgrades or expansions of local infrastructure such as schools, open space including sportsgrounds and community facilities.
- **Monitoring:** homes completed and ready for occupation.

1.2 COMMUNITY ENGAGEMENT

Engagement with Council staff, Councillors and other internal stakeholders has been undertaken throughout the development of the draft Local Housing Strategy (Version 1) and this document. In addition, the Draft Penrith Local Housing Strategy (Version 1) was placed on public exhibition from 30 September 2019 to 11 November 2019 and submissions were received which have informed the development of this document.

Top 10 issues raised in submissions

1. More detail is needed on how Council will achieve the outcomes expressed in the draft Strategy including the mechanisms for delivering different housing types and opportunities.
2. Comprehensive transport studies for the precincts targeted for significant population uplift are required to investigate the multi-modal impacts of the additional person trips and vehicle trips on transport networks resulting from the planned growth.
3. The high proportions of very low and low income households in stress and the long term trends in increasing housing costs and diminishing stock of housing that is affordable for these households is a key consideration. More consideration is needed on how to address the affordable housing issue, including mechanisms to encourage smaller more affordable homes as well as apartments.
4. The application of Local Character Statements to existing and new suburban release areas should still enable these neighbourhoods to evolve to include diverse and affordable housing types to ensure community resilience.

5. An infrastructure schedule and implementation plan should be prepared for areas that will experience significant housing growth that identifies needed infrastructure, costings, timing, land components and proposed funding mechanisms.
6. Planning for housing must continue to respond to the constraints imposed by limitations on flood evacuation routes in the Hawkesbury Nepean flood plain.
7. Council should recognise the potential of planning controls in unlocking the potential of sites.
8. Opportunities to improve the design and environmental performance of Penrith City's existing and new housing stock, encouraging high-quality built form.
9. The Strategy should encourage more sustainable neighbourhoods.
10. Update existing contribution plans for district and local open space and community facilities to accommodate additional demand generated in areas of housing diversity.

1.3 CURRENT DIRECTIONS FOR HOUSING

The Penrith Local Strategic Planning Statement (LSPS) has identified, as one of its priorities, the need to provide new homes to meet the diverse needs of a growing community. The LSPS indicates that over the next 20 years, new housing will be delivered in:

- Planned residential areas at Caddens, Glenmore Park and Jordan Springs.
- New release areas and Urban Investigation Areas.
- A change of house types in existing neighbourhoods from detached dwellings to increased numbers of townhouses, villas and dual occupancies, in the right locations.
- Mixed-use and high-density residential developments in Penrith City Centre, St Marys Town Centre and around stations on the Main Western Rail Line and emerging North South Rail Line.

We need to plan to provide homes for our growing communities while preserving what makes Penrith an attractive place to live – its environment, including the river, rural lands and other green spaces.

Penrith Local Strategic Planning Statement (Penrith LSPS)

The LSPS also commits to investigating the potential for new housing in designated Urban Investigation Areas at:

- Orchard Hills (State-nominated)
- Luddenham (State-nominated)
- Mt Vernon (State-nominated)
- Glenmore Park (Council-nominated).

These strategic directions for housing growth are intended to build a sustainable future for Penrith LGA. They provide a foundation for the development of this Strategy.

1.4 PURPOSE OF THE STRATEGY

The Local Housing Strategy is a requirement of the State Government. It is required to align local planning with State Government objectives and to understand future land requirements and suitable locations for growth. The Local Housing Strategy must be adopted by Council and approved by the State Government.

This Local Housing Strategy shall inform future reviews of the Penrith Local Environmental Plan 2010 by providing an evidence-based assessment of the housing needs of Penrith City's current and future residents. It will also assist in the future planning of urban renewal precincts and new urban areas already in the planning pipeline.

The Local Housing Strategy is to provide an evidence base to support future housing decisions. Council's future strategies and plans, such as the Corridors and Centres Strategy and place-based structure plans and masterplans, as well as future council-initiated Planning Proposals and policy amendments, will deliver the outcomes of the final Local Housing Strategy under Council's leadership.

A review of the adopted Local Housing Strategy is to occur at least every five years to ensure the Strategy responds to changes in the market, legislation and policy over time.

1.5 STRUCTURE

This document has been prepared in line with the Department of Planning and Environment's Local Housing Strategy Guideline. It comprises the following broad structure:

- Introduction: Chapter 1 introduces the premise of the study and engagement activities. Chapter 2 presents the context for the Strategy, namely this section offers an LGA snapshot as well as summarises the policy and catalytic investment context of the LGA.
- The Evidence: Chapter 3 summarises Penrith City's existing and future demographic profile as well as identifies land use constraints, future housing capacity and demand.
- The Vision: Chapter 4 establishes a vision and set of nine housing objectives.
- The Priorities: Chapters 5 through to 8 evaluate a range of topics and themes in reference to the objectives of this Strategy, including housing diversity, affordability provision, design and local character.
- Actions: Finally, Chapter 9 sets out an implementation plan to guide the delivery of housing in Penrith City to 2036 and beyond.

2. CONTEXT



2.1 LOCATION SNAPSHOT

Located 50km from the Sydney CBD, 30km from Parramatta CBD, and at the foothills of the Blue Mountains, Penrith City 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 404km², Penrith City is situated within the heart of the Western Parkland City and is a key centre within the broader context of Western Sydney (refer to Figure 1).

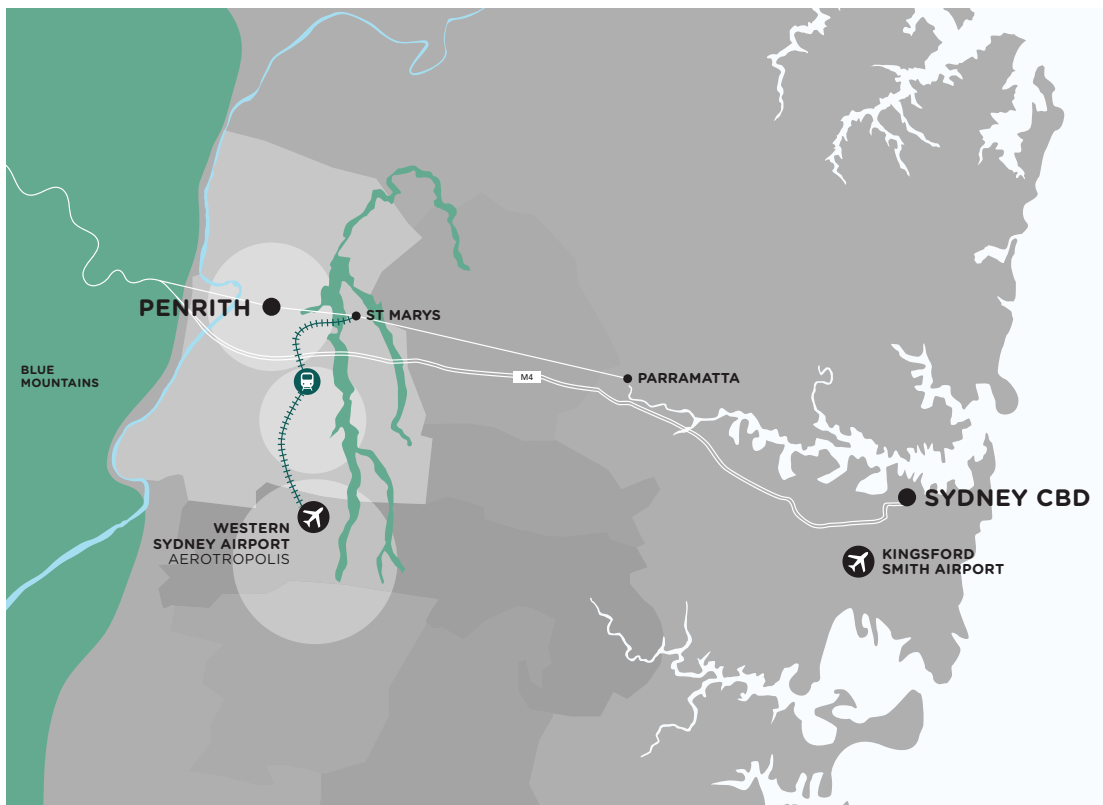
The T1 Western Rail Line, Greater Western Highway and M4 Motorway are the key structural elements around which settlements in Penrith City have formed. These transport corridors are parallel, running east-west through the LGA, and dividing it into two (northern and southern) halves. The urban parts of Penrith City 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 City 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 City'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 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.

Figure 1: Context Plan



Source: Penrith City Council

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 International 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 City's people

Penrith City'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. A detailed assessment of demographic influences and trends is provided in Chapter 3.2.

Movement network

Penrith City'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.

The LGA 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 lines 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 City.

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.

The opportunity and constraints maps in Chapter 3 outline the major infrastructure projects slated for our City, including the Sydney Metro Western Sydney Airport, Rapid Bus, Outer Sydney Orbital and other major road upgrades.

Penrith City's natural environment

Penrith City has a range of natural assets and values which make up its unique environmental characteristics. Its 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 zoned (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 City are located within the Hawkesbury-Nepean River and the South Creek 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.

The trouble with population projections

The DPE release population projections about every three years. The NSW Population Projections paint a picture of NSW's population, including how many people are likely to be living in NSW, how old they are likely to be, and where in NSW they are likely to live. The projections are a scenario based on available evidence. The DPE expressly states that the projections are not a target or a representation of Government intent.

The NSW Population Projections are a point-in-time estimate of the future NSW population based on assumptions for fertility, life expectancy and migration. These assumptions are developed from information known at the time of publication from Census data, various government departments and short-term forecasts of net overseas migration. The projections also use known new housing supply and

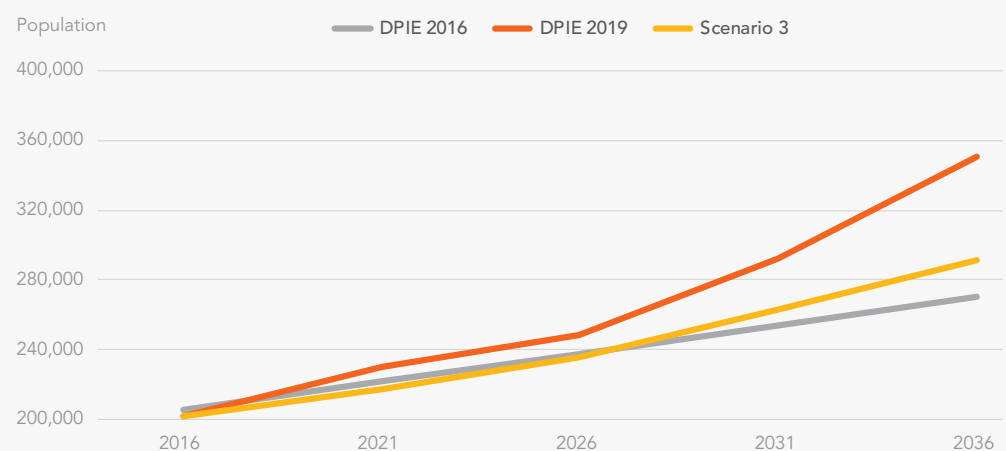
infrastructure investments in Greater Sydney to help distribute the projected future population across the city.

This revised Strategy makes reference to the projections of 2016 and 2019. The earlier draft version of the Strategy (Version 1), which was exhibited in October and November 2019, relied largely on the DPE's 2016 population projections.

The DPE released revised population projections in December 2019. The 2016 and 2019 projections were significantly different in their forecasts for the Penrith LGA. The more recent projections provide for 80,150 more people in 2036 (**Figure 2**) – a figure that would equate to around 29,000 more dwellings. **Figure 3** shows that the Penrith LGA had the largest discrepancy between the 2016 and 2019 projections of all Western Parkland City councils.

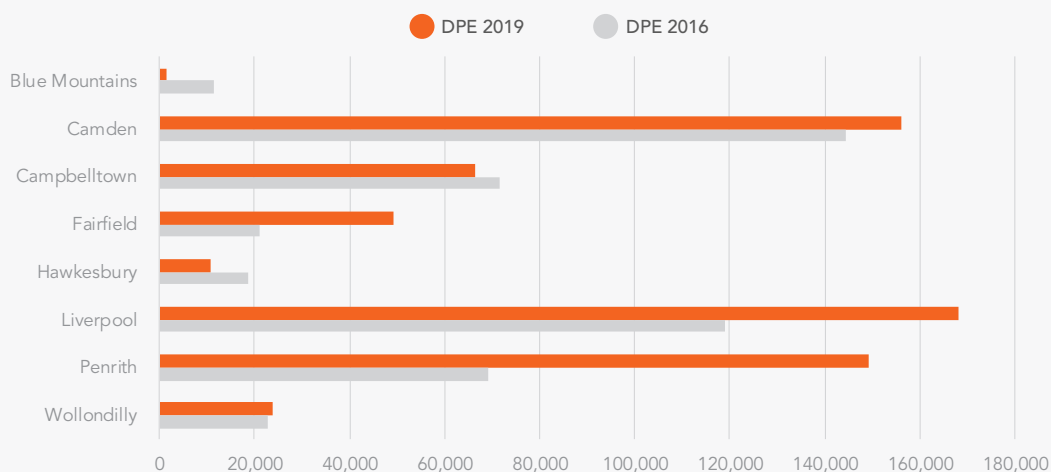
Although the population projections are not intended to be targets, the discrepancy between the two projections was tantamount to "moving the goal

Figure 2: Comparison of Population Projections for the Penrith LGA



Source: DPE 2016, DPE 2019, HillPDA

Figure 3: Population growth projections in the Western Parkland City



Source: DPE 2016, DPE 2019

posts” in respect to Council’s ability to plan for housing provision in the Penrith LGA. Adding to the difficulty of forecasting population, the COVID-19 pandemic hit Australia in early 2020 and station locations for the Sydney Metro Western Sydney Airport were announced in June 2020.

On account of the variance and unreliability of these projections, this revised Strategy considers three scenarios. Scenario 2 is based on the DPE 2019 population projection. A further scenario developed by HillPDA reflects more up-to-date and detailed, local-level data (Scenario 3). The remaining scenario (Scenario 1) represents the DPE 2016 projection, which is similar to the earlier version of the Strategy as exhibited in 2019. The latter scenario serves as a comparison and no longer reflects the most likely future population.

A Census was held in 2021, and a further DPE population projection is expected in 2022, meaning that Council may soon have another (possibly more reliable) picture of future population in the Penrith LGA.



2.2 POLICY CONTEXT

A Metropolis of Three Cities - Greater Sydney Region Plan

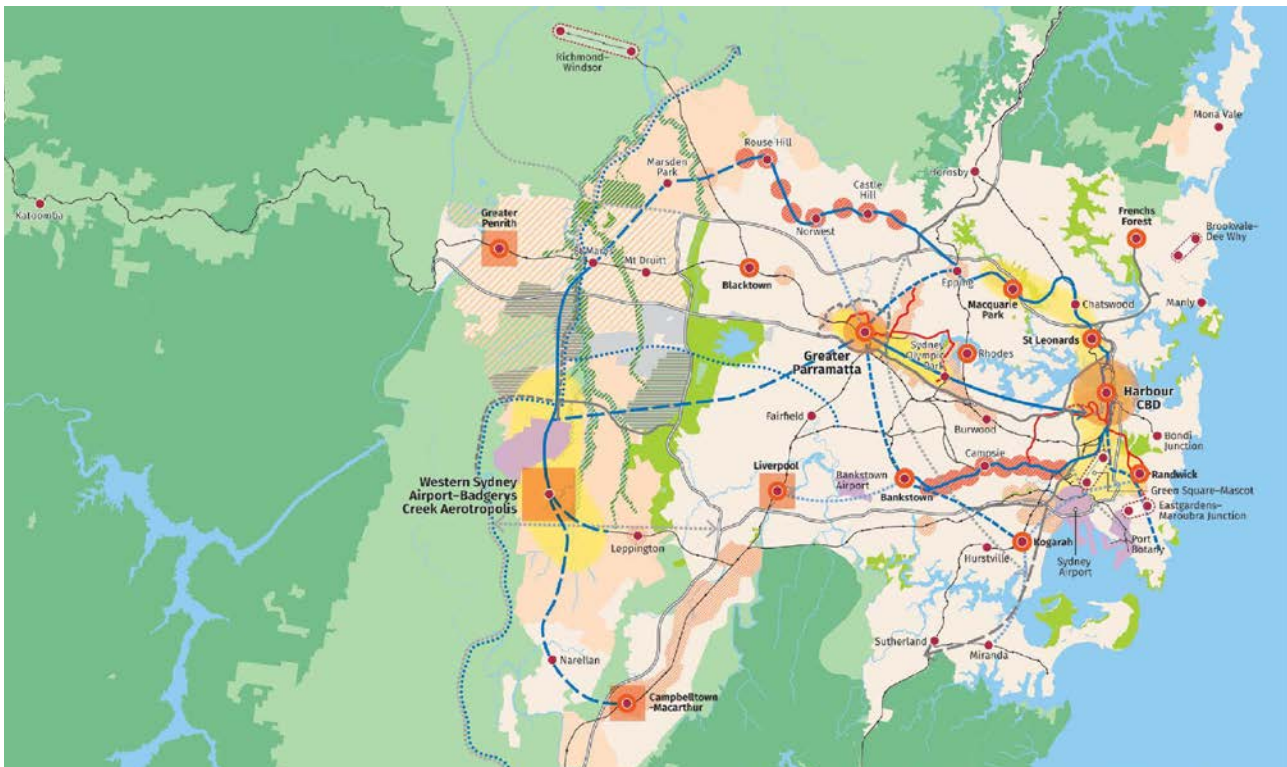
The population of Greater Sydney is expected to grow to 8 million over the next 40 years, with approximately half of the population residing in Western Sydney. The Greater Sydney Commission has prepared the Greater Sydney Region Plan to guide and manage this growth. The Region Plan sets a vision for Greater Sydney as a metropolis of three cities: Western Parkland City, Central River City and Eastern Harbour City (refer to **Figure 4**).

Penrith LGA is located in the Western Parkland City. The Region Plan suggests that an additional 184,500 dwellings will be needed by 2036 in the Western Parkland City. It also sets a target for 39,850 new dwellings between 2016 and 2021. The Region Plan indicates that councils are to prepare local housing strategies to provide a strategic response to meeting this projected housing need.

The Western Parkland City is to benefit from significant investment in new city-shaping infrastructure including:

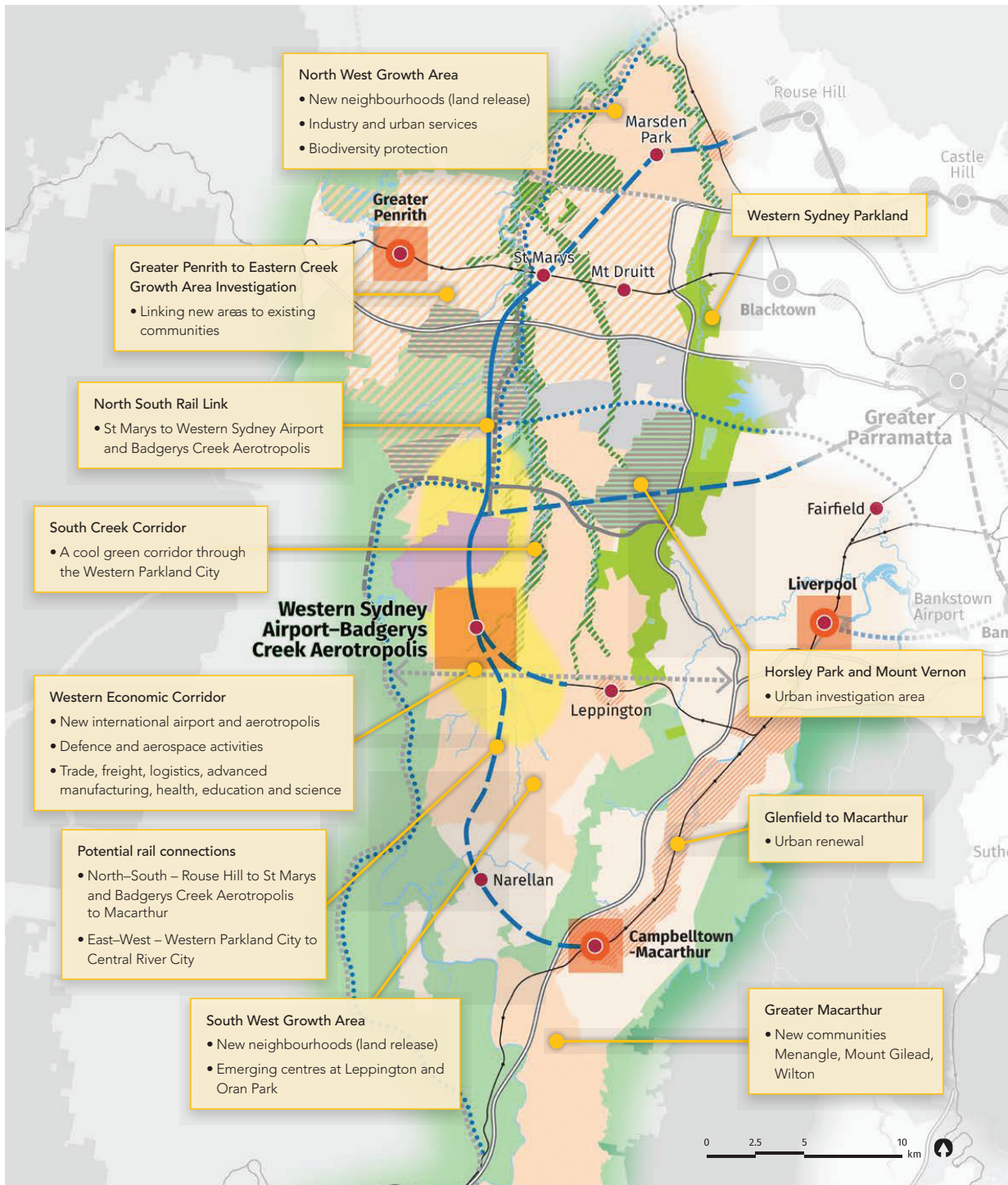
- The Western Sydney International Airport and Aerotropolis, which will strengthen and facilitate new national and international connections
- The Outer Sydney Orbital, which will provide connections to Greater Newcastle, Wollongong and Canberra, as well as providing a vital north-south freight rail link
- The Sydney Metro Western Sydney Airport, connecting the Penrith LGA community to jobs
- The M12 Motorway, which will provide a direct connection from the Western Sydney International Airport to the existing Sydney Orbital
- The Western Sydney Freight Line, which will provide an east-west connection between the area and the existing freight network.

Figure 4: Greater Sydney Regional Plan



Source: Greater Sydney Commission

Figure 5: Vision for the Western Parkland City



Source: Greater Sydney Commission

The Region Plan identifies the Greater Penrith to Eastern Creek Investigation Area extending along the M7 Motorway/ Eastern Creek with new mass transit lines planned. The Region Plan promotes these transit connections as an

opportunity to integrate land use and transport planning at a suitable scale with homes being located close to jobs, services and open space (refer to Figure 5).

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. The Region Plan indicates that councils are to investigate opportunities for supply of a diversity of housing particularly around centres to create more walkable neighbourhoods.

The Region Plan establishes the concept of a Metropolitan Rural Area as indicated in **Figure 28 later in this document**. Urban development in the Metropolitan Rural Area will only be considered in the Urban Investigation Areas identified in the Region Plan. This approach seeks to protect and support agricultural production and mineral resources by preventing inappropriately dispersed urban activities in rural areas.

The Metropolitan Rural Area includes agricultural activities such as the production of eggs and poultry, cut flowers, turf and mushroom farms. Agricultural industries provide produce, employment and tourism opportunities and require long-term certainty to enable investment and growth, especially as the Western Sydney International Airport may provide new international markets. The Western Sydney Employment Area will assist with the development of agribusiness by leveraging new transport links to enhance supply chains and increase export capacity for NSW Primary Industries to new international markets.

The protection of rural areas from urban expansion, enhancement of biodiversity, rural qualities and values, and support for rural land uses, has been at the core of planning for the



rural lands of Penrith LGA over the past 20 years or more. The Region Plan reaffirms the importance of rural lands, stating that “urban development is not consistent with the values of the Metropolitan Rural Area”. In 2020, both the GSC and NSW Department of Primary Industries confirmed that their position on protecting rural lands from urban development has not changed.

Western City District Plan

Western Sydney is Australia’s largest and fastest growing metropolitan region. The Greater Sydney Commission’s Western City District Plan (District Plan) indicates that over the next 20 to 40 years, the District will experience transformative investment in city- shaping infrastructure that will define a new century of living and working. Penrith LGA is on the doorstep of the future Western Sydney International Airport, and will benefit from the delivery of key infrastructure investments including the Outer Sydney Orbital and the North South Rail Line. 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 City 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 City’, more jobs and housing will be required to accommodate an ever-changing population.

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 Sydney Metro Western Sydney Airport line from the future Western Sydney International Airport. The District Plan identifies St Marys as a key connection in the metropolitan transport network and a Strategic

Centre. Alongside the commercial and retail growth, there is also an opportunity for the provision of new housing within St Marys.

The future growth of Penrith City 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.

The District Plan identifies the Greater Penrith to Eastern Creek Investigation Area as an area for integrated land use and transport planning to optimise north-south links. The Greater Penrith to Eastern Creek Investigation Area will build on the opportunities created by the East-West Economic Corridor and seek to enhance the integration of land use and transport planning to guide redevelopment opportunities and identify the infrastructure required to support continued growth.

Major transport, health and education investments are also underway across the District. The Western Sydney City Deal will optimise infrastructure, investments and employment opportunities for the District.

Urban Investigation Areas have been identified as part of a structured approach to managing the long term growth of Greater Sydney, where land use is integrated with major transport corridors. In the Western City District there are three Urban Investigation Areas in Penrith LGA. To the north of the Western Sydney Airport Growth Area, two areas form part of the Greater Penrith to Eastern Creek Investigation Area:

- Orchard Hills, north of the Defence Establishment Orchard Hills and west of St Clair
- East of the Northern Road at Luddenham between the Western Sydney Airport Growth Area and the water pipeline.

To the east of the Western Sydney Airport Growth Area is a third area at Horsley Park and Mount Vernon, located west of the M7 Motorway. Part of Mount Vernon is within the Penrith LGA.

Consistent with this approach, a place-based planning approach is to be used to determine the appropriate location for housing growth and to facilitate high quality urban outcomes including walkable neighbourhoods which support active and healthy lifestyles. In particular, the Local Housing Strategy should aim to build on the benefits of Penrith's City Centre, the health and education precinct, and the tourism precinct from Penrith Lakes along the current length of the Great River Walk, to create a high amenity urban environment.

The District Plan establishes that rural-residential development is generally not supported. Some limited growth of rural-residential development could be considered in rural villages, particularly seniors living, where there are no adverse impacts on the amenity of the local area and the development provides incentives to maintain and enhance the environmental, social and economic values of the Metropolitan Rural Area. Council's Rural Lands Strategy is expected to establish directions in this regard including the creation of protected biodiversity corridors, buffers to support investment in rural industries and protection of scenic landscapes.

Future Transport Strategy 2056

Future Transport Strategy 2056 provides an update of the NSW's Long-Term Transport Master Plan. It outlines the vision, strategic directions and customer outcomes desired over the next 40 years. The Transport Strategy identifies six State-wide outcomes, two of which are of particular importance to housing delivery:

- Successful places – The liveability, amenity and economic success of communities and places are enhanced by transport
 - Activating centres with a new movement and place framework
 - Encouraging active travel and using public transport
 - Strengthening local partnerships.

- Accessible Services – Transport enables everyone to get the most out of life, wherever they live and whatever their age, ability or personal circumstances
 - Connecting people to jobs, goods and services in our cities and regions
 - A fully accessible network that enables barrier-free travel for all
 - Inclusive customer service and information.

Connecting people to goods, jobs, and services is core to the aim of the Transport Strategy to achieve the 30-minute City. The Transport Strategy supports the application of movement and place principles to create successful places – such as having an integrated view of the strategic significance of roads and streets in their role of moving people and goods, and land use adjacent to roads and streets.

This Local Housing Strategy is to align with Future Transport Strategy 2056, by facilitating residential growth with appropriate local employment options. In light of the recent pandemic, these strategies will consider the constraints and opportunities for work-from-home and remote working circumstances.

Local Housing Strategy Guideline

The Department of Planning and Environment's Local Housing Strategy Guideline sets out requirements for this document including a template. The template is to be used by all councils within Greater Sydney to prepare their housing strategies. This document complies with the requirements of that guideline. Some sections of this report are presented in a different order to the template in response to local issues or to improve readability of the report.

Housing 2041: NSW Housing Strategy

Housing 2041 sets out the State Government's 20-year vision and objectives for better housing outcomes across NSW. The Strategy is accompanied by a shorter-term Action Plan.

The Strategy seeks to facilitate the delivery of housing in the right locations, addressing the needs of people living in both metropolitan and regional NSW. The State Government aims to deliver housing projects that increase affordability and test new ways of living. There is a focus on housing security, on delivering better support to those in housing crisis, and on improving the experience of people in the private rental market. Greater housing choice is expected to be supported through better housing design and innovation. Housing 2041 states:

“People are at the heart of any housing strategy. That is why we strive to get housing right – so that all people, at all stages of their lives, can access the right type of housing at the right time”.

Penrith Local Strategic Planning Statement

The Penrith Local Strategic Planning Statement (LSPS) sets out a 20 year vision for Penrith Local Government Area (refer to **Figure 6** - following page). The LSPS intends that the regional and district priorities, set by the Greater Sydney Commission, are placed within a local context and tailored to the unique economic, social and environmental characteristics of Penrith LGA. The LSPS indicates that future rail-based opportunities will expand the range of living and lifestyle opportunities for people of all ages and cultures.

The LSPS indicates that providing greater housing choice for the community will help to improve housing affordability, which is particularly important with many households in the City experiencing mortgage or rental stress. Providing a variety of housing types and densities will also help to create more walkable, vibrant and accessible neighbourhoods with better sustainability outcomes.

The following planning priorities have been identified to achieve a sustainable supply of new homes:

- Planning Priority 3: Provide new homes to meet the diverse needs of our growing community.
- Planning Priority 4: Improve the affordability of housing.
- Planning Priority 5: Facilitate sustainable housing.

Some existing neighbourhoods may also be able to help with the supply of new and different homes, including dual occupancies/duplexes and townhouses/terraces and secondary dwellings. A supply of smaller, more easily maintained, relatively affordable homes helps maintain communities and social interactions. Older generations can age in place or the new homes might be suitable as first homes close to family. Council will investigate how neighbourhoods with good access to shops, services and public transport can contribute to the supply and mix of new homes.

The Local Strategic Planning Statement commits Council to:

- Investigate the rezoning of land in Orchard Hills North urban release area with supporting planning and development controls.
- Review and update planning and development controls to encourage the delivery of mixed-use and high-density residential development in Penrith City Centre, St Marys Town Centre, and Kingswood.
- Investigate urban investigation areas at Glenmore Park South, Mt Vernon and Orchard Hills South.

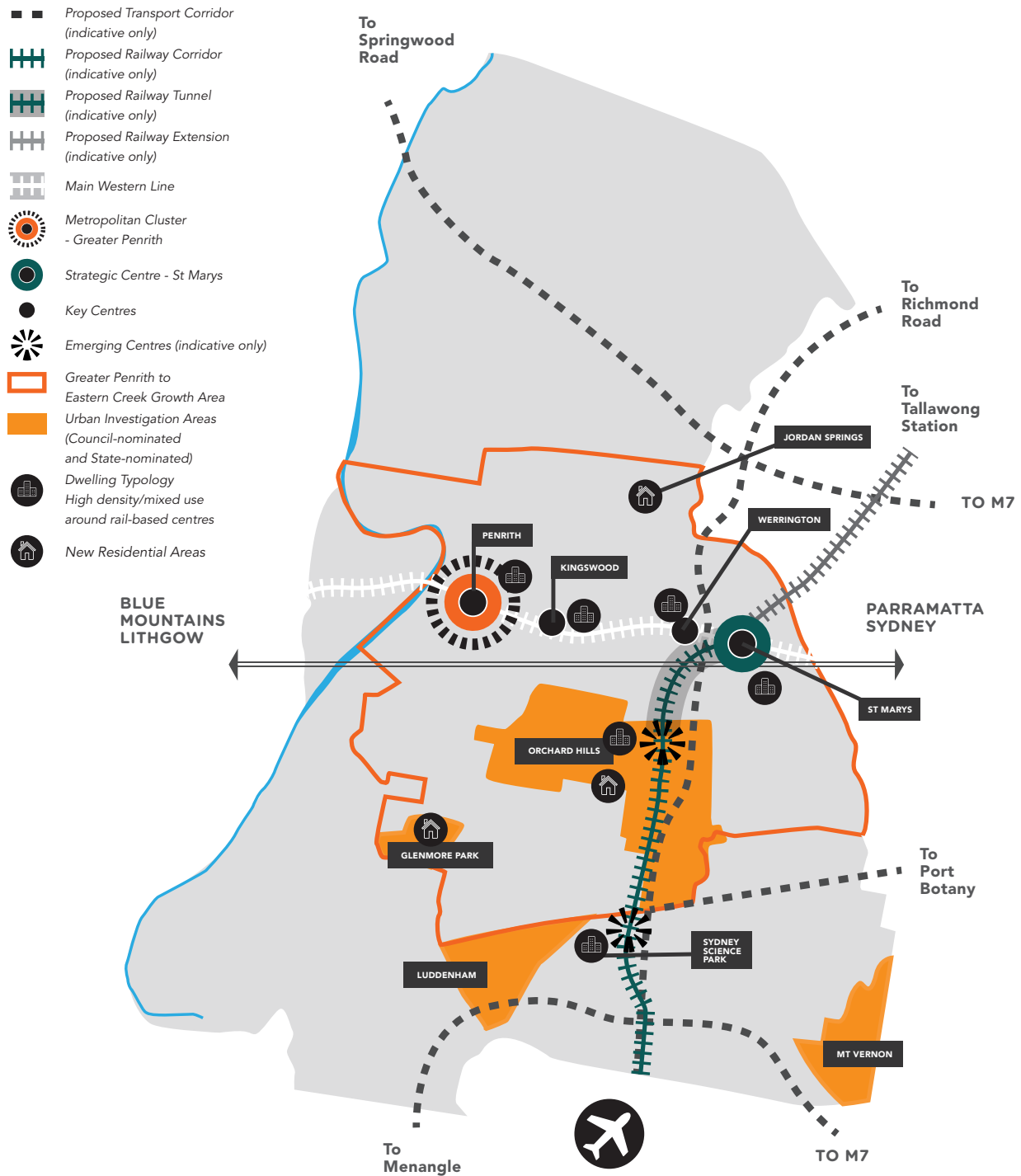
East-West Corridor Interim Centres Strategy

Through the East-West Corridor Interim Centres Strategy, which was endorsed in March 2020, Council lays the foundation for an urban spine around which Penrith City has grown and will continue to grow. The Corridor stretches from Penrith Lakes in the west, through the centres of Kingswood and Werrington, encompasses the health and education precinct and finishes at St Marys in the east. It comprises of four key connected centres, anchored to the train line and the Great Western Highway.

The spine encompasses a quarter of the total population of Penrith City and more than half of all local jobs are located there. With planned growth, the Corridor will accommodate more than two thirds of Penrith City's future dwellings.

Unprecedented infrastructure investment will occur in this area including the North South Rail Line, freight and regional road infrastructure, rapid bus links and improved cross-regional connections. Centres along the East- West Corridor will benefit from increased connectivity, presenting opportunities to capitalise on investment potential and increased housing delivery.

Figure 6: Map of housing and Urban Investigation Areas (adapted from Penrith Local Strategic Planning Statement)



Source: Penrith City Council

CONTEXT

'Places of Penrith' Suite of Strategies

In response to actions in the Local Strategic Planning Statement, Council is undertaking a suite of strategies, together titled 'Places of Penrith'. These strategies include the:

- Local Housing Strategy
- Employment Lands Strategy (adopted in 2021)
- Green Grid Strategy (adopted in 2021)
- Rural Lands Strategy (drafted)
- Corridors and Centres Strategy (underway)

The East-West Corridor Interim Centres Strategy is set to be replaced by the more comprehensive Corridors and Centres Strategy, which is currently under development. The Corridors and Centres Strategy will comprise elements which relate to this Local Housing Strategy. For instance, it is anticipated that local character statements, structure plans and/or masterplans will be developed for some of the centres identified in this document for future housing growth.

2.3 STATUTORY INSTRUMENTS

State Environmental Planning Policies

A range of State Environmental Planning Policies (SEPP) apply to housing in Penrith City including:

SEPP (Exempt and Complying Development Codes) 2008 (Codes SEPP) and Part 3B Low Rise Housing Diversity Code

- Codes SEPP allows for complying development assessment of many forms of development, including detached dwellings. Proposed development must meet specific performance and numeric criteria in order to use the complying development pathway instead of the development assessment pathway.

- The Low Rise Housing Diversity Code is contained within Part 3B of the Codes SEPP. It allows well designed dual occupancies, manor houses and terraces (up to two storeys) to be carried out under a fast track complying development approval. A complying development approval can be issued within 20 days if the proposal complies with all the relevant requirements in the Codes SEPP.
- Dual occupancies, manor houses and terraces built as complying development are only allowed in R1, R2, R3 and RU5 zones where this type of housing is already permitted under Penrith LEP 2010. A development proposal must meet all of the development standards in the Low Rise Housing Diversity Code and associated design criteria to be permitted as complying development.

SEPP No 65 - Design Quality of Residential Apartment Development (SEPP 65) and Apartment Design Guide (ADG)

- SEPP 65 and the accompanying ADG aim to deliver a better living environment for residents who choose to live in residential apartments, while also enhancing streetscapes and neighbourhoods.
- Planning provisions for designing development of residential flat buildings and mixed use development are contained in the ADG, with SEPP 65 raising the ADG as a statutory consideration. The ADG specifies both specific and generalised design requirements for apartments and apartment buildings, which influence the number of and type of dwellings that can be delivered. This includes minimum apartment sizes, apartment mix, balconies and other amenity considerations.
- SEPP 65 also allows for the relevant Minister to constitute design review panels for local government areas, such as the Penrith LGA, who are to review development applications to which SEPP 65 applies. The panels provide independent design advice to the consent authority to consider when determining development applications but may not make determinations on their own.

Housing SEPP 2021

The Housing SEPP came into force in November 2021 and replaced a number of SEPPs that had existed up until this time. In particular, the new policy replaces SEPP (Affordable Rental Housing) 2009, State Environmental Planning Policy No. 70 – Affordable Housing, and the Seniors SEPP. The Housing SEPP continues many of the objectives of those earlier policies. The SEPP seeks to increase the supply of affordable and diverse housing throughout NSW.

- The new SEPP categorises development as either ‘affordable’ (applying to in-fill housing, boarding houses, supportive accommodation, and development by Community Housing Providers or public authorities) or ‘diverse’ (applying to secondary dwellings, co-living housing, group homes and seniors living).
- Infill affordable rental housing is provided for in existing residential areas that are accessible by public transport. The policy allows additional floor space to a private proponent to develop dual occupancies, multi dwelling housing or residential flat buildings where a component is built to be affordable housing for a period of 10 years, managed by a Community Housing Provider.
- The SEPP also allows development of secondary dwellings (i.e. granny flats), boarding houses student housing, and co-living housing. These types of dwellings are permissible in certain zones with specific built form requirements, limiting a council’s ability to restrict their development.
- The SEPP permits the development of certain types of seniors housing and housing for people with a disability. The SEPP sets out specific 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 and people with disabilities.

- The SEPP allows councils to prepare an Affordable Housing Contribution Scheme for certain precincts, areas or developments within their LGA. A scheme enables a council to levy affordable housing contributions which can be toward the direct delivery of affordable housing developments.

Penrith Local Environmental Plan 2010

The Penrith Local Environmental Plan (LEP) 2010 provides aims and objectives to guide the development of land within the Penrith LGA. 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); and
 - 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; and
- 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. Provisions for the Penrith City Centre primarily relate to minimum building street frontages within the B3 and B4 zones, design excellence, building separation, as well as serviced apartments 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 floor area 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 Wallacia;
- Orchard Hills;
- Twin Creeks;
- Waterside; and
- Sydney Science Park (SSP).

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.

2.4 CATALYTIC INVESTMENT

Sydney Metro Western Sydney Airport

The new Sydney Metro is a city-shaping project, from St Marys through to the new Western Sydney International Airport and the Western Sydney Aerotropolis. Expected to be operational in 2026, it will provide a major economic stimulus for western Sydney, creating more than 14,000 jobs during construction for the NSW and national economies. The Sydney Metro line will become the transport spine for Greater Western Sydney, connecting communities and travellers with the new Western Sydney International Airport and the growing region. The 23 kilometre new railway will link residential areas with

job hubs including the new Aerotropolis and connect travellers from the new Western Sydney International Airport to the rest of Sydney's public transport system.

The new Metro includes stations in Penrith LGA at St Marys, Orchard Hills and Luddenham. The location of stations were announced in June 2020 as demonstrated in **Figure 7**. The new stations are likely to stimulate housing growth within walking distance of the new stations and attract significant new investment into the town centres. Early construction works started in December 2020 and the line is set to be completed by 2026.

Western Sydney International Airport

Construction of Western Sydney International (Nancy-Bird Walton) Airport is underway and on track to begin operations in 2026. The Airport is a transformational infrastructure project that will generate economic activity, provide employment opportunities closer to home for people in the Western Sydney region, and meet Sydney's growing aviation needs. The Australian Government is investing up to \$5.3 billion in equity to deliver the Airport through a government-owned company, 'Western Sydney Airport'. The Airport will be a full-service airport operating curfew free, delivering international, domestic and freight services. Thousands of jobs and opportunities for local businesses will be created. The Airport is expected to support almost 28,000 direct and indirect jobs by 2031, five years after the Airport opens.

The Australian and NSW governments are constructing new and upgraded roads around the Airport under the \$4.1 billion Western Sydney Infrastructure Plan (WSIP). This includes the M12 Motorway, which will connect the Airport to Sydney's motorway network at the M7 in the east and the upgraded The Northern Road in the west. Other projects under the WSIP are well underway and will help ease congestion around the Airport and throughout Western Sydney.

Western Sydney Aerotropolis

The Western Sydney Aerotropolis is envisaged as a thriving economic centre in Western Sydney. The northern part of the area included in the Aerotropolis Plan is within the Penrith LGA. The Aerotropolis is expected to become a high-skill jobs hub across aerospace and defence, manufacturing, healthcare, freight and logistics, agribusiness, education and research industries. The Sydney Metro will provide a connection from St Marys to the Aerotropolis, directly linking the Penrith LGA to this major new employment centre.

The Northern Gateway Precinct Plan, which includes land in Penrith LGA sets out objectives for the Northern Gateway Precinct to offer:

- A specialised centre at Luddenham, connected by a new Metro station to offer leading science-based business, tertiary institutions and research facilities.
- A mix of uses designed around the Metro station and other public transport connections, with easy and safe connections for pedestrians and cyclists and busy shopfronts and streets.
- Quality architecture and design that take advantage of the creek lines, bringing people to the water and restoring parts of Wianamatta-South Creek and Cosgroves Creek.
- A staged approach to development, allowing a slow evolution and attracting new businesses and investment through temporary uses and activity.

The land use framework includes opportunities for housing within a mixed use strategic centre and mixed use surrounds (refer to **Figure 8**).

The plans for the mixed use core include a maximum building height of 30-45 metres and 20 to 27 metres in the frame area. Due to aircraft noise issues, the northern part of the Northern Gateway precinct is the only part of the Aerotropolis in Penrith LGA where housing will be allowed.



**AIRPORT UNDER
CONSTRUCTION**

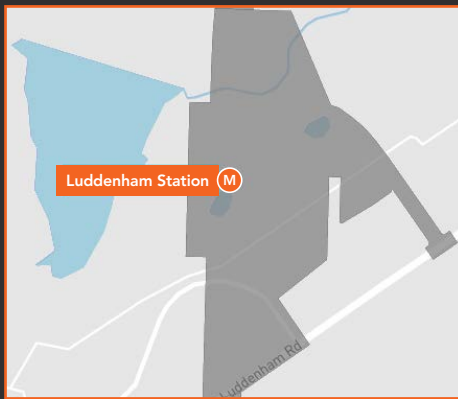
**EXISTING
ST MARYS STATION**

Figure 7: Sydney Metro - Location of new Metro stations in Penrith LGA



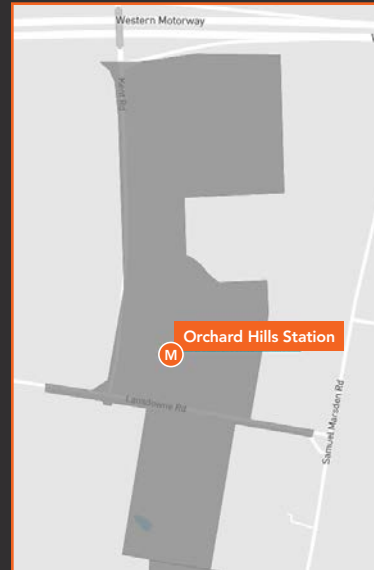
St Marys Metro Station

Centre type: Strategic centre
 Connections: Sydney Trains suburban rail network, walking and cycling, bus, taxi/ride share, kiss and ride, park and ride
 Construction: cut and cover.
 Station entrances on Harris and Station Streets



Luddenham

Centre type: Specialised centre
 Connections: Local and rapid bus, kiss and ride, park and ride, taxi/ride share, walking and cycling
 Construction: elevated above ground station



Orchard Hills

Centre type: Local centre
 Connections: Walking and cycling, local bus, kiss and ride, park and ride, taxi/ride share
 Construction: open cut

Airport Business Park Station

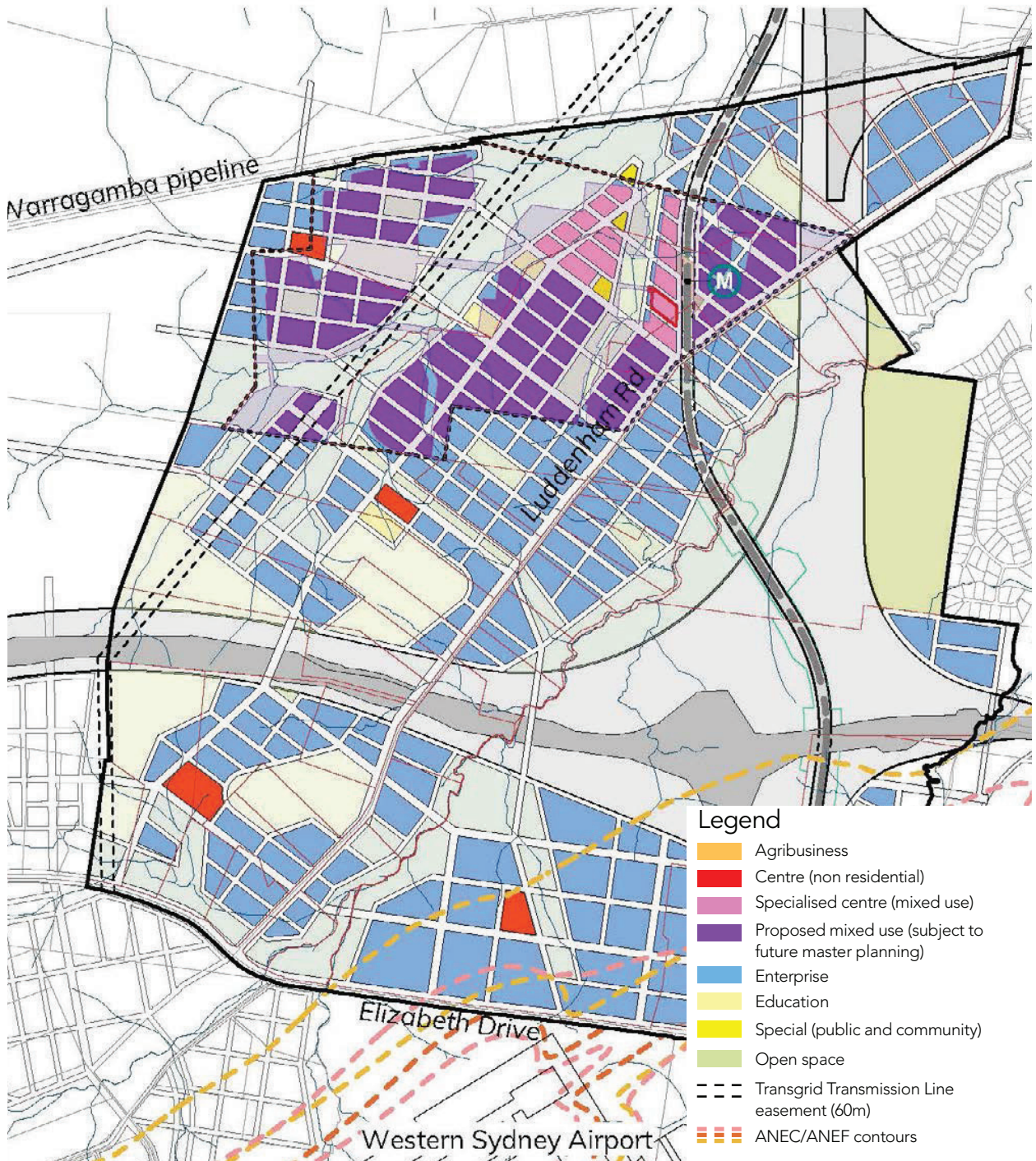
Airport Terminal Station

Aerotropolis Station

M Proposed Metro station

Construction footprint

Figure 8: Northern Gateway precinct land use framework



Source: DPE

3. HOUSING EVIDENCE



3.1 BOUNDARIES

The evidence base is presented using the Penrith LGA boundary and smaller areas based on SA2 boundaries as indicated in Figure 9. The smaller area boundaries are consistent with planning boundaries recently adopted by Penrith City Council. Where possible, data has been benchmarked against the Greater Sydney Region.

Figure 9: Small area boundaries



Source: Penrith City Council

3.2 DEMOGRAPHIC PROFILE

Population change

The population of Penrith LGA is 217,527 (2021 estimate), increasing by 41,460 people since 2006.

Table 1 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%). Based on the 2016 data, the rate of people remaining resident in the LGA (52%) suggests that the growth in population in the older age groups will continue to remain high in the next 5 to 10 years.

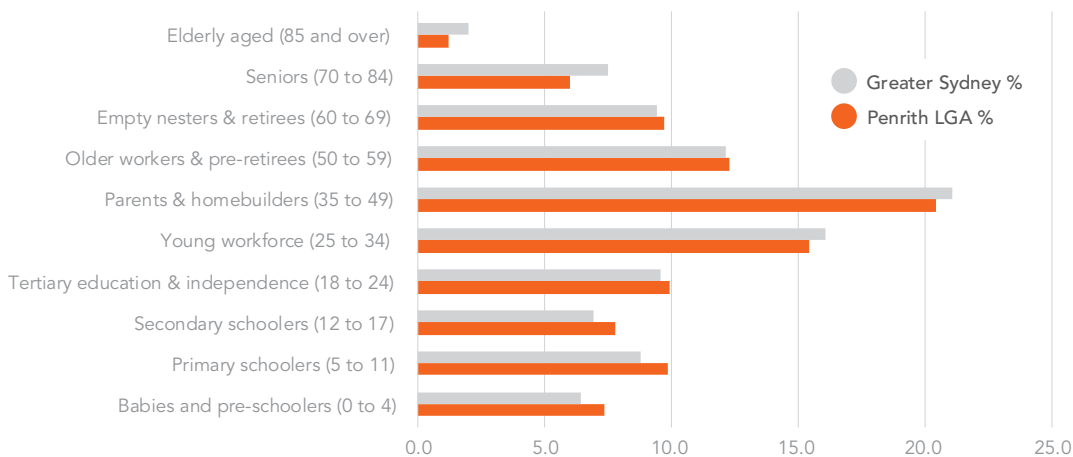
The majority of residents in Penrith City are aged between 25 and 54 years old (42.1%). Figure 10 shows the current age profile of Penrith LGA compared to that of Greater Sydney. Age cohorts in Penrith are generally consistent with metropolitan trends, however notable demographic patterns indicate there is a slightly higher representation of younger people aged 18 years old and younger and a lower representation of population aged 70 years and older.

Table 1: 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 (compiled by Ethos Urban)

Figure 10: Age cohorts



Source: id. Consulting 2018 (compiled by Ethos Urban)

Our City's demographic characteristics can be used to find types of people in the population that are more likely to use different types of housing. Characteristics such as age, income, ethnicity, employment type, or the need for assistance can be used as parameters. Quantifying where different types of people are present in the population is an efficient way of allocating resources to reach the right people in the right place.



Age and dependency

The concentration of population in age groups considered outside the labour force, that is those aged under 15 and aged 65 and older are shown below for areas within the LGA and Greater Sydney (for comparison). It can be seen that amongst residents of Penrith LGA, the concentration is similar to Greater Sydney, with Penrith City having a slightly greater proportion of residents aged under 15.

At a local level, pockets of concentration amongst residents aged 65 and over exist within Erskine Park, Leonay and Emu Plains, this is offset by areas where concentration is significantly below the LGA and Greater Sydney average, like Jordan Springs, St Clair and Cranebrook where residents aged 65 and over make up less than 10 per cent of the overall population.

Residents aged under 15 years were present in most significant proportions in Jordan Springs, making up 27 per cent of the population.

South Penrith-Glenmore Park, Cranebrook Mulgoa-Wallacia-Regentville and Aerotropolis all recorded the next greatest concentrations of residents aged under 15 years, with 23 per cent each.

Age dependency ratios reflect the ratio of residents aged under 15 and 65 years of age and older, versus the remainder of the population (i.e. those aged 15-64 years). A ratio below 50 per cent represents an area where there are more residents of working age (15-64 years), just as a ratio above 50 per cent represents an area where there are fewer residents of working age. **Table 2** shows that while the overall proportion is in line with Greater Sydney, there are significant pockets of higher age dependency, most notably Erskine Park which has a relatively small residential population (approximately 300), but also includes the Emmaus Village aged care facility with approximately 64 rooms.

Table 2: Age and dependency by suburb

Area	Aged under 15 (% of total pop)	Aged 65 and over (% of total pop)	Age dependency ratio
Kingswood & Werrington	21%	12%	49%
Cambridge Park & Werrington County	21%	12%	50%
South Penrith & Glenmore Park	23%	11%	51%
Cranebrook	23%	9%	47%
Penrith Centre	15%	18%	48%
Orchard Hills	22%	10%	47%
Emu Plains	19%	19%	62%
Emu Heights	21%	10%	46%
Jordan Springs	27%	4%	45%
Penrith West	15%	20%	54%
Penrith Lakes	0%	32%	46%
St Marys	21%	13%	51%
Castlereagh-Agnes Banks	22%	14%	55%
Llandilo-Berkshire Park	16%	11%	36%
Mulgoa-Wallacia-Regentville	23%	11%	52%
Leonay	21%	18%	65%
St Clair	20%	8%	41%
Londonderry	20%	13%	49%
Erskine Park & Mamre Road Industrial	12%	44%	124%
Aerotropolis	23%	10%	48%
Mount Vernon	18%	12%	44%
Total (LGA)	21%	12%	49%
Greater Sydney (GCCSA)	19%	12%	48%

Source: ABS (2016), Australian Census of Population and Housing. Accessed via TableBuilder (Compiled by HillPDA, 2021)

People with a disability

Penrith City is home to 10,152 people with a profound or severe disability (5.2% of the City's population). With an ageing population, this number is likely to grow. The 2018 ABS Survey of Disability, Ageing and Carers (SDAC) identified 25,867 people (12.6% of our population) with mild, moderate, severe or profound disability living in Penrith LGA. Most people with a disability were older and female, with the majority living in the suburbs of Penrith, St Marys and St Clair.²

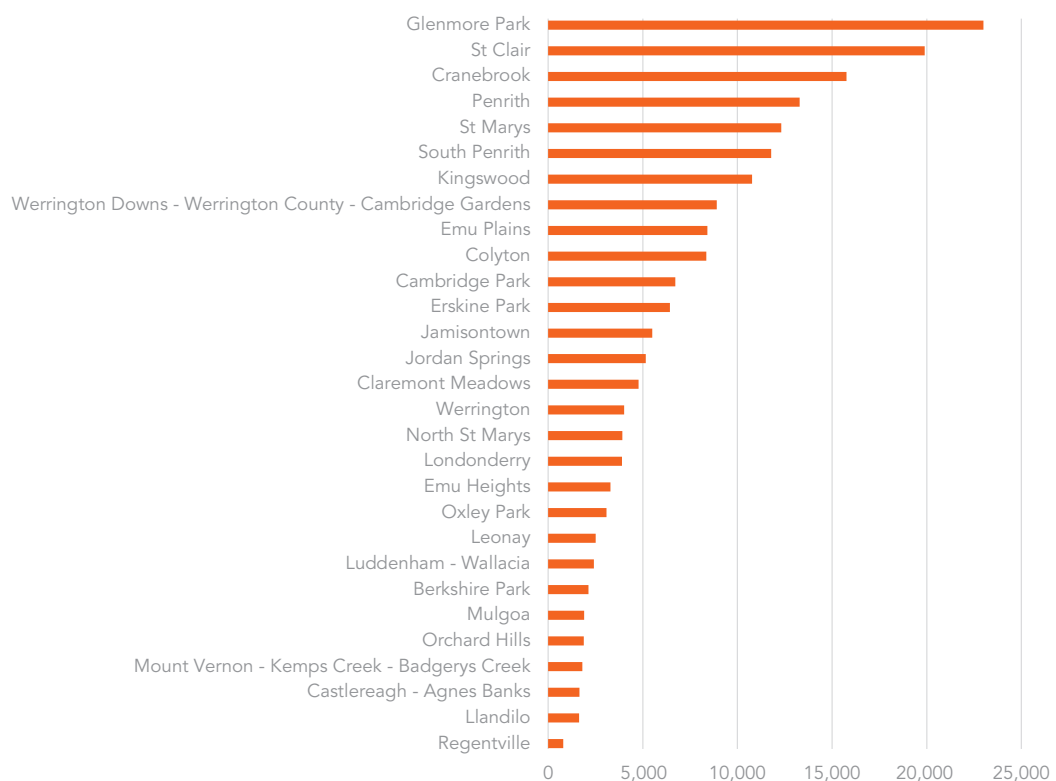
Population by precinct

At the 2016 Census, the largest suburbs by residential population were Glenmore Park (23,002 residents), St Clair (19,895 residents), Cranebrook (15,763 residents) and St Marys (13,295 residents) (Figure 11).

Population density per hectare for each mesh block is shown in Figure 12. Resident and dwelling numbers have been mapped against land areas for the smallest unit of land within the Main Statistical Area Structure (mesh block). The population density is highly varied across Penrith LGA but mainly concentrated in the existing urban areas near major transport routes. Most of the LGA has relatively low densities although there are a few pockets of higher density.

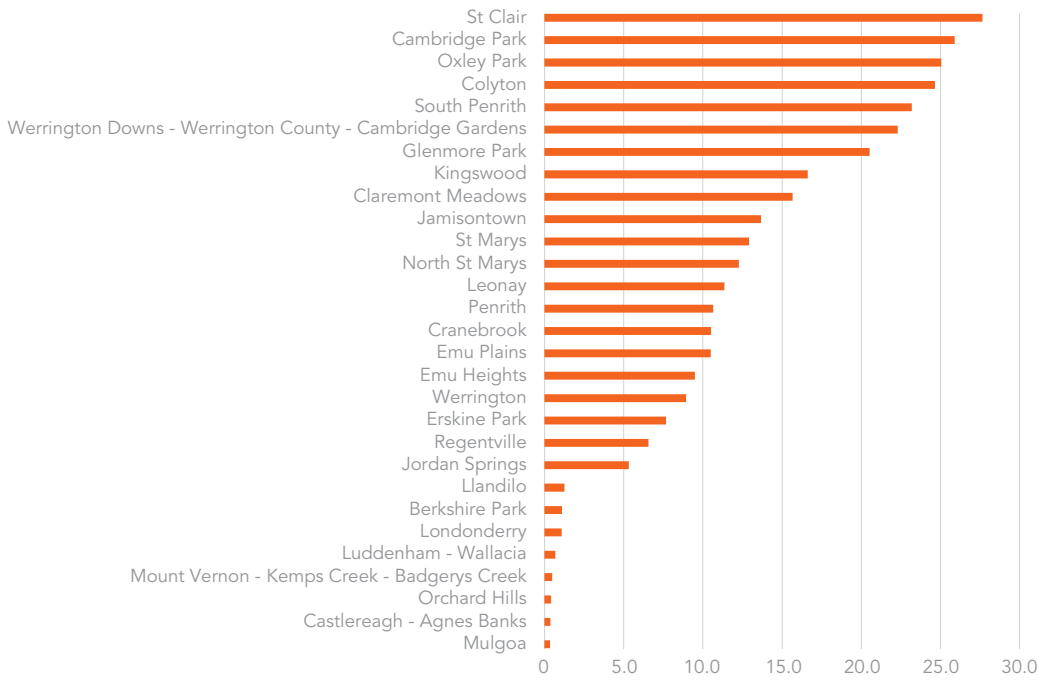
Figure 13 shows the population density graphically, by suburb.

Figure 11: Population by suburb, 2016



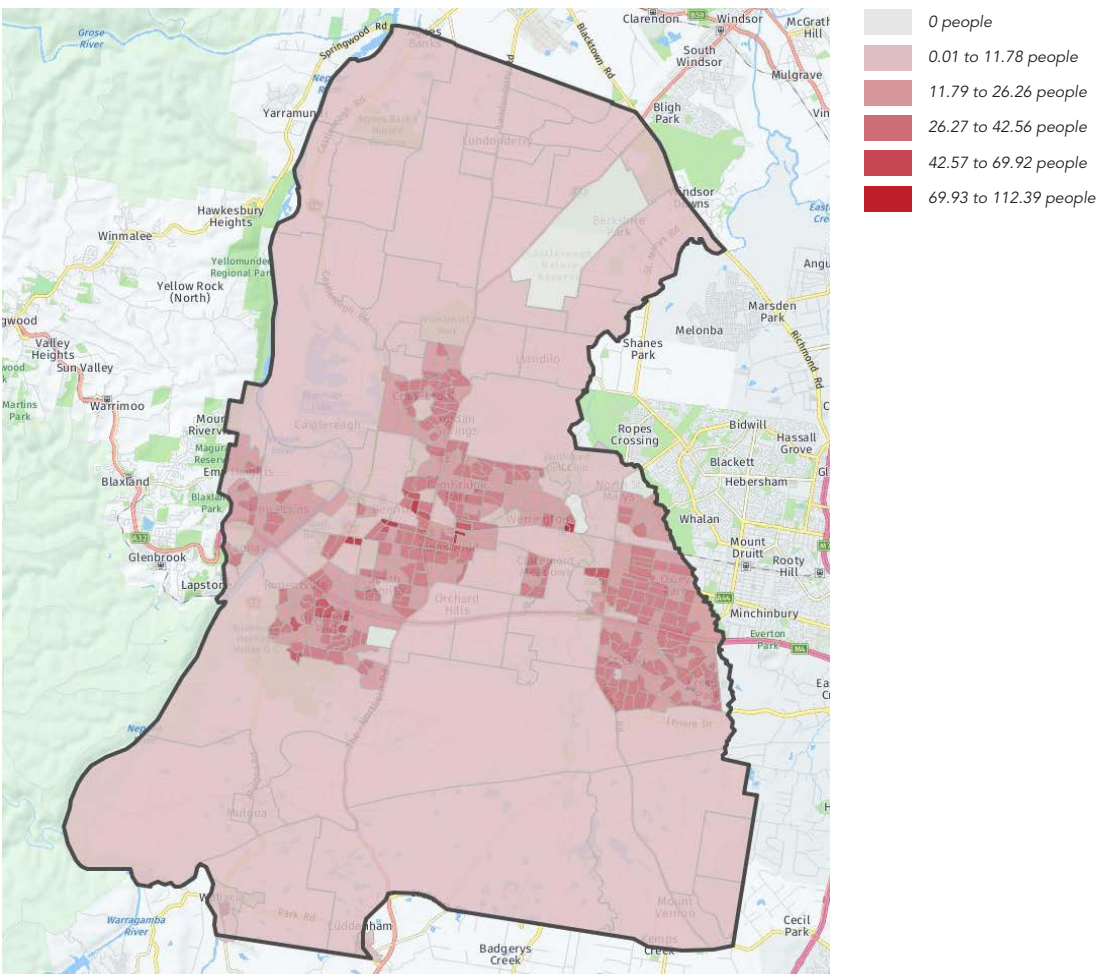
Source: id. Consulting - Community Profile 2021

Figure 12: Persons per hectare by suburb, 2016



Source: id. Consulting - Community Profile 2021

Figure 13: Population density (persons per hectare), 2016



Source: id. Penrith Social Atlas 2021

Aboriginal and Torres Strait Islander Residents

Penrith LGA was home to approximately 7,742 Aboriginal and Torres Strait Islander residents at the time of the 2016 Census, representing 3.9 per cent of the total residential population, significantly higher than the proportion across Greater Sydney (1.5 per cent) (Census 2016 - TableBuilder, INGP). Suburbs with the most significant Aboriginal and Torres Strait Islander populations were Cranebrook with 809 residents (5.1 per cent of all residents), Penrith with 665 residents (5 per cent of all residents) and St Clair with 595 residents (3 per cent of all residents). The areas with the most significant Aboriginal and Torres Strait Islander populations as a proportion of all residents were Berkshire Park with 12.7 per cent (271), North St Marys with 8.6 per cent (338) and Cambridge Park with 7 per cent (468 residents).

Birthplace

Country of birth data identifies where people were born and is indicative of the level of cultural diversity in Penrith LGA. As can be seen in **Table 3**, the LGA has a significantly higher proportion of the population born in Australia (72.4%) compared to Greater Sydney (57.1%).

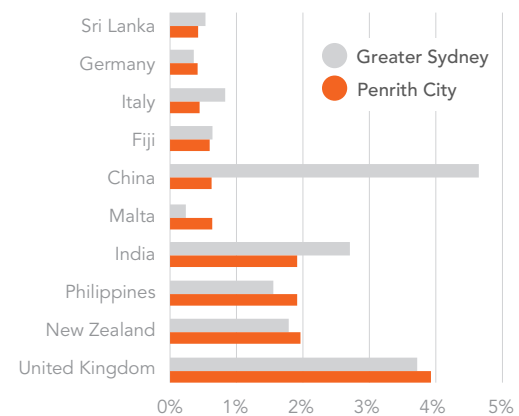
Of the 42,332 persons in the LGA that were born overseas, the most common countries of birth were United Kingdom (7,701 persons),

New Zealand (3,867 persons), Philippines (3,797 persons) and India (3,763 persons). Between the 2011 and 2016 censuses there was a significant decline in the population born in the United Kingdom (-747 people) and a substantial increase in the population born in India (1,509 people), Philippines (724 people) and New Zealand (631 people) (see **Figure 14**).

Location of jobs

At the 2016 Census, Penrith LGA was home to 94,858 resident workers. Amongst Penrith City residents workers, 36,637 (38.6%) were employed locally, while the remainder commuted out of the region for work. Amongst resident workers travelling outside of Penrith LGA for work, most

Figure 14: Population born overseas, 2016



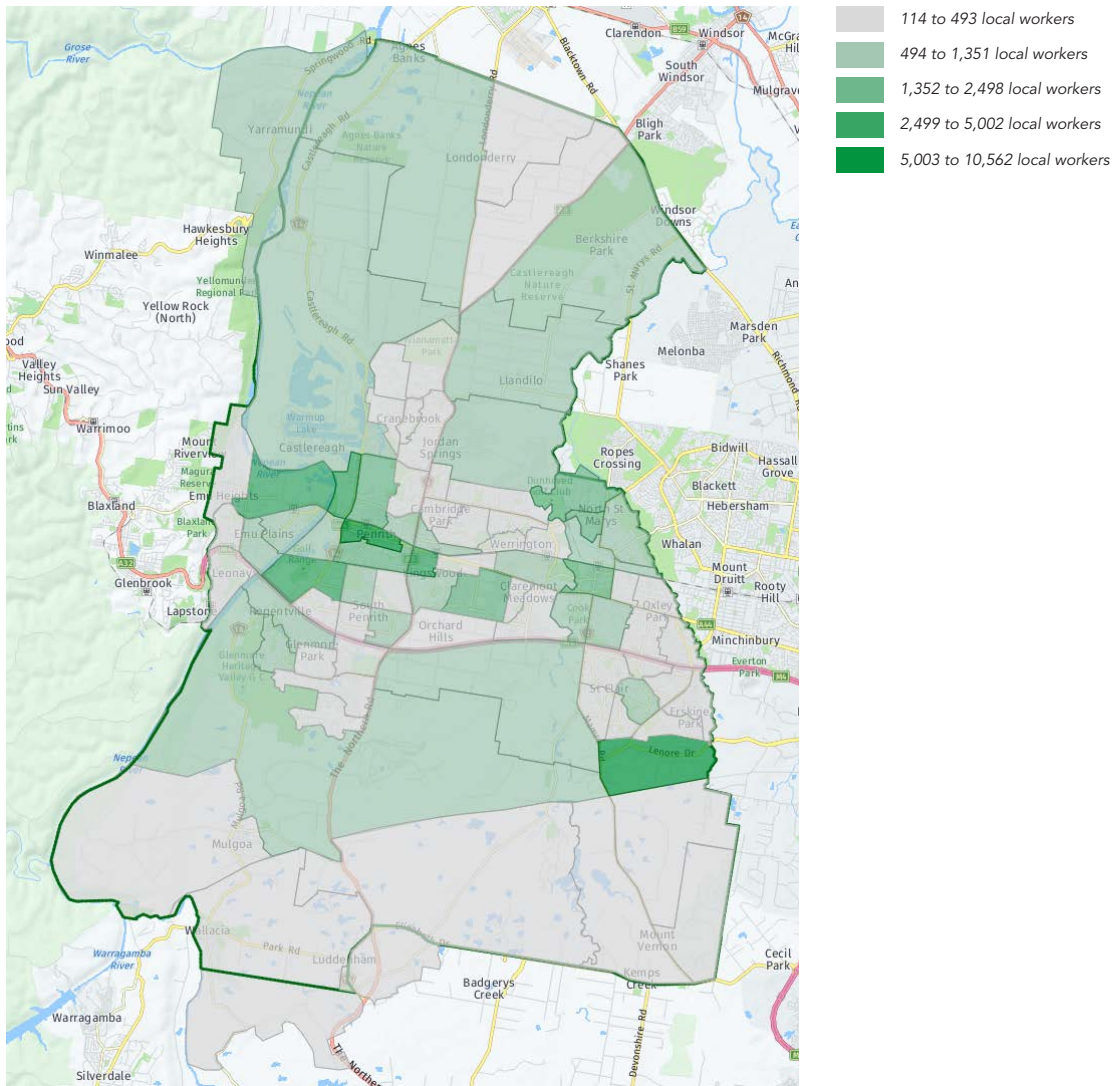
Source: id. Consulting - Penrith Community Profile 2020 (Compiled by HillPDA)

Table 3: Historic population growth 2006–2016

Total persons (usual residence)	2011			2016			Change
	Number	%	Greater Sydney %	Number	%	Greater Sydney %	
Birthplace							
Total overseas born	37,251	20.9	34.2	42,332	21.6	36.7	+5,081
Australia	132,671	74.3	59.9	141,876	72.4	57.1	+9,205
Not stated	8,542	4.8	5.9	11,859	6.0	6.3	+3,317
Total population	178,464	100.0	100.0	196,067	100.0	100.0	+17,603

Source: Penrith Community Profile 2018 (compiled by Ethos Urban)

Figure 15: Resident worker place of work, 2021



Source: National Institute of Economic and Industry Research (NIEIR) 2021, presented in economy.id by .id (informed decisions)

worked in Blacktown LGA (24.7%), followed by the City of Parramatta (13.7%) and the City of Sydney (10.3%).

Within the LGA, most residents employed locally worked within the main centres of Penrith and St Marys, the Health and Education precinct around the Nepean Hospital and the existing five main industrial precincts as indicated in **Figure 15**.

The jobs to workers ratio for Penrith City in 2019/20 was estimated at 0.78, meaning that there were less jobs than resident workers. This is a slight improvement from 2016-17 when there were 0.76 jobs for every resident worker.

A central pillar of Council’s LSPS is providing jobs closer to home. While this Strategy deals primarily with housing, there is an immutable tie between providing homes and Council’s commitment to provide jobs and services for our growing community. This Strategy supports the ‘30-minute city’ concept and mixed-use centres where people have jobs and services close to home.

More information on jobs in our City can be found in Council’s Employment Lands Strategy, adopted in 2021.

Income

Figure 16 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.

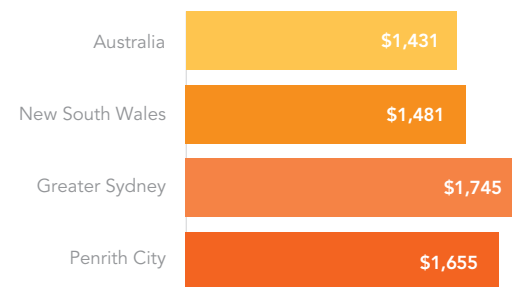
Occupation

Figure 17 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).

Socio-economic disadvantage

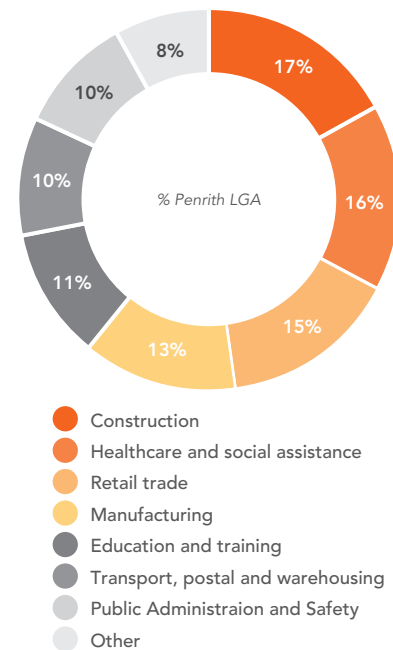
The Socio-Economic Indexes for Areas (SEIFA) measure the relative level of socio-economic disadvantage and/or advantage based on a range of Census characteristics. A lower score represents a greater level of disadvantage. According to the SEIFA Index of Relative Socio-Economic Disadvantage, fifteen of Penrith City's suburbs have a lower score than the Greater Sydney average. The most disadvantaged suburbs in Penrith City are North St Marys (833.0), St Marys (895.4), Werrington (921.0), Penrith (926.0) and Oxley Park (930.0).

Fig 16: Average household income, Penrith LGA



Source: Penrith Community Profile 2018 (compiled by Ethos Urban)

Figure 17: Employed residents by industry



Source: Penrith Community Profile 2018 (compiled by Ethos Urban)

Household size

Table 4 shows the dwelling size profile for the Penrith LGA as at the 2006, 2011 and 2016 census. **Figure 18** shows how this compares to the statistical average across Greater Sydney. The breakdown of dwelling sizes has remained largely the same. Two person households continue to remain the most popular household size in Penrith City, 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 with 5 or more persons are comparatively rare.

Household occupancy

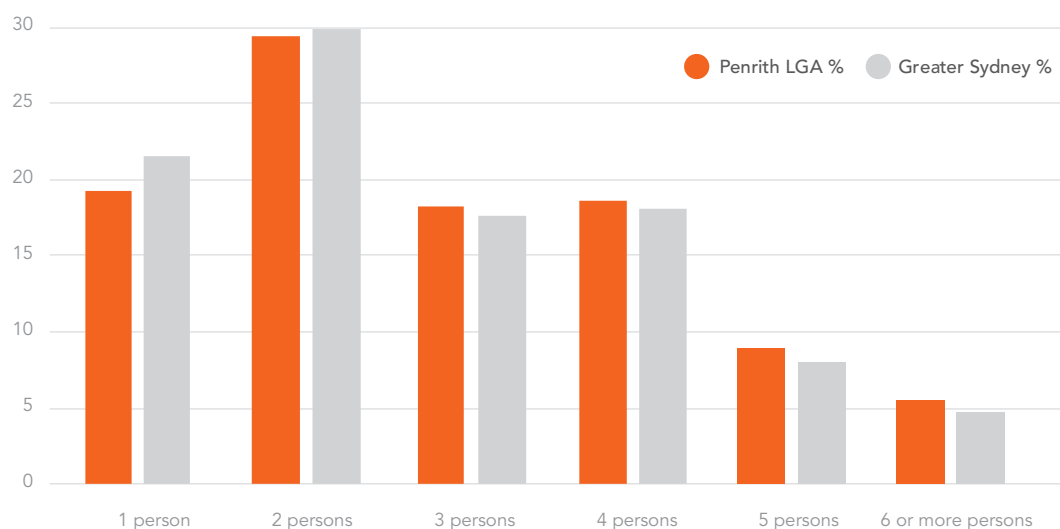
In 2016, the average household occupancy in Penrith City was 2.9 people. This has remained unchanged since 2006 and 2011. The suburb with the lowest average household size in 2016 was Penrith (2.2 people) and the suburbs with the highest average household size were Mount Vernon and Luddenham (3.6 people). New release suburbs such as Caddens and Jordan Springs had higher than average household sizes (3.1 and 3.2 people respectively), reflecting their attractiveness to families. Established town centres that continue to attract denser development (such as Penrith, Werrington, Kingswood and St Marys) reported lower average household sizes than other residential or rural suburbs of Penrith City.

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+ persons	4.7	5.1	5.5

Source: Penrith Community Profile 2018 (compiled by Ethos Urban)

Figure 18: Household size comparison between Penrith LGA and Greater Sydney



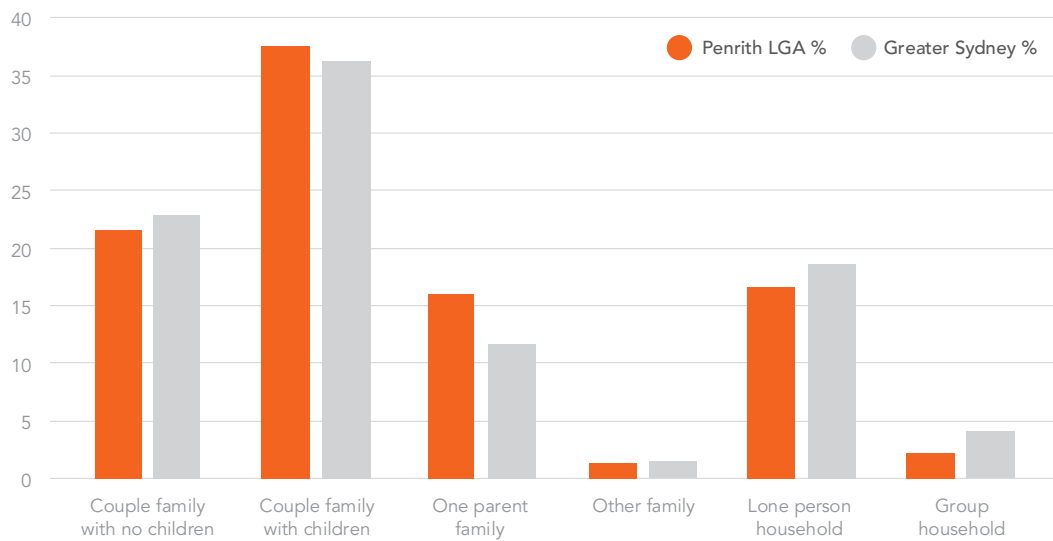
Source: id. Consulting 2018 (compiled by Ethos Urban)

Household composition

Figure 19 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 19: Household composition comparison between Penrith LGA and Greater Sydney



Source: : Penrith Community Profile 2018 (compiled by Ethos Urban)



3.3 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 20). When compared to Greater Sydney, Penrith City 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.

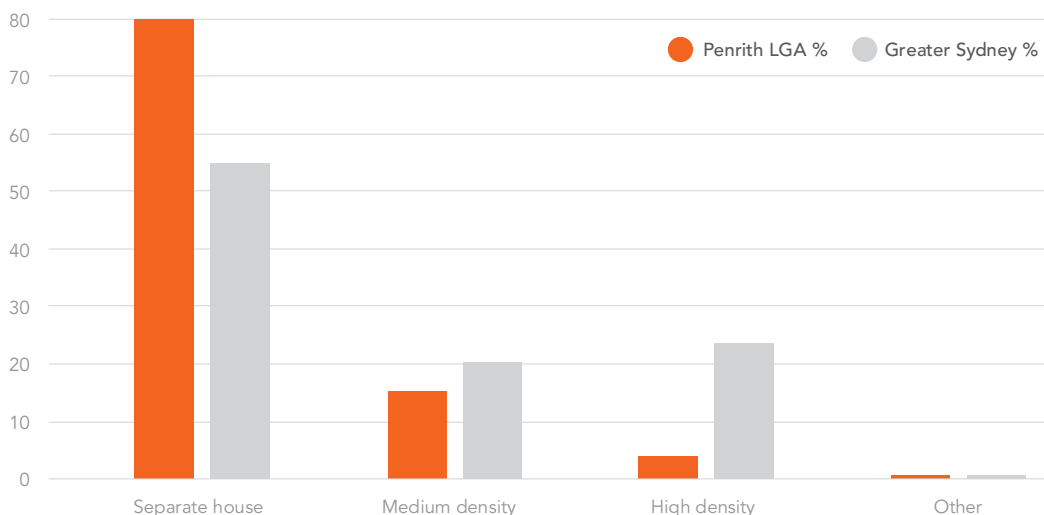
Separate houses continue to be by far the most common type of dwelling, with 54,018 separate houses within the LGA in 2016 accounting for 80.5% of all dwellings (down from 84.8% in 2006). Separate houses have seen a 8.2% increase between 2006 and 2016. Furthermore, there has also been an exponential 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 (compiled by Ethos Urban)

Figure 20: Household type, 2016



Source: : Penrith Community Profile 2018 (compiled by Ethos Urban)

Housing suitability

Housing suitability is a measure introduced at the 2016 Census that examines the suitability of the dwelling for the number of occupants usually resident. ABS describe the metric as “a housing utilisation measure based upon a comparison of the number of bedrooms in a dwelling together with a series of household demographics such as the number of usual residents, their relationship to one another, their age and sex.”

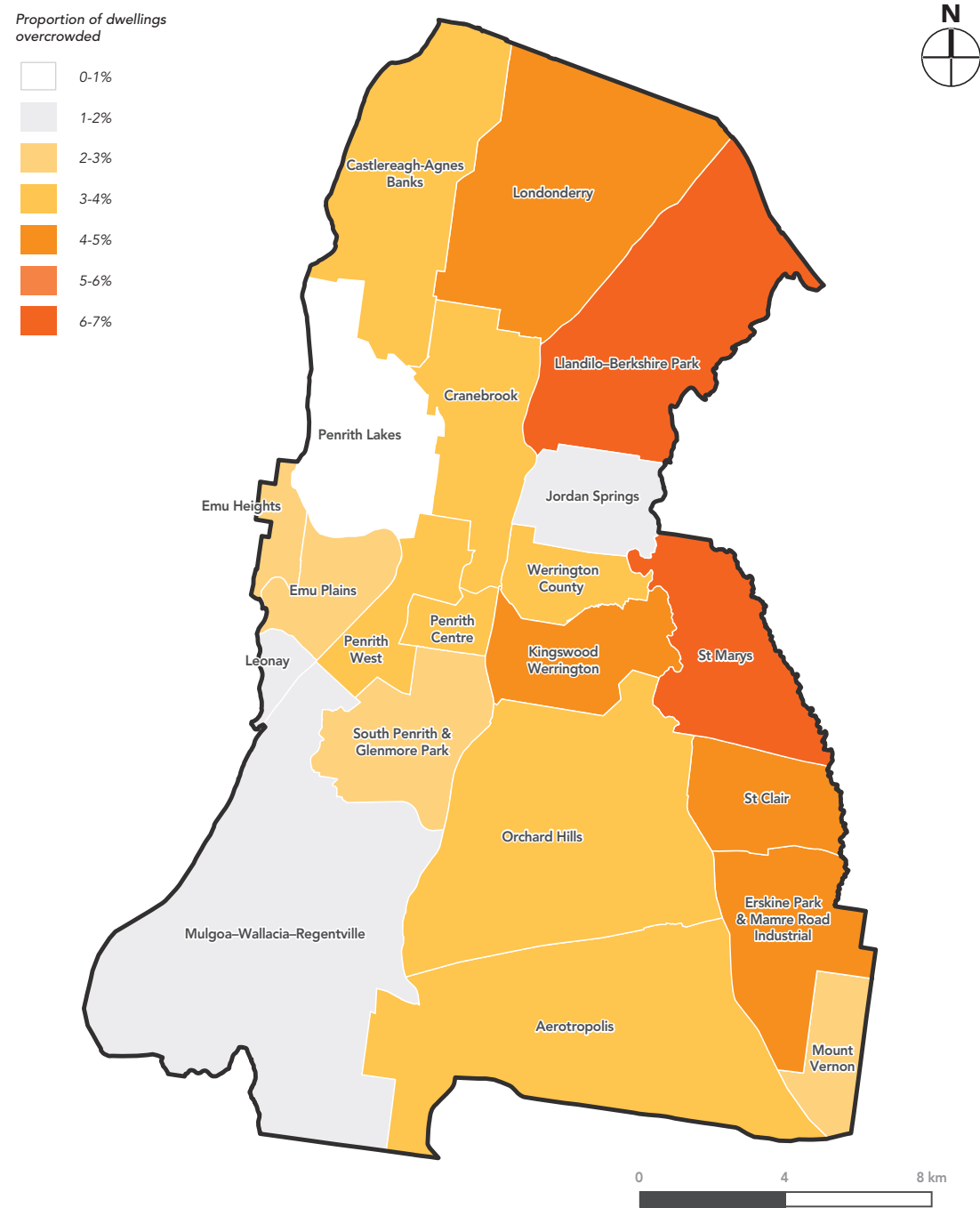
Based upon the Canadian National Occupancy Standard (CNOS), the housing suitability metric utilised by ABS assesses household bedroom requirements by specifying that:

- there should be no more than two persons per bedroom
- children less than five years of age of different sexes may reasonably share a bedroom
- children less than 18 years of age and of the same sex may reasonably share a bedroom
- single household members 18 years and over should have a separate bedroom, as should parents or couples and
- a lone person household may reasonably occupy a bed sitter.³

The data collected for Penrith LGA has been mapped in **Figure 21**, showing the proportion of all dwellings with one or more extra bedrooms required. It can be seen that the distribution of overcrowding across the LGA is concentrated in the east, with St Marys and Llandilo- Berkshire Park both recording the highest proportions of overcrowding.

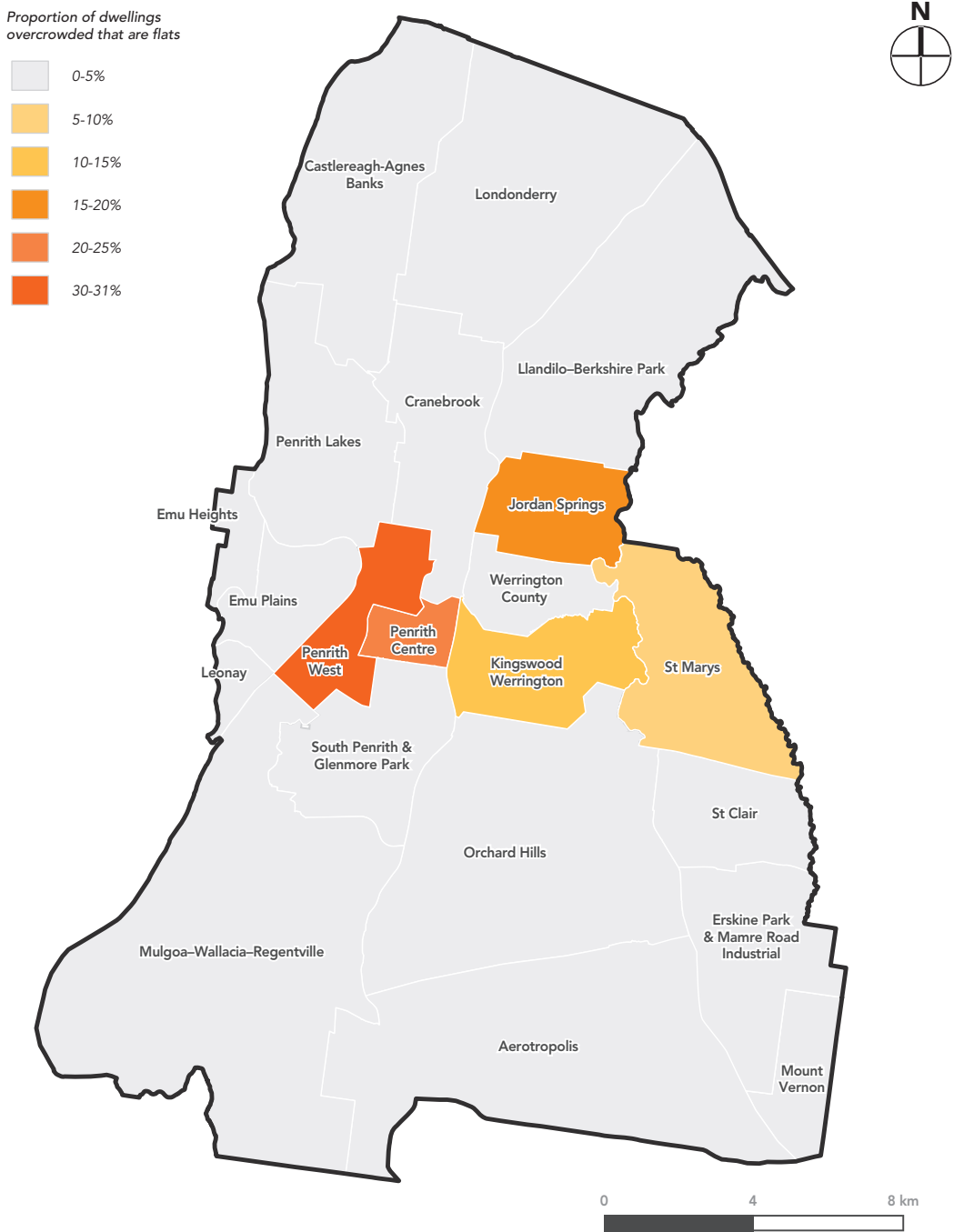
Looking at specific dwelling typologies within those dwellings that are overcrowded, the proportion of overcrowded dwellings that are flats is mapped in **Figure 22**. It can be seen that even in the areas with the highest proportion of overcrowded flats, particularly Penrith West and Penrith Centre, they still make up less than a third of overall overcrowded dwellings, suggesting that the bulk of overcrowding is in detached dwellings.

Figure 21: Overcrowded dwellings



Source: PABS (2016), Australian Census of Population and Housing. Accessed via TableBuilder

Figure 22: Overcrowded flats, units and apartments



Source: PABS (2016), Australian Census of Population and Housing. Accessed via TableBuilder

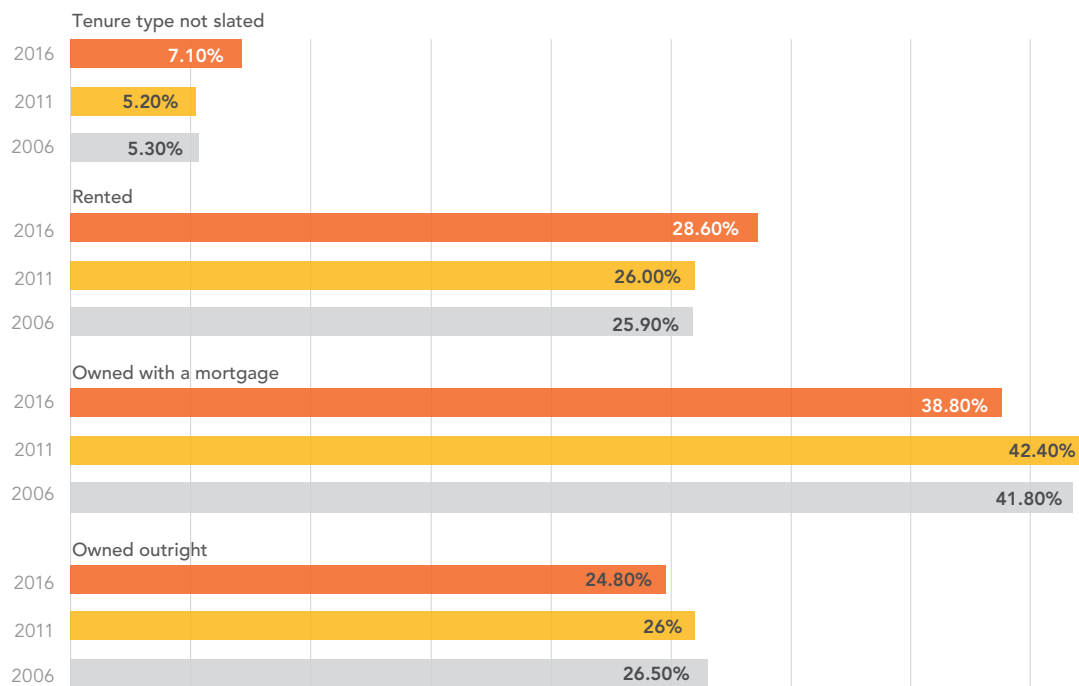
Tenure type

Figure 23 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 City 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 23: Tenure type of Penrith LGA dwellings, 2006 – 2016



Source: Penrith Community Profile 2018 (compiled by Ethos Urban)

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.

The COVID-19 pandemic saw property prices skyrocket. In September 2021, Kate Hill of the Property Tribune⁴ described Penrith City's market as follows:

"In the past two years, [Penrith City's] property market received a 'ripple effect' from the growth in Sydney, with most suburbs experiencing double-digit annual growth in median prices in recent years. The area also has a (rental property) vacancy rate of just one per cent at present, which is indicative of extreme levels of tenant demand and low levels of available rental supply".

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 (compiled by Ethos Urban)

Housing stress

Housing stress is defined by the National Centre for Social and Economic Modelling (NATSEM) model as those households that are both:

- in the lowest 40 per cent of incomes
- paying more than 30 per cent of their usual gross weekly income on housing costs.

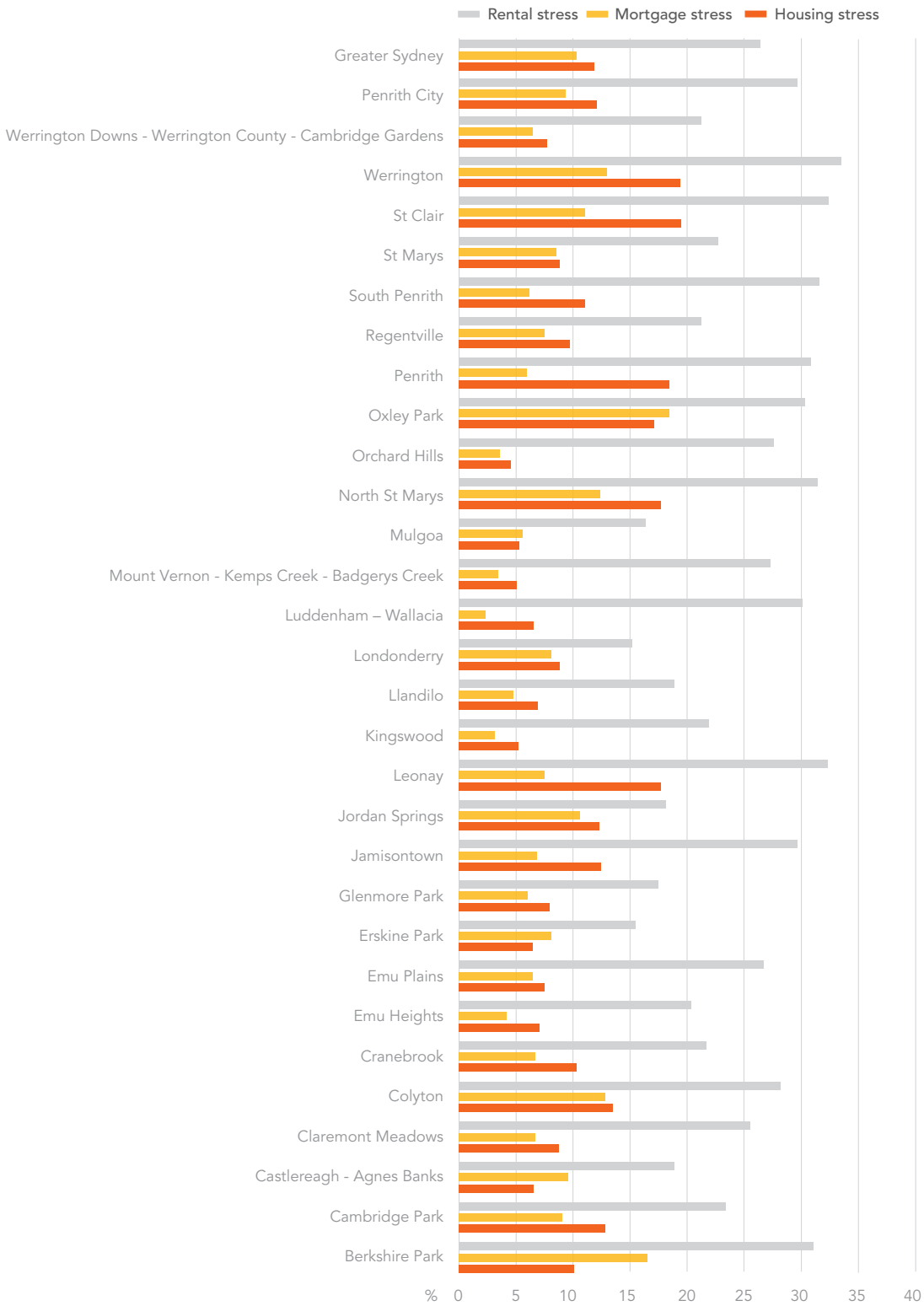
Census data can provide a general overview of housing and highlight areas where households may be having trouble meeting their commitments. However, the details of how housing stress impacts a household or is otherwise managed is dependent on individual circumstance.

The rates of housing, mortgage and rental stress for small areas defined by Profile.id are shown in Figure 24, 25 and 26.

Oxley Park and Berkshire Park have the highest levels of mortgage stress. In Kingswood, Werrington and St Marys, approximately a third of all renting households are experiencing rental stress.

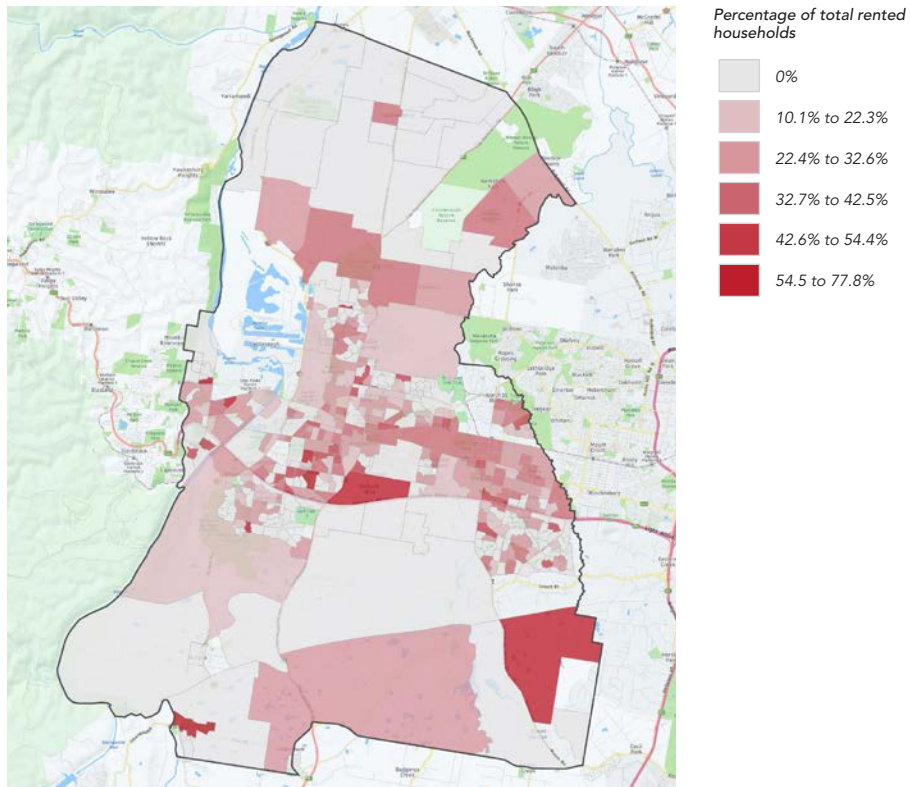
The rates of housing stress overall, rental stress amongst rental properties and mortgage stress amongst mortgaged properties in Penrith LGA are mapped below. While overall housing stress is concentrated around existing population centres, particularly along the St Marys to Penrith corridor, mortgage and rental stress are experienced far more widely throughout the LGA.

Figure 24: Rental housing stress by small area



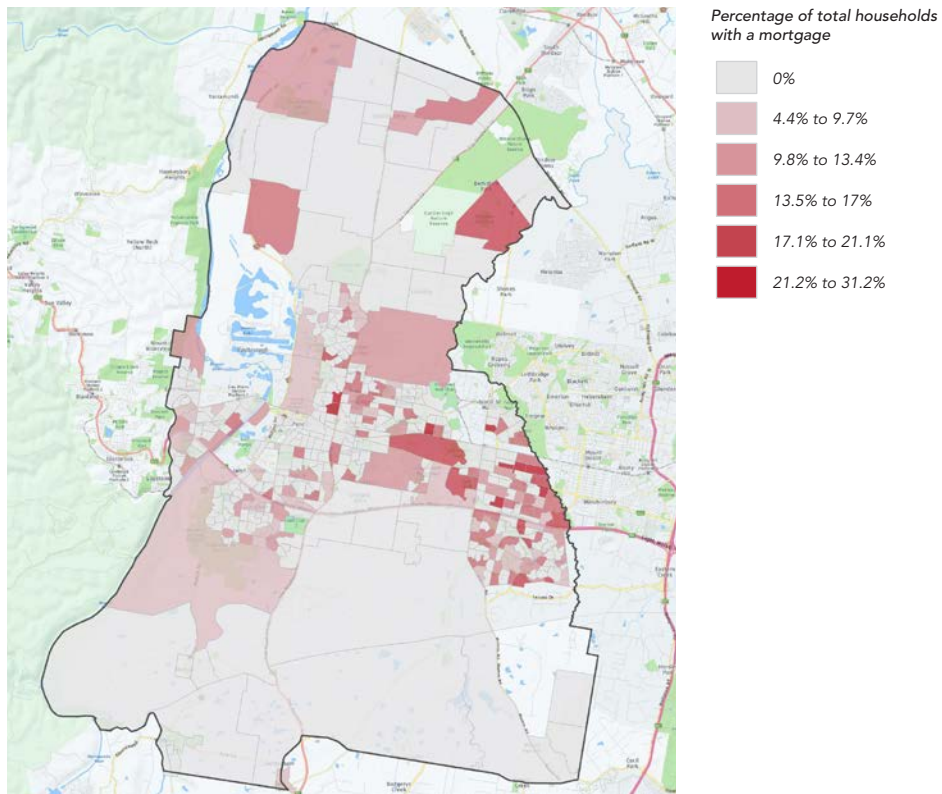
Source: Penrith Community Profile 2020 (Compiled by HillPDA 2020)

Figure 25: Rental housing stress distribution in Penrith LGA



Source: ABS (2016), Australian Census of Population and Housing. Compiled and presented in atlas.id by .id

Figure 26: Mortgage stress distribution in Penrith LGA



Source: ABS (2016), Australian Census of Population and Housing. Compiled and presented in atlas.id by .id

3.4 LAND USE CONSTRAINTS AND 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.

Flooding affects much of Penrith City, posing a significant constraint to the provision and location of new housing. Flooding is discussed in more detail later in this Chapter.

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.

The planning for rural lands will be covered more thoroughly in Council's Rural Lands Strategy, which has been prepared alongside the Local Housing Strategy.

Penrith City 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.

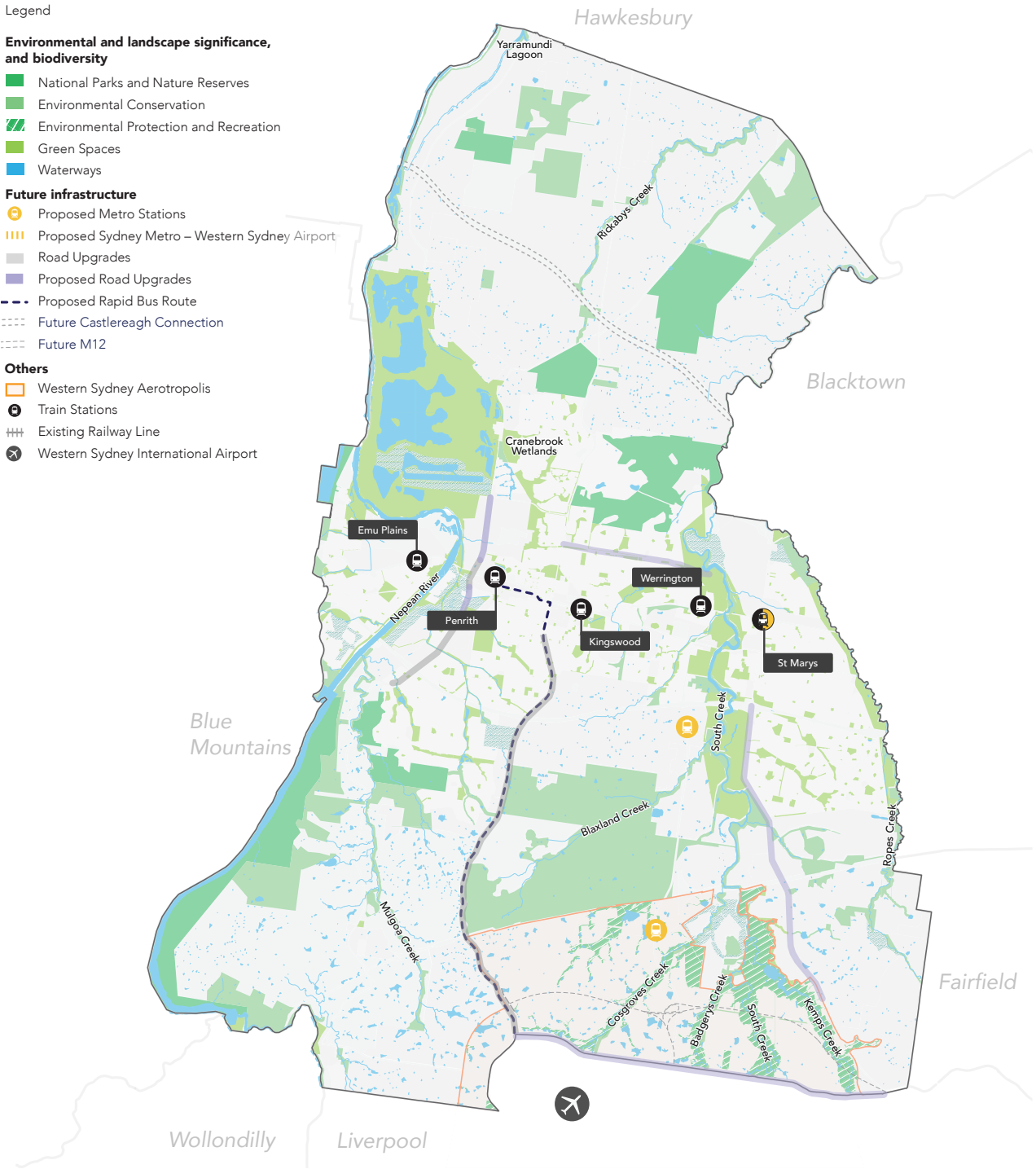
The key environmental and land use constraints include:

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

Although the above items represent constraints to housing provision, many represent opportunities for our community more generally, such as preservation of our environmental qualities or proximity to a future Aerotropolis. 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.

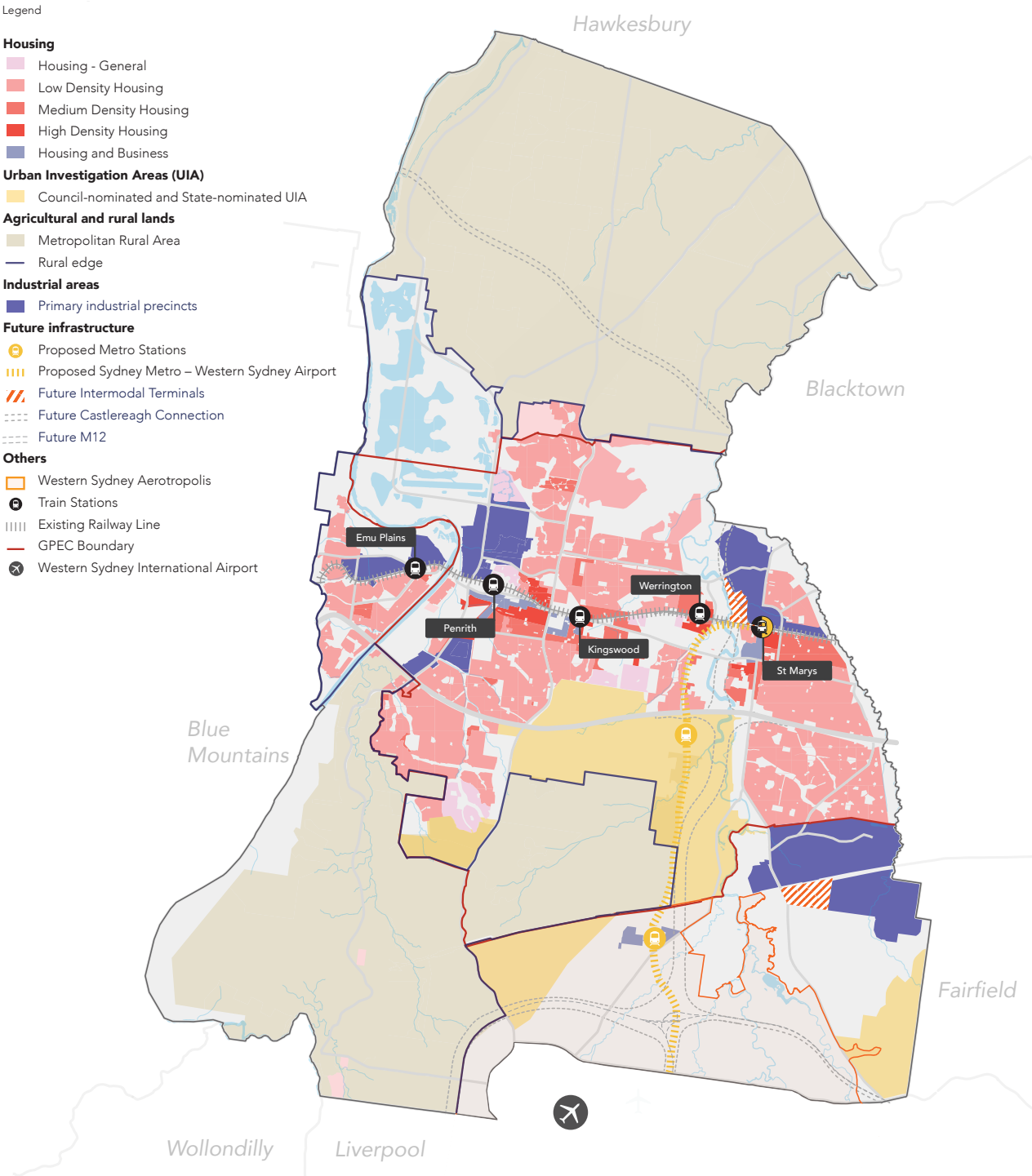
DPE issued an Approval Letter in July 2021 which stipulates that Council clearly articulate whether these constraints are manageable or insurmountable. It is Council's view that almost all of the identified constraints are manageable. Some of the constraints are being "managed" by largely avoiding residential development in those locations, and instead finding suitable locations for housing elsewhere. That is indeed the case for agricultural and rural lands, industrial land, and land with biodiversity or other special environmental value. However, flooding constraints in the Penrith City Centre require State Government intervention, leadership and management in order to be resolved.

Figure 27: Opportunities and constraints – Significant environmental, landscape and biodiversity areas



Source: Penrith City Council

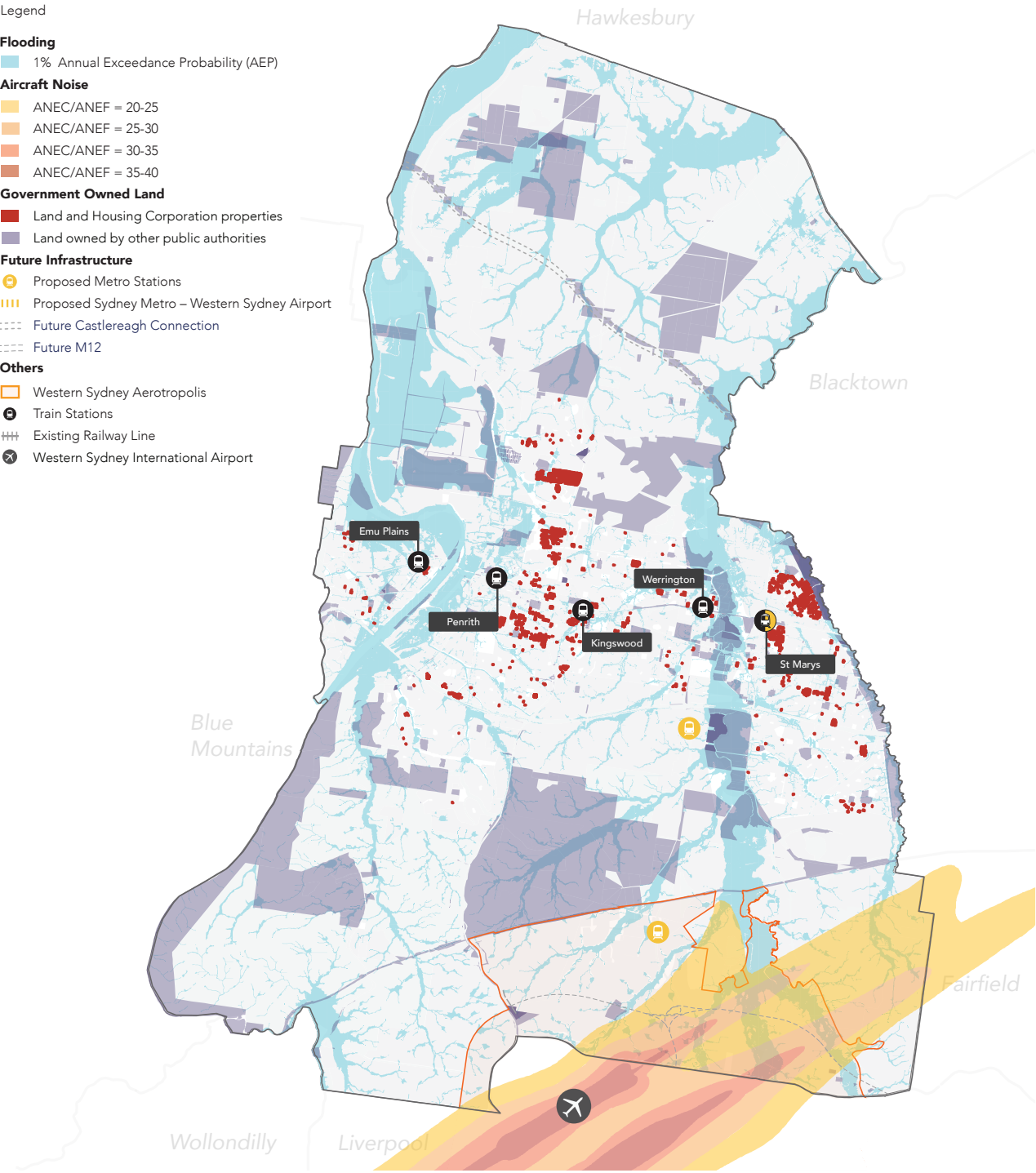
Figure 28: Opportunities and constraints – Existing land uses and Urban Investigation Areas



HOUSING EVIDENCE

Source: Penrith City Council

Figure 29: Opportunities and constraints – Flooding, aircraft noise and Government-owned land



Source: Penrith City Council

OPPORTUNITIES AND CONSTRAINTS AT A GLANCE



Flooding

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



Environmental significance

Future housing should seek to protect ecological and biodiversity values, particularly along riparian corridors and locations of environmental significance. Tree planting, deep soil and landscaping within private properties is an important contributor towards enhancing ecological and biodiversity values within urban areas.



Topography

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



Flooding in Penrith City Centre

The State Government's Adaptive Management Framework and accompanying Development Assessment Guideline for the Penrith City Centre set out the need to increase flood evacuation capacity commensurate with development. This constraint is impacting development in the Penrith City Centre, an impact that the construction of the Castlereagh Connection could address.



Biodiversity

Future residential development should seek to minimise the removal or clearing of native vegetation or significant tree canopy. Any removal of native vegetation or tree canopy should be undertaken in accordance with relevant legislation. Tree planting, deep soil and landscaping within private properties is an important contributor towards enhancing urban ecology and sustainability. Tree canopy targets can facilitate the delivery of these goals, as per the Premier's Priorities and the *Draft Greener Places Design Guide*.



Industrial

Existing industrial precincts in Penrith LGA support employment and service the urban areas. Council's Employment Lands Strategy seeks to protect our industrial land. There are examples of residential development adjacent to industrial precincts in Penrith LGA. Design and planning controls can assist to mitigate the noise, pollution, visual, and amenity impacts of industrial lands that are adjacent to residential lands.

OPPORTUNITIES AND CONSTRAINTS AT A GLANCE



Urban services

There is policy direction to maintain existing industrial and urban services land. Council's direction for our City's employment land is set out in the Employment Lands Strategy.



Aircraft noise

The future operation of the Western Sydney International 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. Land identified as being above the ANEF 20 contour is considered inappropriate for new residential development. Parts of the Mt Vernon Urban Investigation Area and the Aerotropolis are affected by the ANEF 20 contour.



Landscape significance

Penrith City features a variety of landscapes that are highly valued by our community, including our river and creek corridors, Penrith Lakes, mountain views, and rural landscapes. Housing in these locations should be discouraged where it would significantly impact on the scenic or landscape values of the area.



Future infrastructure

Future residential development should seek to minimise the removal or clearing of native vegetation or significant tree canopy. Any removal of native vegetation or tree canopy should be undertaken in accordance with relevant legislation. Tree planting, deep soil and landscaping within private properties is an important contributor towards enhancing urban ecology and sustainability. Tree canopy targets can facilitate the delivery of these goals, as per the Premier's Priorities and the Draft Greener Places Design Guide.



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. These matters will be further investigated and identified as part of Council's Rural Lands Strategy and Character Statements for Rural Villages.



Urban Investigation Areas

The four UIAs in Penrith LGA are at varying stages of the planning process. DPE is expected to finalise a Precinct Plan for the Aerotropolis in 2022, of which Luddenham UIA forms a part. A GPEC Strategic Framework is being prepared by DPE for 2022, of which Orchard Hills UIA forms a part. Limited planning work has been undertaken for the Mt Vernon UIA to date. Meanwhile, the Glenmore Park UIA has a Planning Proposal under assessment.

Flooding

Flooding is a serious environmental constraint for the provision and location of new housing in Penrith City. 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 catchment have also influenced existing and future housing capacity. While these two rivers contribute to environmental values and natural amenity, there is substantial flood risk throughout many parts of the LGA.

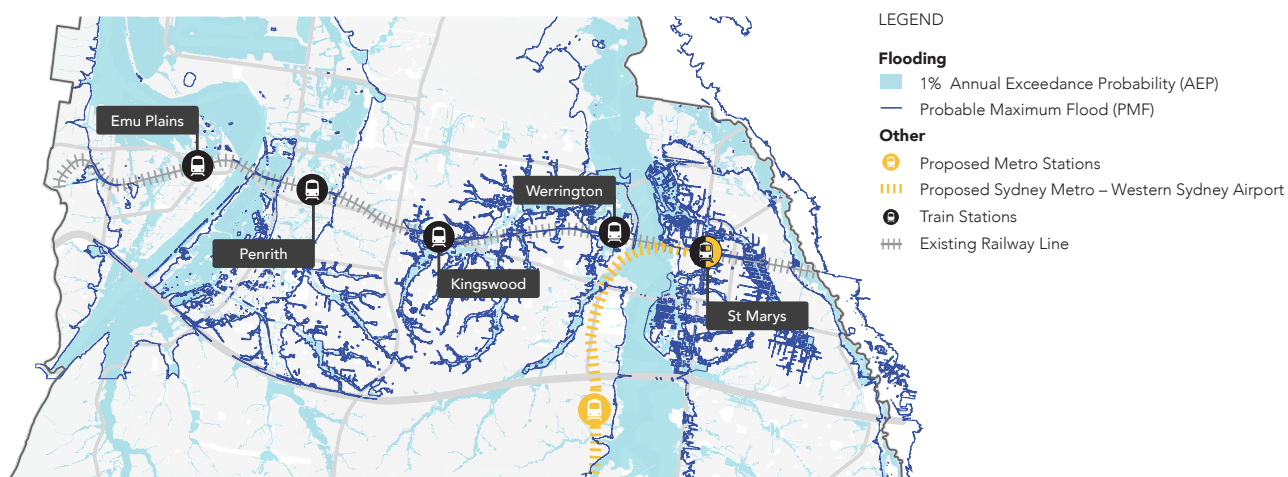
The DPE's Development Assessment Guideline, dated 28 June 2019, developed a staged approach to enable Penrith City Centre to continue to grow while ensuring greater resilience to flood management. Stage One places a cap of 4,050 additional dwellings in the Penrith City Centre, which can be accommodated utilising existing infrastructure and State Emergency Services emergency capabilities. This cap was informed by investigations into flood risk in the area and the limitations of existing infrastructure. Stage 2 anticipates the potential for up to 6,000

additional dwellings to be provided in Penrith City Centre provided that additional evacuation capacity is agreed, planned for and actioned by the NSW Government. Stage 3 anticipates the potential for a further 4,000 dwellings in Penrith City Centre, bringing the Centre's total to 14,050 dwellings. Planning responsibility for Stage 3 is pending discussions between the NSW Government and Penrith City Council.

A Flooding in the Penrith City Centre Taskforce was established in 2019 to enable proactive flood and evacuation management, with the Taskforce committing to finding innovative and bespoke solutions to the issue. Earlier still, Council has been in discussions with DPE, Infrastructure NSW and the State Emergency Service (SES) in respect to the flooding issues.

Pending completion of further strategic and infrastructure delivery works, the capacity of the Penrith City Centre could increase to a total of approximately 14,050 dwellings in the longer term (a proportion to be post 2036) based on the Development Assessment Guideline. However, unlocking this development potential is contingent upon action by the State Government.

Figure 30: Map of flood extent within the vicinity of Penrith City's existing and emerging key centres



Source: Penrith City Council

3.5 DEVELOPMENT HISTORY AND PIPELINE

Analysis of historic development trends and the development pipeline offers a view as to how many dwellings may be delivered in the short to medium term. It also serves as an indicator for how many development approvals are converted into delivered dwellings, as projects may be put on hold after approval.

The analysis below is based on a review of the following data sources:

- DPE development approvals and completions database (July 2013 to June 2021);
- Cordell Connect database; and
- DPE LEP Online database (Accessed November 2021).

Each data source provides relevant information regarding trends in approvals and delivery of dwellings, and when compared, provide an indication of future dwelling delivery. Analysis is based on applications that have already been approved and is most relevant for the 2021 to 2026 target timeframe. Beyond that point, analysis provides a useful starting point for understanding longer term dwelling delivery when considered in the context of historical trends and overall capacity.

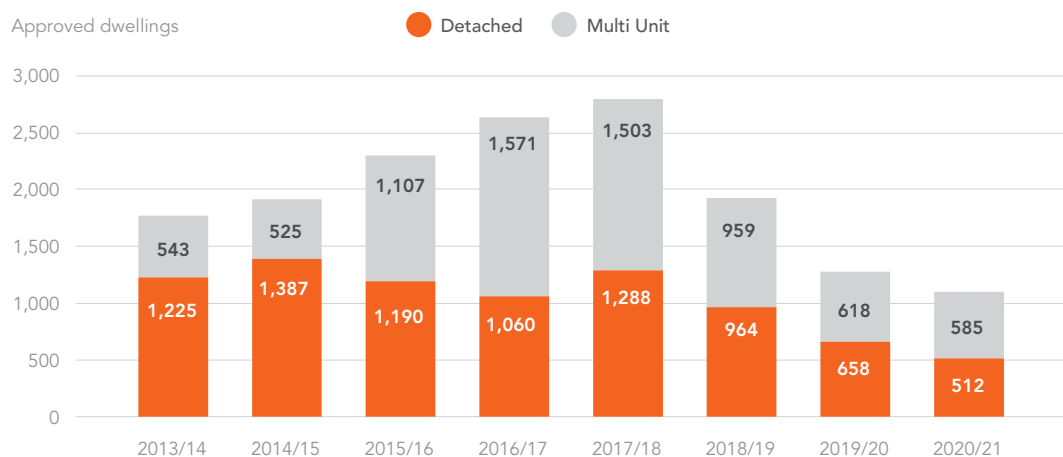
Development construction approvals

Development approval data has been sourced from the DPE’s Metropolitan Housing Monitor (Housing Monitor) and Urban Development Program (UDP) Dashboard, and verified against Cordell Connect project tracking data. The Housing Monitor provides month by month approvals data for each LGA, distributed between ‘Detached’ and ‘Multi-Unit’ housing types. Development approvals data refers to development that has received final approval to construct, meaning that it has a Construction Certificate or a Complying Development Certificate (NSW Department of Planning, Industry and Environment, 2020). This provides useful information for understanding when developers are taking active steps to deliver dwellings in Penrith City.

Dwelling approvals for the last eight full financial years are shown in **Figure 31**.

In total, 12,830 dwellings were issued with a form of construction approval between July 2013 and June 2021. Detached dwellings and multi-unit dwellings were near equal in volume of approved housing, with 8,284 detached dwellings (52.8 per cent) and Multi-unit dwellings represent the remainder, being 7,411 dwellings (47.2 per cent).

Figure 31: DPE Housing Monitor – Approvals



Source: <https://www.planning.nsw.gov.au/Research-and-Demography/Metropolitan-Housing-Monitors/Metropolitan-Housing-Monitor>, accessed 26 October 2020

The figures do not discount dwellings lost as part of redevelopment (e.g. a knock down/rebuild application would likely show as a single detached dwelling).

Dwelling completions

Development completion data has been sourced from DPE's Housing Monitor and verified against Cordell Connect project tracking data.

The Housing Monitor provides month by month dwelling completions for each LGA, disaggregated for 'detached' and 'multi-unit' housing types. Dwelling completion data refers to net dwellings that have been completed and are ready to be occupied. Unlike the approvals data above, these figures discount demolished dwellings and reflect net additional dwellings delivered. (NSW Department of Planning, Industry and Environment, 2020).

Dwelling completions for the five full financial years from July 2016 to June 2021 period are shown in **Figure 32**.

In total, 7,982 dwellings were completed between July 2016 and June 2021. The average annual dwelling delivery during the period was approximately 1,600 dwellings per year.

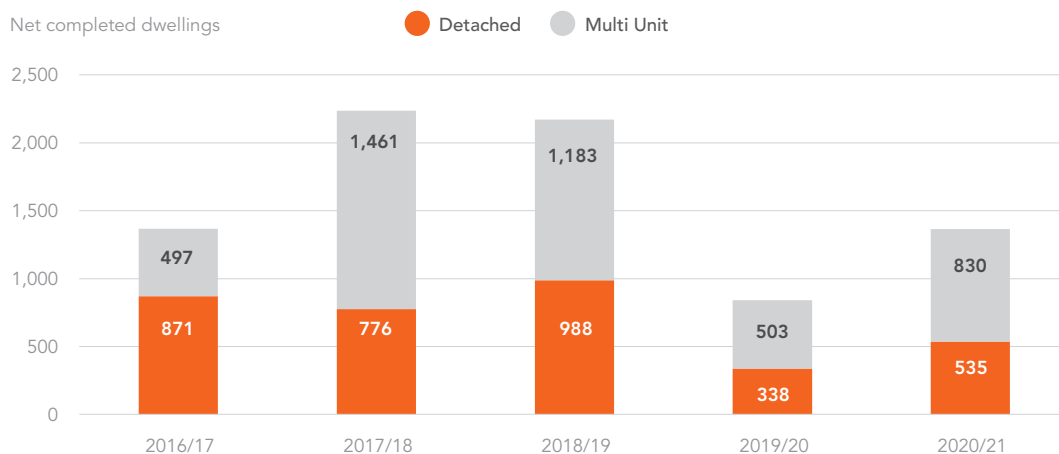
Detached dwellings formed the minority of completions, with 3,508 dwellings, or 43.9 per cent of total completed dwellings. Multi-unit dwellings provided the majority, being 4,474 dwellings, or 56.1 per cent of total completed dwellings.

The 2019/20 and 2020/21 financial years have had reduced dwelling delivery compared to previous years. This may be due to construction slowdowns associated with COVID-19, or earlier deferral of projects.

Unfortunately, Housing Monitor data is not available on projects that have initiated construction, but not been completed. Given the time to complete construction of larger developments (e.g. two to three years), the impacts of COVID-19 related deferrals in initiation of projects would not be apparent in the near term.

When examining trends over time, approvals have consistently outpaced completions. This is partially because approvals are for gross dwellings and completions are for net dwellings. There may also be larger projects that take longer to deliver (e.g. projects associated with the 2016/17 and 2017/18 spike in construction approvals. Projects may also be experiencing deferrals/delays (as discussed above).

Figure 32: DPE Housing Monitor – Completions July 2016 to June 2021



Source: <https://www.planning.nsw.gov.au/Research-and-Demography/Metropolitan-Housing-Monitors/Metropolitan-Housing-Monitor>, accessed 26 October 2020

Dwellings approved and under construction (pipeline)

Cordell Connect tracks the progress of larger developments through the application, assessment and construction process.

This section focuses on projects that have been identified as having a development approval whether not commenced, commenced or under construction. Cordell information overlaps with the DPE dwelling approvals data, as it would include projects that have received a construction approval. It provides context for when developers anticipate their projects will be delivered.

Based on Cordell descriptors, the smallest projects tracked are smaller attached dwelling projects (e.g. three to five dwellings). Projects for delivery of subdivisions and/or detached dwellings in release areas (i.e. subdivisions) are not included in the Cordell database.

Approximately 40 boarding house projects are active but the number of rooms/bedroom are not consistently tracked.

Several projects were identified as having completion dates in 2020 and prior, but not confirmed to be completed. A desktop review of aerial imagery for those sites has been undertaken to confirm if projects have been completed.

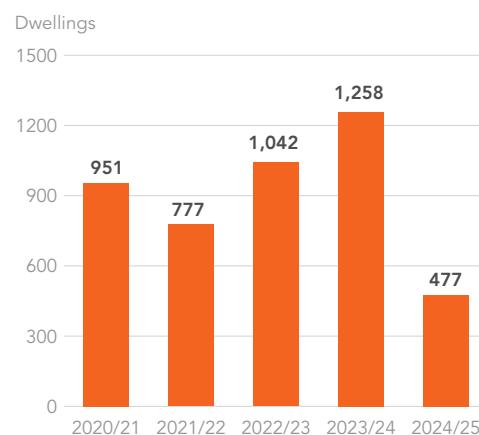
Where appropriate, projects have been either assigned a 'completed' status or had completion dates changed to the 2020/21 or 2021/22 financial years based on the status of construction.

Information for active unit and seniors housing projects that have initiated the development application process or have received development approval, is provided in **Figure 33**.

Based on the review of the Cordell Connect data, active projects are estimated to be delivered in about 14 months from commencement, typically ranging between six and 18 months. Of the 4,349 dwellings associated with active projects, approximately 951 dwellings are estimated to be delivered by June 2021 (the five year target timeframe).

As noted above, the data that has been consulted is limited to unit and seniors development and

Figure 33: Active approved projects



Source: Cordell Connect, accessed 26 October 2020

does not include detached dwelling information. Ongoing monitoring of the progress and conversion of approvals to completions for unit development, subdivision and Council-assessed dwelling and complying development applications would provide and improved ongoing understanding of post-approval activities and likely dwelling delivery.

Planning Proposals

The DPE LEPs Online System has been consulted to determine the pre-development application development pipeline. Planning Proposals are used, in part, to increase dwelling delivery capability by amending the Penrith LEP through a rezoning, increasing floorspace limits, increasing height limits or other changes. The Planning Proposals on the DPE's Online System have been considered by Council or otherwise been submitted for Gateway Determination by DPE. This milestone is important because it demonstrates that a Planning Proposal has a level of support for progressing, though it does not guarantee success.

The Planning Proposals, timing, status and approximate dwellings associated with proposals (as estimated by the applicant) are shown in **Table 7**. Proposals not anticipated to result in additional dwellings have not been

Table 7: Planning Proposal pipeline

Location/ Description	Review Commenced	Approximate Dwellings	Status	Identifier
Henry Lawson Centre, 61-79 Henry Street, Penrith	06/08/2021	455	Pre-exhibition	PP-2021-4958
Glenmore Park Stage 3	25/08/2020	2,558	Pre-exhibition	PP-2020-2803
Orchard Hills North, Penrith (Amendment No.29)	20/12/2018	1,900	Pre-exhibition	PP-2020-1693
39-49 Henry Street, Penrith (Amendment No.24)	05/09/2018	445	Approved	PP-2020-2132
33-43 Phillip Street, St Marys (Amendment No.28)	28/06/2018	600	Approved	PP-2020-3799
57 Henry Street, Penrith (Amendment No.26)	20/06/2018	454	Finalisation	PP-2020-2139
92,94 and 96 Victoria Street, Werrington (Amendment No.20)	28/02/2017	170	Approved	PP-2020-3742
Reclassification and rezoning of seven sites in Erskine Park and St Clair (Amendment No.19)	30/09/2016	21	Approved	PP-2020-2788
Mulgoa Road and Retreat Drive, Penrith - Panthers site (Amendment No.17)	25/07/2016	850	Approved	PP-2020-1822
Incentive clause for key sites in Penrith City Centre (Amendment No.14&25)	14/04/2016	4,000	Approved	PP-2020-2603
Glenmore Park Stage 2 Precinct C (Amendment No.6)	16/06/2015	100	Approved	PP-2020-2666
Deferred land in Werrington and St Marys (Amendment No.12)	08/05/2015	150	Approved	PP-2020-2896
SSP, 565- 609 Luddenham Road, Luddenham (Amendment No.8)	11/03/2014	3,400	Approved	PP-2020-2552
The Knoll (Amendment No.3)	25/09/2012	45	Approved	PP-2020-1356
TOTAL		15,248		

Source: Planning Proposals Online, <https://www.planningportal.nsw.gov.au/ppr> , accessed 28 November 2021.

Note: Some of the approved proposals were approved quite some time ago and dwelling delivery may be partly captured elsewhere.

considered. Planning Proposals that have not been submitted for Gateway Determination have not been considered, as they have not been demonstrated to have the same level of support.

Any additional Planning Proposals, or changes in status, as well and their impact to the Planning Proposal pipeline should be considered as they progress to Gateway Determination.

The Planning Proposal pipeline suggests that developers intend to deliver approximately 15,000 dwellings, allowing some adjustment for dwellings that have been delivered as a result of finalised Planning Proposals.

It is important to note that the Planning Proposal process is lengthy and that it may be a number of years away from the realisation of dwelling delivery due to the processes involved with design, development application preparation, assessment and post-approval/construction activities.

It is also possible that outstanding Planning Proposals will not result in an amendment to the LEP or result in fewer dwellings than initially proposed.

Pipeline projection

Timing of delivery of development pipeline dwellings can roughly be estimated by analysing the trends identified in the sections above. The Cordell Connect data offers the best source of information for understanding the lag between obtaining approval to construct and dwelling delivery. Assuming that dwellings take approximately two years to deliver, the dwelling approval data from 2014/15 to 2018/19 would roughly translate into dwelling delivery between 2016/17 and 2020/21, the five year target timeframe. As explained above, this is approximately 11,554 dwellings. Based on this assumption the 1,276 dwellings approved in 2019/20 and 1,097 dwellings approved in 2020/21 would be delivered post July 2022.

Actual dwelling delivery is likely to be lower than that figure due to individual projects being delayed or abandoned. Based on a review of the delivery of additional dwellings between July 2016 and June 2019, it appears that dwelling delivery is approximately 68.7 per cent of what has received construction approval.

As shown in the DPE dwelling completion data, approximately 7,141 dwellings have been delivered between July 2016 and June 2020, or an average of 1,700 dwellings per year. Given the severe drop to 841 dwellings delivered during the 2019/20 financial year, but less severe 1,365 dwellings delivered during the 2020/2021 financial year, and potential delays associated with COVID-19 and other economic issues, future delivery is likely to be lower than previous years.

HillPDA assumed approximately 8,200 dwellings would be delivered in the 2016 to 2021 target period while the latest data is indicating around 8,000 dwellings have been delivered in that period.

The post June 2021 development pipeline can be interpreted based on Cordell Connect estimated completion dates and the Planning Proposal pipeline:

- Cordell Connect post June 2021: 3,700 dwellings.
- Planning Proposals: 15,000 dwellings.

The maximum post June 2021 pipeline of 18,700 dwellings only represents the theoretical maximum delivery of known applications. Actual delivery is likely to be lower for the reasons listed above, such as projects being abandoned, Planning Proposals not being successful or estimated dwelling density not being achievable. However, the figure offers an estimate for developer intent in the medium term.

3.6 THEORETICAL HOUSING CAPACITY

Assessment approach

Penrith City's ability to accommodate new dwellings in the future is largely influenced by the amount of land available for residential development. As identified in Chapter 3.4, not all vacant land has the propensity to be developed for new housing due to environmental, land use or geographical constraints.

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

- Identify established and greenfield areas that have been prioritised for delivery of housing.
- Identify sites that are constrained (see Chapter 3.4) or unlikely to develop (strata title, government land, no capacity).
- Identify sites that are already in the development pipeline - approved or subject to a recent Planning Proposal (see Chapter 3.5).
- Review of existing LEP and DCP provisions to identify capacity within Penrith's established and greenfield areas that are currently zoned for residential or mixed uses.
- Adjust figures to represent net additional dwellings and potential development inefficiencies.
- Apply the 4,050 dwelling cap that applies to Penrith City Centre due to existing flood risk.
- Identify future strategic development locations around existing and proposed stations (subject to Sydney Metro intervention) and apportion growth.

Existing theoretical capacity

There is capacity within Penrith City's existing residential and mixed use areas to accommodate approximately 23,300 to 32,000 new dwellings under existing planning controls.

Capacity within urban renewal areas mainly exists within the following centres:

- Penrith City Centre 4,000 - 12,600*
- St Marys Town Centre 8,700
- Kingswood Town Centre 2,600
- Werrington Town Centre 900

* The Penrith City Centre range represents environmental constraints discussed in Chapter 3.4.

The majority of greenfield housing growth is expected to occur in the short term as follows:

- Caddens 1,250
- Orchard Hills North 4,000
- Glenmore Park Stage 2 and 3 3,700
- Jordan Springs 700

The timing of housing delivery is explored in the following sections. The timing of delivery is subject to a number of variables including infrastructure delivery, development feasibility and market take-up. The theoretical capacity identified does not reflect projected take-up.

Rural villages

Penrith LGA 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 City's rural villages are unique locations which contribute to diverse local identity and Penrith City's attractiveness as a place to live and work.

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

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

Potential development delivery in this area is minimal.

3.7 PROJECTED HOUSING DEMAND

GSC Target 2016-2021

The Greater Sydney Commission has set a target of 6,600 additional dwellings in Penrith LGA between 2016 and 2021. Penrith LGA is to deliver around 16.6 per cent of the GSC’s housing target for the Western City District. The LGA target would require an average of 1,320 dwellings to be delivered each year.

Dwelling completions and approvals have been reviewed to determine how the LGA is positioned to meet the LGA target of 6,600 additional dwellings between 2016 and 2021. From July 2016 to June 2021 there have been 7,982 dwellings completed within the Penrith LGA, demonstrating that the 2021 target has been achieved. Indeed, the target has been exceeded by close to 1,400 dwellings.

The GSC target, as an annual average, is compared to historical dwelling approvals in **Figure 34**. In recent years dwelling approvals have mostly exceeded the target.

Annual approvals and completions have both dropped significantly following the 2018 cooling

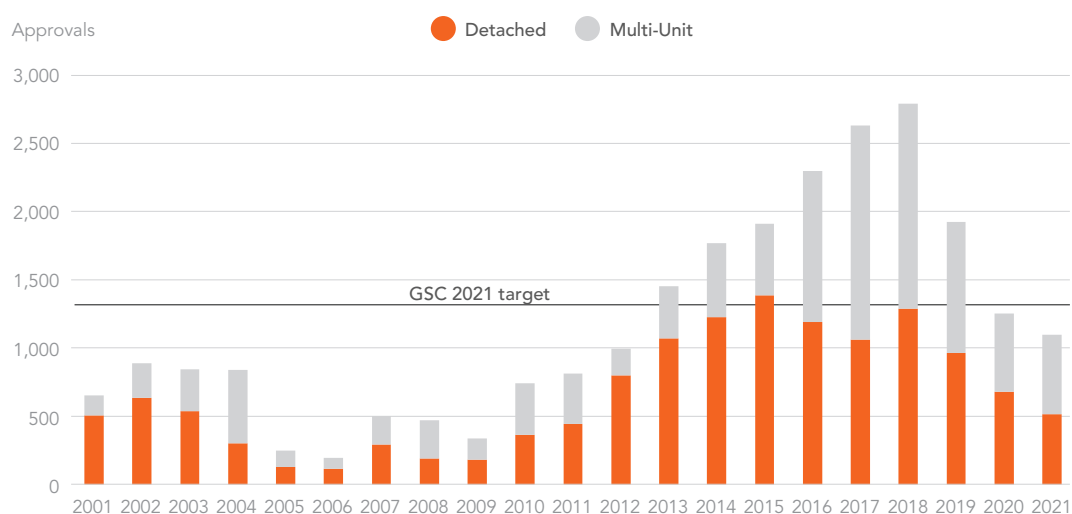
of the housing market and this is expected to be exacerbated by the impact of the COVID-19 pandemic. As the Sydney Metro Western Sydney Airport upgrade progresses towards the 2026 delivery date and as the housing market picks up, it is anticipated that demand for additional housing stock will grow and approval and completion rates will increase.

Table 8: Housing targets set by the Greater Sydney Commission

SA3	2016-2021	Per cent
Blue Mountains	650	1.6
Camden	11,800	29.6
Campbelltown	6,800	17.1
Fairfield	3,050	7.7
Hawkesbury	1,150	2.9
Liverpool	8,250	20.7
Penrith	6,600	16.6
Wollondilly	1,550	3.9
Western City District Total	39,850	100

Source: Greater Sydney Commission

Figure 34: Comparison of GSC target and historical approvals



Source: Greater Sydney Urban Development Program. Year shown is end of applicable financial year.

Recent population projections

According to the most recent population projections by DPE (released in December 2019), the Penrith LGA population is anticipated to increase by about 149,300 people, an increase of 74.1 per cent from 2016 to 2036, or 2.8 per cent increase per annum. During this period, the average household size is expected to decrease from 2.87 persons per household to 2.73, which is generally consistent with the historical trend. The effect of this is that an additional 60,332 dwellings are expected to be required during the period, an increase of 82.2 per cent over the 2016 dwellings.

In comparison, population forecasts undertaken by REMPLAN for Council in November 2021, indicate that between 2016 and 2036, the Penrith LGA population is anticipated to increase by 90,092 people, an increase of 44.7 per cent, or 1.86 per cent increase per annum.

A comparison of population projections is shown earlier in this Strategy at **Figure 2**.

The DPE 2019 population projections predict significant increase in population, compared to the latest REMPLAN forecasts. These DPE 2019 projections are based on historical trends and interpretation of government policy. Central to the assumptions used in the projections is an assumption that there will be significant net positive overseas immigration across NSW and Greater Sydney, with a portion of that attributed to the Penrith LGA. The impact of the COVID-19 pandemic on immigration has not been taken into account in the DPE projections as they were prepared prior to the pandemic commencing.

An analysis of historical trends of the components of population growth in the Penrith LGA indicates that:

- Local intrastate migration is the key source of population increase for the Penrith LGA, making up almost 80 per cent of all inbound migration.
- Penrith LGA's share of NSW net overseas migration appears to be around 1.2 and 1.6 per cent.

- Net intrastate migration was positive, while interstate migration was a net negative as drivers of population growth for the five years to 2016.
- Intrastate migration away from the Penrith LGA was predominantly focussed on the fringes of the Greater Sydney region, in regional areas along the coast or nearby population centres, or to Queensland.
- Natural increase remains a significant source of population for the Penrith LGA.

These trends provide a basis of considering the potential for future population growth and housing need.

According to the DPE 2019 population projections, Penrith LGA's net migration, as a proportion of the overall Greater Sydney net migration, increases from 4.5 per cent to 21.8 per cent from 2016/21 to 2031/36. This suggests that the DPE 2019 projections anticipate a major change in the migration profile of the Penrith LGA. The projections may be driven by changed assumptions regarding the capacity for the LGA to accommodate sustained population growth, such as land releases or similar.

DPE does not disclose assumptions for migration sources for individual LGAs, making it difficult to interpret the impact of individual sources of migration over time.

An analysis of the DPE 2019 population projections indicates that, at the time they were prepared, DPE anticipated:

- Interstate and intrastate migration would be net negative for Greater Sydney into the future.
- The level of net-negative migration is expected to reduce, particularly net intrastate migration.
- Overseas migration is anticipated to be a net positive into the future, though reducing in magnitude.
- Natural increase is the major population driver for the Penrith LGA in 2016 to 2026 period.
- Migration is anticipated to be the major driver from 2026 to 2036 as natural increase remains steady.

- Post 2026 migration sources are unclear (intrastate, interstate and overseas components), with major variations from historical trends.

Demand estimate

The Greater Sydney Commission has indicated that the housing target for Western City District for the 2016-2036 period is 184,500. Councils are to identify a housing target for the 10 year planning period. While Council and the State Government may “target” a particular quantum of dwellings and dwelling mix, actual housing delivery will be influenced by a range of factors including population growth, market trends and household preferences.

Future housing demand has been projected having regard for:

- Historical trends in dwelling construction.
- Projected growth from 2016 to 2036 including:
 - DPE 2019 population projections for the Penrith LGA: approximately 149,300 people.
 - Western City District Plan 2018 district-wide projections: approximately 464,000 people.
- Available information on planned infrastructure delivery including the Sydney Metro Western Sydney Airport.

Scenarios for future housing demand are presented in **Table 9** as follows:

- Scenario 1: Assumes the DPE 2016 projection, as communicated through the GSC’s District Plan (consistent with the draft Local Housing Strategy (Version 1)).
- Scenario 2: Assumes the most recent DPE 2019 population and dwelling projections.
- Scenario 3: HillPDA scenario, which builds on the DPE 2019 projection and REMPLAN forecast, and incorporates trends related to the COVID-19 pandemic, actual housing growth and dwelling approvals.

The DPE projections in Scenario 1 were prepared before the results of the 2016 Census were known. As such, they do not account for the population trends between 2011 and 2016, including the 2016 population. This results in a different 2016 baseline than the other scenarios. Further, they do not account for policy positions made since that time, resulting in different projections through the remainder of the period.

The DPE projections in Scenario 2 are well in excess of historical population and dwelling growth in the Penrith LGA, driven by increased net migration from 2026 onwards. The projections do not document the assumptions behind the increased migration. These figures project higher population growth in the 2016/17 to 2020/21 period than actually occurred.

Scenario 3 has normalised the projections by incorporating the estimated resident population into the 2017/18 and 2019/20 financial years and applied a standard allocation of overseas immigration based on historical figures.

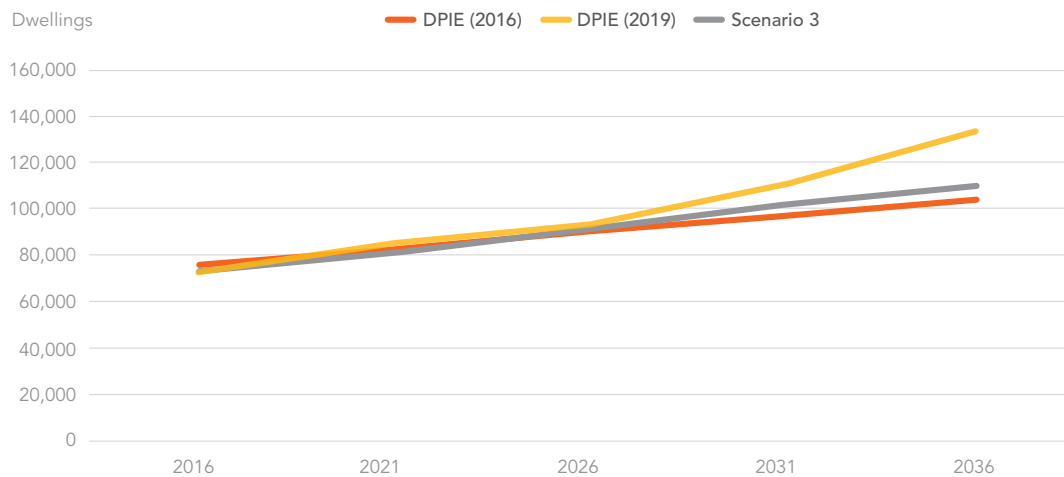
Table 9: Comparison of dwelling projections

Scenario	2016	2021	2026	Change 2016 to 2026	2031	2036	Change 2016 to 2036	% change
Scenario 1 (DPE 2016)	76,200	83,350	90,200	14,000	97,100	104,400	28,200	37%
Scenario 2 (DPE 2019)	73,405	85,321	93,221	19,816	110,480	133,737	60,332	82%
Scenario 3 (HillPDA)	73,405	81,911	91,284	17,879	101,217	109,996	36,591	50%

Source: DPE 2016, DPE 2019, HillPDA

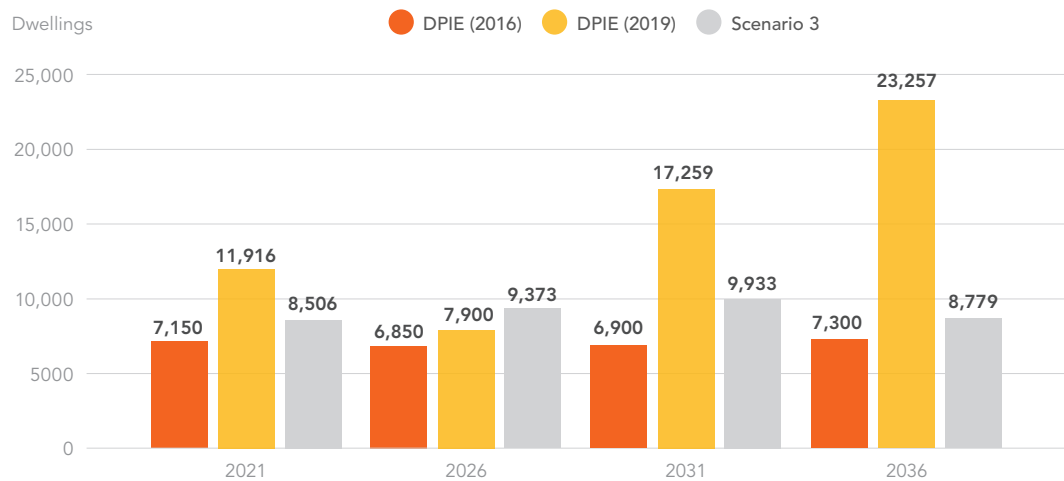
A comparison of the projections is illustrated in Figure 35 and Figure 36 below.

Figure 35: Comparison of projected dwellings (2016 to 2036)



Source: DPIE 2016, DPIE 2019, HIIPDA

Figure 36: Comparison of projected dwelling growth per five year period (2016 to 2036)



Source: DPIE 2016, DPIE 2019, HIIPDA

The projections suggest that between 30,000 and 60,000 additional dwellings will be required in the LGA from 2016 to 2036. Averaged over a 20-year period, this means between 1,500 and 3,000 new dwellings will be needed each year. By comparison, average annual dwelling approvals for the five years to 2019/20 were 2,170. This represents the variance between approvals and completions.

Based on the scenarios, the following dwelling demand estimates have been identified:

- 2016 to 2026: Around 18,000 additional dwellings
- 2016 to 2036: Around 36,000 additional dwellings.

A range is recommended for these periods due to uncertainties regarding the impacts of COVID-19 on intrastate, interstate and overseas migration. In particular, the period to 2036 is recommended to be reduced from the DPE 2019 projections due to corrections in the 2016/17 to 2019/20 actual population figures and the likely baseline effects of COVID-19 on international migration. DPE are expected to revisit population projections after the 2021 Census results are released in 2022.

It is recommended that the targets be revisited as part of a five year review in order to incorporate:

- Finalised precinct plans related to the Aerotropolis and Sydney Metro construction
- 2021 Census results and subsequent estimated resident population updates
- Future DPE projections that incorporate updated assumptions regarding immigration in a post COVID-19 environment.

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.

As discussed previously, historic dwelling construction has included substantial delivery of detached dwellings. If this type of dwelling is delivered as a substantial part of the future Sydney Metro and Aerotropolis, this may result in an under delivery against housing targets.

4. HOUSING VISION AND OBJECTIVES



4.1 HOUSING VISION

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

Penrith City 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 City'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 Sydney Metro Western Sydney Airport 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.

4.2 HOUSING OBJECTIVES

The objectives of the local housing strategy are:

1. Establish an agreed plan for the delivery of up to 36,000 additional dwellings in the Penrith LGA by 2036 to meet the needs of the rapidly growing population.
2. Ensure housing growth supports and maintains the LGA's landscape and rural characteristics by limiting housing growth to the current urban area and sites identified in the Western City District Plan.
3. Focus new housing in transit-oriented neighbourhoods within walkable catchments of existing and planned rail stations in order to maximise access to jobs and services and minimise environmental impacts of housing development.
4. Facilitate the delivery of a diversity of housing types throughout the Penrith LGA to meet the needs of all households regardless of size, age, culture, affluence and physical and mental health requirements.
5. Support provision of housing suited to those with diverse needs including housing for people with disabilities, older people and large multi-generational households.
6. Facilitate the delivery of affordable housing to accommodate local workers and those in the low to moderate income groups while also working with the State Government to maintain and deliver an appropriate supply of social housing.
7. Celebrate the character and value of Penrith City's suburbs as they evolve and grow into more sustainable neighbourhoods with improved environmental performance and high quality public spaces.
8. Promote housing resilience through environmentally sustainable designs within neighbourhoods that nurture an urban tree canopy to reduce urban heat effects, as well as promote energy efficiency and active transport.
9. Align housing delivery with the delivery of infrastructure and services by planning for infrastructure and housing concurrently and establishing effective funding streams.

4.3 HOUSING TARGETS

There are three key periods in relation to the supply of new dwellings between 2016 and 2036 – short, medium and long term.

Short-term housing supply (2019 - 2021)

Penrith City's dwelling target under the Western City District Plan is 6,600 dwellings. The latter part of the 2016-2021 period (that is, the period from 2019-2021) has seen an easing in the number of dwelling completions, relative to the 2016-2018 period. This has been for a variety of reasons including market responses to stricter lending practices and COVID-19 related restrictions. The recent slow down in completions has been more pronounced in higher density dwelling types. These projects are more sensitive to overall price reductions which are more 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.

In total, around 8,000 dwellings have been completed over the 2016-2021 period. The largest proportion of dwellings has been detached housing, though medium and high density dwellings combined delivered 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 City. 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 City 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 delivery of high density dwellings has been lower for the second half of the five year period than the first half. This trend should be monitored closely in future years, with planning responses to limit the delivery of detached dwellings as part of redevelopment and new precincts. Otherwise, there is a risk that higher demand detached dwellings may crowd out higher density options in critical locations.

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

Capacity analysis (refer to Chapter 3.6) indicates that there is sufficient capacity for the market to continue to deliver detached housing over the next 15+ years. The market in Penrith City 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 Local 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.

The higher supply forecasts are a reflection of more favourable market conditions that are likely to attract more buyers to Penrith City. 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 Sydney Metro Western Sydney Airport 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 City housing market.

A target of between 15,800 and 17,600 new dwellings is proposed for the 2016 to 2026 period. This range represents the status quo of approximately 1,600-1,700 dwellings delivered per year, to the upper limit of HillPDA's estimated demand.

Taking account of the almost 8,000 dwellings delivered by June 2021, the target would be 7,800 to 9,600 new dwellings for the 6-10 year period (2021-2026). 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.

A total 2016-2036 target of between 36,000 to 40,000 dwellings is proposed. Based on the likely delivery from 2021-2026, a target of 20,000 to 22,000 new dwellings is proposed for the 11-20 year period (2026-2036). Figures have been expressed as range due to the uncertainty related to the long term effects of COVID-19 and the role of international migration in driving demand for housing in Penrith LGA and Greater Sydney. They are also heavily reliant on the successful precinct planning and delivery of State-led infrastructure projects. The ranges provided for the 2026 to 2036 period estimates should be revisited following further forecasting resulting from the 2021 Census and State policy regarding precinct planning outcomes.

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

The GSC's Letter of Support for the LSPS (issued March 2020) set a target for the period 2021-2026. The target calls for 7,500 to 10,000 additional dwellings in the 5 year period. Scenario 3 in this revised Strategy projects around 9,400 additional dwellings in that period, so the target is on-track to be met.

Table 10: Estimate dwelling targets

Housing Supply	Low	High
2016 - 2021	6,600	8,200
2021 - 2026	7,800	9,600
2026 - 2036	20,000	22,000

Source: HillPDA 2021

5. LOCATIONS FOR HOUSING GROWTH



5.0 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 City'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 City's established suburbs and greenfield areas. When developing the framework, the following factors must be taken into consideration:

- Penrith City'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.
- Development constraints such as physical attributes, buffer requirements and other development overlays.

The Strategy identifies locations suited to housing growth for the next 20 years. It includes:

- Urban renewal areas within the existing urban area where infrastructure is available to support infill development.
- Greenfield urban release areas including those in the final stages of rezoning.
- Potential new urban areas identified by the State Government for housing growth.

Table 11 provides an overview of the key locations for housing growth.

Table 11: Summary of locations identified for housing growth

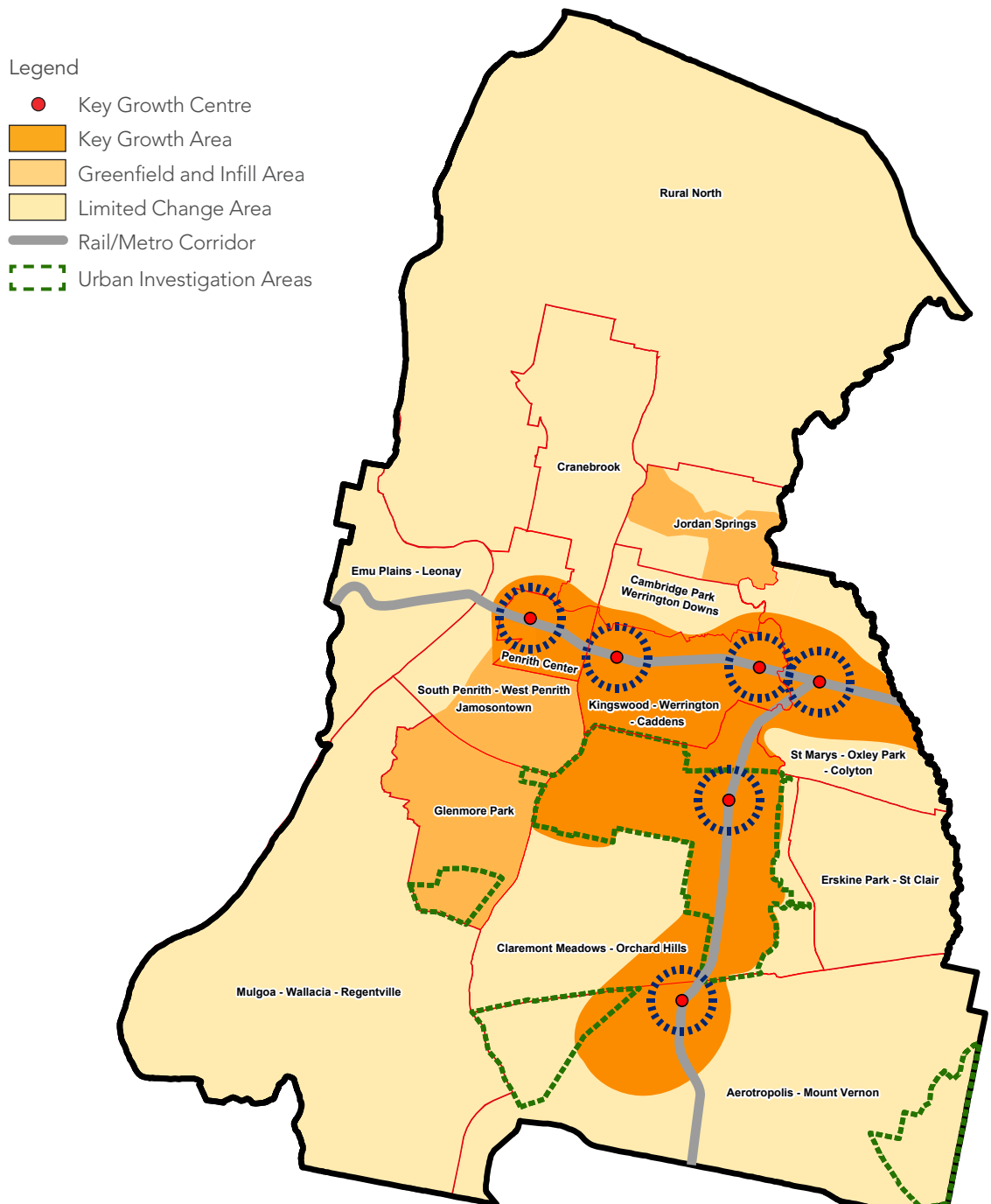
	Estimated dwelling potential at Dec 20	Indicative delivery proportions	
		By 2026	Post 2026
East - West Economic Corridor			
Penrith City Centre	12,600*	10%	90%
Penrith Panthers	850	50%	50%
St Marys Town Centre	8,700	10%	90%
Werrington Town Centre	900	5%	95%
Kingswood Town Centre	2,600	25%	75%
Future station precincts			
Orchard Hills	6,000**	5%	95%
Luddenham	3,400	10%	90%
Greenfield urban release areas			
Caddens	1,250	100%	
Glenmore Park Stage 2 & 3	3,700	25%	75%
Jordan Springs	700	100%	
Orchard Hills North	4,000	5%	95%
Potential new urban areas			
Orchard Hills West	To be determined		100%
Mt Vernon	To be determined		100%
TOTAL	44,700+		

Source: DPE 2016, DPE 2019, HillPDA. Note: *4,000 dwelling cap under existing flood risk
 ** Assumes similar dwelling density to Thornton development



The Local Housing Strategy (LHS) is a 20-year plan, of which this version (Version 2) represents five years into the plan. Over the next 15 years, five Key Growth precincts will contribute the majority of new dwellings to Penrith City's overall growth. These five precincts are either located in the East-West Corridor or associated with the new Sydney Metro station locations. Other precincts will see lower levels of change.

Figure 37: Housing Growth (by precinct)



Source: Penrith City Council

	Key Growth Areas	Greenfield and Infill Areas	Limited Change Areas
Last 5 years: Next 15 Years:	<p>Penrith Centre 2,562 dwellings completed 18.1% of LGA's dwelling growth</p> <p>Penrith is forecast to perform strongest in the 2026-2031 period. It is hoped that the dwelling cap imposed on account of flood evacuation constraints will have been resolved ahead of that time. Around 1,200 of the dwellings delivered in the last five years were within the Thornton development.</p>	<p>Glenmore Park 653 dwellings completed 8.6% of LGA's dwelling growth</p> <p>A suburb of around 7,500 dwellings in 2016, Glenmore Park continues to grow in the timeframe of this LHS. Stage 3 would see around 2,700 dwellings constructed.</p>	<p>Erskine Park - St Clair 73 dwellings completed 1–2% of LGA's dwelling growth</p> <p>In the past five years, 99% percent of new dwellings in this precinct were detached houses.</p>
Last 5 years: Next 15 Years:	<p>St Marys - Oxley Park – Colyton 782 dwellings completed 16.8% of LGA's dwelling growth</p> <p>St Marys is also forecast to perform strongest in the 2026-2031 period, once the Sydney Metro is operational. This precinct is characterised by new multi-unit housing, with 92% of dwellings in the last five years comprising multi-unit development, and 71% of those complexes comprising ten or fewer units.</p>	<p>South Penrith - West Penrith – Jamisontown 199 dwellings completed 5.2% of LGA's dwelling growth</p> <p>Around 152 of the dwellings completed in this precinct over the last five years where in the Panthers development site (Stage 1). Stage 2, comprising 328 apartments, is under construction and further are expected during the timeframe of the LHS.</p>	<p>Cambridge Park - Werrington Downs 67 dwellings completed 1–2% of LGA's dwelling growth</p> <p>In this precinct, the last five years saw an almost even split between detached dwellings and multi-unit housing. Every multi-unit development in that time comprised ten or fewer units.</p>
Last 5 Years: Next 15 Years:	<p>Claremont Meadows - Orchard Hills 111 dwellings completed 16.7% of LGA's dwelling growth</p> <p>Orchard Hills is forecast to deliver the bulk of its development after 2031. Planning of this precinct by DPE is continuing and more accurate dwelling estimates will be known for future iterations of the LHS.</p>	<p>Jordon Springs 1,802 dwellings completed 1 to 2% of LGA's dwelling growth</p> <p>While Jordon Springs has contributed a large number of dwellings since 2011, including more than half in the last five years, there is remaining capacity for only around 700 dwellings.</p>	<p>Cranebrook 68 dwellings completed 1–2% of LGA's dwelling growth</p> <p>In the past five years, 91% percent of new dwellings in this precinct were detached houses.</p>
Last 5 Years: Next 15 Years:	<p>Kingswood - Werrington – Caddens 1,457 dwellings completed 15.2% of LGA's dwelling growth</p> <p>This precinct is expected to deliver a steady supply of housing, with around 1,450 dwellings delivered in every five-year period. Forecasts are not as high as in the earlier version of the Draft LHS as no Sydney Metro station eventuated at Werrington. One of the larger developments in the pipeline is the South Werrington Urban Village of around 500 dwellings.</p>		<p>Emu Plains – Leonay 60 dwellings completed > 1% of LGA's dwelling growth</p> <p>Most new dwellings in the last five years have been in Emu Plains. A similar number of dwellings is forecast for each five-year period ahead in the LHS.</p>
Last 5 Years: Next 15 Years:	<p>Aerotropolis – Mount Vernon 62 dwellings completed 11.4% of LGA's dwelling growth</p> <p>This precinct is expected to grow around the new Sydney Metro station, within Sydney Science Park. The extent of residential development has however been constrained by the Airport Safeguarding Provisions for Western Sydney International Airport. Around 32 of the dwellings completed in this precinct over the last five years where in the Twin Creeks development.</p>		<p>Rural North 67 dwellings completed > 1% of LGA's dwelling growth</p> <p>Most new dwellings in the last five years have been in Londonderry.</p>
Last 5 Years: Next 15 Years:			<p>Mulgoa - Wallacia – Regentville 19 dwellings completed > 1% of LGA's dwelling growth</p> <p>Most new dwellings in the last five years have been infill developments located in Mulgoa's Rural Village zone.</p>

Note: 'Dwellings Delivered Last 5 Years' estimated based on Greater Sydney UDP 'Completions Explorer', financial years 2016-17 to 2020-2021, by Suburb. However, dwelling type or dwelling mix figures are based on SA2 data. 'Percentage of LGA's Dwelling Growth' based on REMPLAN Forecast, All Dwelling Types, as of November 2021 (note, forecasts subject to annual review).

5.1 KEY GROWTH LOCATIONS FOR HOUSING

Key locations for housing growth 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 City's housing growth and will support a variety of housing forms at increased densities.

The key growth locations in Penrith City 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; and
- Within walking distance (800m) to existing or future high frequency public transport.

Key growth locations 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 City over the next 20 years are:

- Future station precincts; and
- East-West Economic Corridor.

These locations are explored in further detail on the following pages.

Future station precincts

Land located in proximity to future train or Metro stations should be preserved in the short to medium term for higher density and mixed-use development. This is particularly important around Orchard Hills and Luddenham (Sydney Science Park) where there are large parcels of land in single ownership. Council will develop principles to guide growth and change in future station precincts through its upcoming Corridors and Centres Strategy (discussed below).

Planning for the extension of the North South Rail Link 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.

Planning in these areas will need to carefully consider the potential for detached dwellings to be delivered. If low density dwellings are in high demand and permitted to be delivered instead of higher density transit oriented development, it is likely that dwelling potential would be under-realised.

Council is undertaking a Corridors and Centres Strategy which will sit alongside this Local Housing Strategy. The Corridors and Centres Strategy is expected to include place-based Structure Plans and masterplanning for some of the centres identified herein for future housing growth, particularly the East-West Economic Corridor. This work will develop a vision, priorities and actions for the Corridor and the centres within the Corridor. The work is expected to address public domain enhancement and the achievement of sustainable, resilient and well-designed precincts.

It should be noted that responsibility for planning of the Orchard Hills and Luddenham Station Precincts lies with the DPE.

East-West Economic Corridor

Penrith City's East-West Economic Corridor has capacity to accommodate over 25,000 new dwellings under existing planning controls. A portion of these new dwellings will likely be delivered by 2026, primarily around the Penrith City Centre, Kingswood and Werrington. Future development will be planned to align with infrastructure delivery, including managing and mitigating flood risk around the Penrith City Centre and delivering new rail infrastructure at St Marys.

Development of major infrastructure projects such as the Outer Sydney Orbital and the North South Rail Link will increase capacity for north-south and east-west connectivity within Penrith City's Economic Triangle. As the influence of the Western Sydney International Airport and new transport infrastructure grows and consolidates, the role of key mixed use centres such as Kingswood and St Marys are likely to mature as development densities increase and commercial, industrial and employment generating uses diversify and growth continues.

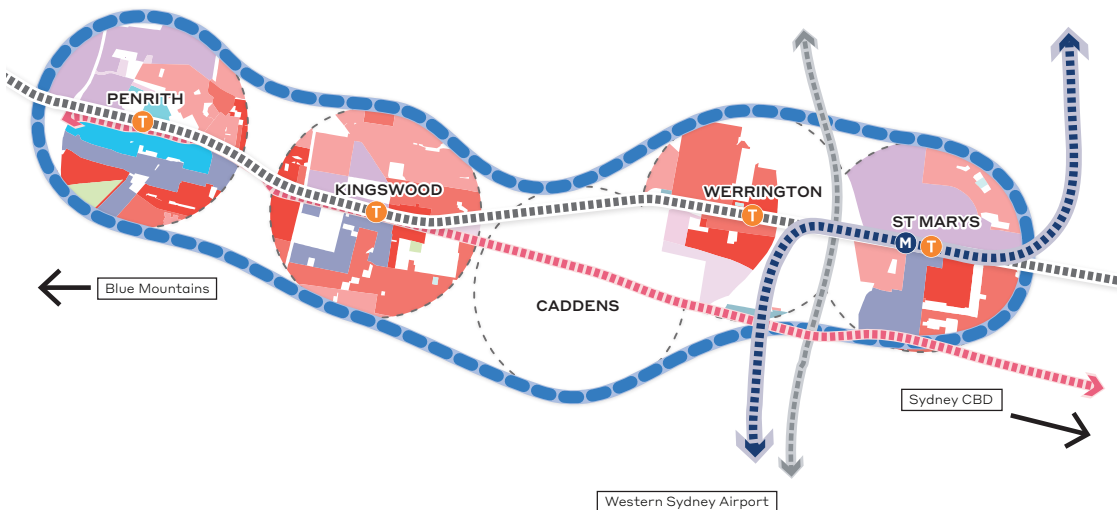
Other trends that are likely to influence future housing within the East-West Economic Corridor include:

- Population related growth in retail and services, and higher density living, are anticipated to continue in and around the Penrith City Centre.
- Significant investment in the Nepean Hospital and the Penrith Health and Education Precinct will attract knowledge intensive industries.
- Commercial and industrial development around the Western Sydney International 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 City Centre 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 the East- West Economic Corridor will be the sustainable provision and upgrade of community infrastructure such as public parks, open space and community facilities.

Figure 38 Existing East-West Economic Corridor



Source: Ethos Urban

Potential Mechanisms

- Support the provision of new housing at increased densities to promote housing diversity within Penrith City's East-West Economic Corridor.
- Develop a program for precinct planning work in each of the key locations for housing growth, reflecting the significant capacity and established strategic vision, demand and supporting infrastructure in those locations. Work on the new station precincts will need to align with State Government timeframes once known. Each precinct plan should align built form controls with development feasibility testing and provide a schedule of infrastructure works and funding sources.
- Investigate opportunities to utilise Council-owned car parks to stimulate development in Penrith City Centre and St Marys Town Centre through sale with conditions or joint venture developments. This could include the use of car park land for community benefits as well as affordable housing.
- Defer rezoning of land in vicinity of new station precincts until master planning has been undertaken.
- Leverage new larger scale housing development to set a high standard of urban design, deliver community benefits, and contribute to the revitalisation of centres.
- Support medium density housing development in close proximity to centres (excluding Penrith and St Marys) by reviewing the location of the R3 zone and refining the planning controls as outlined in a separate statutory planning review.



5.3 PROFILES OF KEY GROWTH CENTRES

Housing supply delivered in the right location at the right time





Penrith

[PROFILE]

Penrith City Centre is an established commercial centre that also plays a regional population-serving role for the broader Western City district, as well as for Western NSW. Penrith's major employment industries include retail, government services in health and administration, and food and accommodation. The Penrith City Centre also supports our cultural, recreation and tourism industries, with strong connections to the Nepean River and future opportunities connecting to Penrith Lakes. Locating housing in the Penrith City Centre will provide homes closer to jobs, allowing residents to reduce travel times and benefit from increased time for recreation, family and friends.

Characteristics

- 1 Western Sydney Parkland City's Metropolitan Cluster and the heart of Penrith LGA
- 2 Part of the East-West Corridor and a key focus of the Economic Triangle
- 3 The Centre is transitioning to a compact higher density centre offering a diversity of land uses in an active and walkable precinct with strong connections to major employment locations in Greater Sydney.

Median prices

House	Unit
• Purchase: \$780,000	• Purchase: : \$489,000
• Rent: \$420/wk	• Rent: \$398/wk

Source: realestate.com.au (Nov 2021)

Lot size

- | | |
|--------------------|------------------------|
| • Mean: 0.115 ha | • Minimum: 0.000029 ha |
| • Median: 0.062 ha | • Maximum: 7.85ha |

Existing facilities and services

- | | |
|---|---------------------|
| • Primary schools | • High school |
| • Regional shopping centre | • Community centres |
| • Railway station and transport interchange | • Stadium |
| | • Regional park |
| | • Aquatic centre |

Frequency of peak hour train services

Trains to Central Station - 5-10mins

Housing supply in 2016 (SSC)

Dwelling type	No.	Per cent
Separate house	2,529	1.6
Semi-detached, row townhouse etc	1,528	29.6
Flat or apartment	1,272	23.8
Other dwelling	7	0.1

Source: ABS Census 2016

Development pipeline

Short-term 2020–2021: Beyond 2021:

- | | |
|--------------------|--------------------|
| • 2,402 apartments | • 1,356 apartments |
| • 21 townhouses | • 21 townhouses |

Source: Cordells Connect (Dec 2020)

Development outlook

- Flooding constraints require State Government resolution for full dwelling potential to be realised.
- Penrith City Centre is likely to continue to be the main location of higher density development in the LGA
- The significant development pipeline far exceeds demand as previously demonstrated by Savills⁵
- A significant number of recent development approvals for high rise housing are not progressing to construction suggesting that there is inadequate demand for projects to progress and development feasibility is a constraint, combined with a lack of confidence in the Penrith market

Estimated dwelling potential

(current planning controls)

4,000 – 14,050 additional dwellings*

*Note: a proportion of these will be post 2036 and dependent upon resolution of further strategic and infrastructure delivery works by State Government.

Planning issues

- The LEP review found that, with the exception of Key Sites 3, 10 and 11, it does not appear that Penrith LEP Clause 8.7, which allows for additional density in exchange for community infrastructure, has resulted in significant dwelling delivery.
- DCP controls for Key Sites do not clearly articulate community infrastructure requirements to achieve the Clause 8.7 bonuses.
- Very low take up in Penrith City Centre, indicating mismatch between demand, feasibility and planning controls.
- Success of Thornton apartment development suggests preference for moderate sized apartment buildings.
- DCP controls preference “traditional” design outcomes that may not align with market preferences/Apartment Design Guidelines.
- DCP controls do not appear to allow for podium and tower development. This can promote bulkier uniform buildings that do not relate to the street, public domain and overall pedestrian environment.
- Requirements for excessive parking may require excavation (increased cost) or above ground floors (poor visual amenity).
- Evacuation during major flood events is an ongoing issue with development caps in place.
- Growth will increase demand for existing services, particularly water, with ongoing work with Sydney Water and other infrastructure providers required.
- Need to improve connections, to surrounding suburbs and other regional centres.

Potential Mechanisms

- Encourage government investment in the City Centre, including health, education and services to raise the profile of the centre, stimulate clustering and attract residential investment.
- Undertake improvements to the public realm to improve amenity of Penrith Town Centre. The character of the physical environment plays a critical role in where people choose to shop, relax and entertain themselves. Only following resolution of flooding and evacuation routes by the State Government, undertake detailed place-based planning work that sets clear desired outcomes for the Penrith City Centre and brings together feasibility analysis, infrastructure planning and urban design into a deliverable planning framework.
- Develop character statements for the Penrith City Centre in accordance with the DPE’s Local Character and Place Guideline.
- Establish sustainable infrastructure funding mechanisms including:
 - Clarify the application of bonus height and FSR controls by developing a schedule of desired community infrastructure in the Penrith DCP, estimated cost of works, and how infrastructure could suitability be incorporated into development sites.
 - Expanding the community infrastructure LEP clause to reference the schedule and the potential works-in-kind/funding of off-site works to meet the requirements of the clause.
- Amend Penrith LEP and DCP once place-based planning has been developed to:
 - Incorporate longer term character and design principles into DCP that reflect long term vision.
 - Refer to a masterplan for Penrith City Centre and incorporate masterplans into Key Precinct DCP.
 - Require developer-led Planning Proposals to be supported by developer-led Key Precinct DCP, with Council experts assessing and revising, as necessary.



St Marys

[PROFILE]

St Marys 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 residential uses will be important to achieving the changing role and function of the Town Centre. There are many opportunities for housing diversity in St Marys Town Centre including the provision of affordable and other specialist housing types.

Characteristics

- 1 A traditional high street centre characterised by one and two storey buildings with large at-grade car parking to the rear. Two disparate shopping complexes offer a Woolworths and Coles supermarket and specialty stores.
- 2 Surrounding development is largely detached dwellings and medium density housing with a small number of high rise apartments of six to eight storeys.
- 3 Construction commenced on a new Sydney Metro station located adjacent to the existing heavy rail station in 2021. When complete St Marys will be connected to major employment locations at the Western Sydney International Airport and Aerotropolis which are currently under development.

Median prices

House	Unit
• Purchase: \$761,250	• Purchase: : \$500,000
• Rent: \$395/wk	• Rent: \$360/wk

Source: realestate.com.au (Nov 2021)

Lot size

- Mean: 0.07 ha
- Median: 0.06 ha
- Minimum: 0.0001 ha
- Maximum: 4.17ha

Existing facilities and services

- Primary schools
- Local shopping centres
- Railway station
- Bennet and Lang parks
- High school
- Community centres
- Stadium
- Aquatic centre

Frequency of peak hour train services

Trains to Central Station - 10mins

Housing supply in 2016 (SSC)

Dwelling type	No.	Per cent
Separate house	2,348	54.8
Semi-detached, row townhouse etc	1,105	25.8
Flat or apartment	804	18.8
Other dwelling	6	0.1

Source: ABS Census 2016

Development pipeline

Short-term 2020–2021: Beyond 2021:

- 227 apartments
- 426 townhouses
- 397 apartments
- 97 townhouses

Source: Cordells Connect (Dec 2020)

Development outlook

- Currently strong. Expected to improve once the Sydney Metro construction is completed.
- Some planned developments likely to be deferred pending Sydney Metro construction.

Estimated dwelling potential

(current planning controls)

8,700 – 10,100 additional dwellings

Planning issues

- Need to plan for growth and revitalisation on account of incoming Sydney Metro and interchange.
- Planning should aim to leverage investment to improve the town centre and create a liveable neighbourhood precinct.
- In general, current demand is not adequate to support large scale development proposals. Initiatives to attract larger developments to the centre may increase investment, improve amenity, provide a catalyst for growth and, if done well, showcase the development standard being sought.
- Poor pedestrian connectivity within the centre.
- Capacity analysis undertaken for the St Marys Town Centre has indicated that current planning controls are sufficient and provide an adequate supply of housing in the short-medium term. Take-up of this existing development potential has been slow in St Marys on account of limited market demand. However, experts predict that take-up will increase over time, particularly after the Sydney Metro Western Sydney Airport becomes operational.

Potential Mechanisms

- Consider offering bonus FSR or FSR deductions for community benefits or negotiated outcomes under Voluntary Planning Agreements that deliver community benefits.
- Consider the need for minimum non-residential GFA in St Marys B4 Mixed Use zone in line with the St Marys Town Centre Economic Development Strategy.
- Prepare a Structure Plan and Masterplan for St Marys which seeks to:
 - Develop a vision and place principles to guide growth in St Marys.
 - Capitalise on the planned St Marys Sydney Metro station and associated amenity improvements.
 - Deliver a mixed use precinct focused along Queen Street that maintains the high street character and contributes to revitalisation of St Marys.
 - Define intended public benefit outcomes upfront.
 - Align planning, urban design and development feasibility outcomes to facilitate development renewal in the Glossop Street precinct.
- Defer rezoning of land in the vicinity of the new Sydney Metro station until master planning has been undertaken for the centre.
- Consider utilising Government-owned sites as a stimulus to development while also achieving specific development outcomes such as affordable housing, open space, or connections to Queens Street.
- Work with NSW Land and Housing Corporation in the precinct planning to unlock development that can set the standard for the precinct's future.



Werrington

[PROFILE]

Werrington is a centre which has been identified as being suitable for housing growth as part of the East-West Corridor. The centre is well serviced by public transport being located on the Main Western Rail line. Several underutilised sites are presently making the area attractive for investment. Werrington benefits from proximity to the Western Sydney University and TAFE.

Characteristics

- 1 Predominately a dormitory suburb with a village retail centre located to the north of the rail station offering convenience retail services.
- 2 Residential development is predominantly low density.
- 3 Werrington Enterprise Living and Learning (WELL) Precinct is located to south of suburb.
- 4 Reasonable access to transport, particularly Werrington Railway Station.
- 5 Good access to local public schools.
- 6 A mix of housing types (compared to the Penrith LGA) to meet the needs of a wider cross section of the community and promote ageing in place.
- 7 Under-utilisation of a number of sites in close proximity to the centre where consolidation and redevelopment may be able to meet future mixed use and housing demand.

Median prices

House	Unit
• Purchase: \$728,875	• Purchase: : \$519,000
• Rent: \$440/wk	• Rent: \$360/wk

Source: realestate.com.au (Nov 2021)

Lot size

- Mean: 0.176 ha
- Median: 0.064 ha
- Minimum: 0.0008 ha
- Maximum: 27.98 ha

Existing facilities and services

- Primary schools
- Local shopping centre
- Railway station
- Community centres
- The Kingsway park

Frequency of peak hour train services

Trains to Central Station - 5–10mins

Housing supply in 2016 (SSC)

Dwelling type	No.	Per cent
Separate house	664	43.3
Semi-detached, row townhouse etc	483	31.5
Flat or apartment	381	24.8
Other dwelling	0	0.0

Source: ABS Census 2016

Development pipeline

- Short-term 2020–2021: Beyond 2021:
- 0 apartments
 - 111 townhouses
 - 95 apartments
 - 31 townhouses

Source: Cordells Connect (Dec 2020)

Development outlook

- Reasonable development pipeline but greater investment would be required to support a new centre development.
- Additional housing in the centre and surrounds would generate a larger population to support growth in retail and commercial sector activities.

Estimated dwelling potential

(current planning controls)
900 additional dwellings

Planning issues

- Recent development in R4 High Density Residential zone to the south of the rail line is predominately low rise medium density housing with sites not being utilised to their maximum potential. Preserving the R4 zone for higher density development, by removing dwelling house and dual occupancy as permissible uses, would ensure remaining development sites in the R4 zone are developed to a higher density.
- Significant vacant parcels and underutilised sites could be utilised for high density housing.
- Flooding and overland flow is an issue for land in proximity to the station.
- Centre amenity could be improved. Increased housing would make retail uses more viable, encouraging fewer vacancies in the commercial centre.
- Capacity analysis undertaken for the St Marys Town Centre has indicated that current planning controls are sufficient and provide an adequate supply of housing in the short-medium term. Take-up of this existing development potential has been slow in St Marys on account of limited market demand. However, experts predict that take-up will increase over time, particularly after the Sydney Metro Western Sydney Airport becomes operational.

Potential mechanisms

- Amend Penrith LEP to prohibit dwelling houses and dual occupancies in the R4 zone.
- Review multi dwelling housing and attached dwelling land uses for suitability in the R4 High Density Residential zone and potentially prohibit these uses.
- Review DCP controls for residential flat buildings to improve flexibility and encourage performance based outcomes.
- In the future, consider the potential to extend the retail and commercial offer by requiring active street frontages in shop top housing developed near the station.



Kingswood

[PROFILE]

Kingswood is an emerging health and education precinct anchored by the Nepean Hospital, TAFE and Western Sydney University. These institutions are critical to the precinct known as The Quarter. The centre is well serviced by public transport being located on the Main Western Rail line. Several underutilised sites are presently making the area attractive for investment.

Characteristics

- 1 Strong employment activity including the Nepean Hospital and associated medical, University of Western Sydney and supporting retail and industrial uses.
- 2 Strong demand for housing for workers and students at the hospital and the university.
- 3 Good access to local services, transport and schools.
- 4 Under-utilisation of a number of sites in close proximity to the centre where consolidation and redevelopment may be able to meet future mixed use and housing demand.
- 5 Kingswood health and education facilities are critical components of The Quarter which has been identified as part of the Penrith Collaboration Area by the Greater Sydney Commission and is envisaged to become a centre for health and education excellence.

Median prices

House	Unit
• Purchase: \$760,000	• Purchase: : \$469,000
• Rent: \$400/wk	• Rent: \$350/wk

Source: realestate.com.au (Nov 2021)

Lot size

- Mean: 0.07 ha
- Median: 0.065 ha
- Minimum: 0.0008 ha
- Maximum: 0.292 ha

Existing facilities and services

- Primary schools
- University campus
- Railway station
- High school
- Community centre
- Chapman Gardens park

Frequency of peak hour train services

Trains to Central Station - 5–10mins

Housing supply in 2016 (SSC)

Dwelling type	No.	Per cent
Separate house	1,673	49
Semi-detached, row townhouse etc	1,175	34.4
Flat or apartment	535	15.7
Other dwelling	10	0.3

Source: ABS Census 2016

Development pipeline

- Short-term 2020–2021: Beyond 2021:
- 393 apartments
 - 179 townhouses
 - 163 apartments
 - 44 townhouses

Source: Cordells Connect (Dec 2020)

Development outlook

- Strong. Significant development is occurring near the Nepean Hospital suggesting there is potential for this to evolve into a mixed use higher density precinct.

Estimated dwelling potential

(current planning controls)

2600 – 3,100 additional dwellings

Planning issues

- Recent investment in the Nepean Hospital appears to have stimulated mixed use development south of the hospital. There is a risk that this would create a second centre, potentially 'leap frogging' development away from Kingswood Station.

Potential mechanisms

- Encourage shop-top/mixed use apartments south of Great Western Highway to create a live/work/play environment with positive social outcomes.
- Accommodate housing for local workers, especially essential workers such as nurses, doctors and health/education executives.
- Encourage supply of universal and adaptable housing, particularly as medium density infill housing.
- Prioritise short term accommodation for visitors, student accommodation and affordable rental housing, including build-to-rent.
- Consider bonus FSR for commercial/community development to promote non-residential uses.



New Station Precinct – Orchard Hills

[PROFILE]

Sydney Metro has recently announced the location of new stations on the proposed Sydney Metro Western Sydney Airport line. The proposed Orchard Hills Metro Station would be located on the eastern side of Kent Road, north of Lansdowne Road. The station would have one entrance on Kent Road with provision for a future second entrance east of the station. According to Sydney Metro, the station is intended to service a future residential, commercial and mixed-use precinct in what is currently a rural environment. A Metro station at Orchard Hills is to be a catalyst for the transformation of the area into a compact, high-amenity and walkable new community.

The Sydney Metro line is a major multi-billion dollar investment by State Government to improve public transport in Western Sydney and link the new International Airport to the rest of the Sydney Region. Urban development of a new station precinct at Orchard Hills would capitalise on this investment providing high density living and working within a walkable catchment, thereby meeting the objectives of transit orientated development.

Planning for Orchard Hills Station Precinct and Orchard Hills West lies within the responsibility of the Department of Planning and Environment through the Greater Penrith to Eastern Creek Strategic Framework.

Characteristics

- 1 Part of the Orchard Hills South Investigation Area nominated by the State Government.
- 2 Established rural / semi-rural area.
- 3 Strategic planning priorities have yet to be released, resulting in some uncertainty regarding development outcomes

Development outlook

- Development outlook for Orchard Hills is strong but is contingent on State Government commitment to delivery of the Sydney Metro project. Outlook is partly driven by speculation and failure to deliver the associated precinct planning in a timely manner, which could delay development outcomes.

Estimated dwelling potential

(current planning controls)

- Dwelling potential requires finalisation of density and zoning controls.
- The catchment of the Metro station is currently zoned Rural. A rezoning proposal will need to be developed that responds to the future provision of the station. State Government is expected to lead this process.
- Assuming an 800m walking catchment, there is potential for approximately 6,000 dwellings. This assumes a mix of higher and medium density dwellings, with overall densities similar to Tallawong and Thornton Central.

Planning issues

- Orchard Hills is within the broader GPEC Investigation Area. Under the City Deal, DPE has commitments for delivering planning for this Growth Area. Council is currently working with DPE to determine future planning outcomes.
- Significant State-led planning work required.

Potential mechanisms

- Development timeframes to be monitored and responded to.
- Collaborative working arrangements to be established between State Government and Council.
- Detailed planning framework and DCP provisions to be prepared by DPE and Council to set desired housing mix and development standards.
- Considerable infrastructure works to be delivered.
- Infrastructure funding and co-ordination of infrastructure delivery needed.
- Defer rezoning of land in the vicinity of the new Sydney Metro station until master planning has been undertaken for the centre.
- Housing types, density and dwelling mix to be further considered in detail through a rezoning and DCP process.



New Station Precinct – Luddenham

[PROFILE]

Sydney Metro has recently announced the location of new stations on the proposed Sydney Metro Western Sydney Airport line. The proposed Luddenham Station would be located near Luddenham Road, between the Warragamba pipeline and the new International Airport. The station would have one entrance on the western side of the station’s platforms. Sydney Metro has advised that “the station would be designed to support the future employment, research and knowledge-based employment precinct in Luddenham, along with mixed-use residential development with access to jobs, transport and green space”. The station sits within a location known as Sydney Science Park (SSP). Planning for the Precinct is the responsibility of DPE.

Characteristics

- 1 Predominantly greenfield area strategically positioned between the future Western Sydney International Airport and St Marys
- 2 One of six new station locations on the proposed new Sydney Metro line
- 3 The Luddenham Station Precinct includes the proposed SSP on a site of approximately 287 hectares.

Development outlook

- The SSP has progressed considerably more slowly than originally intended. The servicing of the site began in 2021, while housing is expected from 2024.
- Developer, Celestino, describes the SSP as a “mixed-use smart city that will create an internationally recognised epicentre for research, development, education, commercialisation and innovation”.

Estimated dwelling potential

(current planning controls)

- Clause 7.24 (7) of the Penrith LEP limits the site to 3,400 dwellings. This clause was finalised prior to the Sydney Metro line commitment. The preferred release of residential development commensurate with the progressive development of the area is as follows:

Development type	Staging rate of permissible dwelling approvals (cumulative dwelling approvals not to be exceeded until the relevant quantity of employment floor space is completed)				
	10,000	35,000	75,000	150,000	470,000
Non-residential (m ²) (Constructed)	10,000	35,000	75,000	150,000	470,000
Cumulative dwelling yield (approved)	0	750	1,500	2,250	3,400

Planning issues

- The LEP established a cap of 3,400 dwellings, with Planning Proposal documents noting the (then) potential for a Sydney Metro station on the site
- As a significant greenfield development, detailed master planning and infrastructure delivery (e.g. utility, transport and social) is required to support future development
- Celestino has progressed site preparation applications and works in recent years
- It is anticipated that further planning work would be undertaken as part the Aerotropolis SEPP implementation process. This would establish the vision of the station precinct based on additional technical and strategic reporting. Potential outcomes are outlined in the draft Aerotropolis Precinct Plan, and largely reflect the planning controls that exist on the site.

Potential mechanisms

- Development timeframes to be monitored and responded to.
- Collaborative working arrangements to be established between the DPE and Council through the Aerotropolis SEPP implementation.
- Considerable State Government and Council infrastructure works are required to support development.
- Infrastructure funding and co-ordination is to be prioritised.
- Dwelling density and mix to be considered further at the DA stage to align with policy.

5.4 GREENFIELD URBAN RELEASE

Low density housing makes up the majority of residential land in Penrith LGA. 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.

A 'greenfield' site refers to land that is largely undeveloped, often vacant or farmland, and generally unconstrained by any buildings that exist on that land. Greenfield sites are 'released' for urban development once they are rezoned or otherwise designated for urban use.

Greenfield urban release areas in Penrith City meet one or more of the following criteria:

- 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.

Sensitive design controls are necessary across all greenfield areas to effectively manage environmental effects, amenity impacts and achieve sustainable outcomes. In locations where the release area interfaces with rural land or transit-orientated centres, the transition of built form and amenity outcomes should be a key consideration.

Overall, greenfield areas in the Penrith LGA will allow for a moderate level of housing growth and will support a variety of detached and medium density housing forms.

Locations identified for greenfield development in Penrith City over the next 20 years are within existing new release areas and strategic investigation areas.

The role of these locations to accommodate future housing is discussed further in the following pages.

Existing new release areas

New release areas are masterplanned residential neighbourhoods located on the fringe of Penrith City's urban core. This Strategy has identified there is capacity for approximately 10,000 new dwellings within existing new release areas, with approximately 3,000 dwellings to be delivered by 2026. These locations are:

- Caddens;
- Glenmore Park (Stage 2 and 3);
- Jordan Springs and Central Precinct; and
- Orchard Hills North.

Within these areas, new housing will be similar to what already exists in those suburbs, but Council will make a concerted effort to improve design quality and sustainability standards into the future.

Strategic investigation areas

The District Plan has identified Urban Investigation Areas, generally located outside of the walkable station catchments. Planning for these areas is currently underway and generally at early stages.

Given the early nature of planning the estimate dwelling numbers are broadly conceptual or too early to determine. Strategic investigation areas include:

- Orchard Hills West (i.e. outside of the Sydney Metro station precinct) ; and
- Mt Vernon.

These areas will need to be continually monitored and should not be considered within the 2036 target.

5.5 INFILL AREAS

Residential suburban areas

The balance of existing residential land within Penrith City's established residential neighbourhoods will accommodate a modest level of housing change over the next 20 years. Within existing 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 (typically buses), 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 our City changes over time, local centres will play a key supporting role in providing supplementary local services outside the East-West Economic Corridor. These local centres 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 a 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 are also neighbourhood centres distributed throughout Penrith City's residential suburban areas. These locations have limited capacity for growth as they are usually located on the urban fringes and outside typical walking catchments to public transport.

Council's Corridors and Centres Strategy will develop a vision and priorities to guide the future of local and neighbourhood centres, including the development of character statements.

5.6 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 City 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
- Some land may be suitable for infill, 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.

Potential Mechanisms

- Support incremental housing change within Penrith City's existing residential suburban areas (i.e. infill housing).
- Support medium density housing within proximity to Local Centres across Penrith City's infill and new release areas to promote housing choice and walkability.
- Prioritise the delivery of 'greenfield' housing in existing release areas with remaining capacity in the short to medium term.
- Limit 'greenfield' housing to those locations specifically identified in Council's Local Housing Strategy or the District Plan. This ensures that new housing has progressed through a robust strategic planning and community engagement process.
- Program the rezoning of Urban Investigation Areas to provide increased capacity and align with future infrastructure and projected need in the longer term.

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

Constrained land

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

New housing should not be located in the following areas:

- Residential land around Emu Plains, Emu Heights, Regentville and Jamisontown due to flooding and evacuation route constraints.
- Land within the ANEF 20 contour in Mount Vernon subject to the Airport Safeguarding Provisions for Western Sydney International Airport.
- 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).
- Employment Lands as identified in Council's endorsed Employment Lands Strategy.
- Rural Lands, except land identified as strategic investigation areas, existing new release areas, or land located within a rural-residential village setting as identified in Council's Rural Lands Strategy.

Rural villages

Located within the 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 two hectares and primarily comprising single and double storey dwellings.

In our City, rural villages are located in the northern and southern portions of the LGA. Generally, the rural villages have very limited housing growth capacity due to the significance of the local rural economy and landscape and scenic values, as well as limited ability to support the commercial and non-residential uses upon which a larger population would rely.

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

- Mulgoa Village
- Wallacia Village
- Londonderry Village.

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. Matters pertaining to rural lands, rural economy and rural villages are addressed in the Rural Lands Strategy.

Potential Mechanisms

- Maintain a low-level of housing growth and avoid urban intensification in limited change areas.
- 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.
- Support opportunities to deliver housing for specific sub-markets including seniors housing and rural-residential dwellings that are consistent with existing and future economic activities and amenity of the rural area.
- Maintain existing minimum lot sizes in rural villages.
- Protect the Metropolitan Rural Area by preventing the expansion of the residential footprint within rural villages.
- Support low-density residential infill development or renewal on vacant land in rural villages.

6. HOUSING DIVERSITY



6.1 DELIVERING HOUSING CHOICE

Housing Diversity

Penrith City 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 our City) will continue to be important. However, our community will experience more rapid increases in couples without children, single person households, and an overall ageing population.

Housing diversity is influenced by a range of characteristics including dwelling type, dwelling size and configuration, lot size, tenure, price point, and 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 City (particularly the Sydney Metro Western Sydney Airport line from St Marys to the Aerotropolis) will unlock new areas for housing supply. Locations such as Orchard Hills and Luddenham 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 their core. However, these outcomes are dependent on Sydney Metro Western Sydney Airport being operational by 2026, and decisions on the design, frequency and network function of new stations.

Housing diversity means:

- ✓ Ensuring 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.
 - ✓ Ensuring local infrastructure appropriately caters to the future demand generated in key growth locations, greenfield and infill areas.
-

In this Chapter, housing diversity is discussed in terms of two broad categories. Firstly, diversity can be achieved through the provision for different housing typologies. That is, a mix of low density, medium density and high density dwellings, as well as existing rural-residential lots. These typologies are naturally of differing size, and can even differ in the way the housing is owned or managed (e.g. Torrens, Strata or Community title). Secondly, diversity can be reflected in the targeting of specific groups in society with different needs. For instance, seniors housing, student housing, boarding houses, and lifestyle/executive housing. These later housing forms cater to people at different stages of life, and differing levels of socio-economic advantage/disadvantage.

6.1.1 Low density housing

Detached houses presently comprise the majority of housing stock in Penrith City, 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 facilitated the delivery of detached dwellings on the periphery of the urban area.

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, Jordan Springs and Orchard Hills North will continue to provide new housing. Historic dwelling approval 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.

Semi-detached dwellings (duplexes), dual occupancies and secondary dwellings (granny flats) would also fall into this low density typology. These forms are more likely to be found as infill housing within established residential areas.

Potential Mechanisms

- Continue to deliver lower density detached housing in areas zoned R2 Low Density Residential.
- Review planning controls for second storey rear setbacks and building envelopes with a view to promoting two-storey dwellings with smaller footprints, allowing increased tree planting and greater private open space.
- Prohibit detached dwellings in the R3 and R4 zones to encourage development of higher density housing forms in those locations.

Rural-residential living

Penrith City is fortunate to retain agricultural and rural land on its urban fringes, together with a number of rural villages. While intensification of residential development in these locations is not generally supported, this Strategy recognises the value these existing locations provide in contributing to housing choice in our LGA.

These areas are considered separately in the Rural Lands Strategy.



6.1.2 Medium density housing

The provision of medium density housing (e.g. townhouses, villas, terraces) is opportunistic throughout the established residential areas of Penrith City. The delivery of multi-dwelling housing across Penrith City's established suburbs has presented a number of issues and challenges. Existing development controls within the LEP and DCP have resulted in the delivery of multi-dwelling housing in established suburbs that are characterised by larger, narrow lots, older and poorer quality housing stock, lower median housing prices, and 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 Housing Diversity Code (being part of the Codes SEPP) 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 a council's Local Environmental Plan.

The design principles contained in the Low Rise Housing Diversity 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. 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. 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 City

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 on:

- 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.

Furthermore, the State policy applies additional requirements for Complying Development on bushfire prone land and flood control lots.

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

Where the Code does not apply, or an application does not comply with it, the Penrith Development Control Plan 2014 continues to provide detailed land use specific provisions LGA wide. The DCP stipulates the design guidelines for residential development including dual occupancies, secondary dwellings and multi dwelling housing. It also contains a range of provisions relating to these housing typologies that aim 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 Code and the Penrith DCP are outlined in **Table 12**.

Table 12: Comparison between LRHD Code and Penrith LEP/DCP

Key design provisions	Low Rise Housing Diversity Design Code	Penrith LEP 2010 and Penrith DCP 2014
Floor space ratio / Gross floor area	<ul style="list-style-type: none"> Gross floor area: 80% of site area in R3 zone (equivalent to 0.8:1). 	<ul style="list-style-type: none"> No control. NB: No FSR in R3 zones under PLEP 2014.
Height	<ul style="list-style-type: none"> 9m (2 storeys) 	<ul style="list-style-type: none"> 8.5m (2 storeys)
Minimum Street Frontage	<ul style="list-style-type: none"> 18m 	<ul style="list-style-type: none"> 22m
Minimum lot size	<ul style="list-style-type: none"> In accordance with the LEP. Where the LEP does not specify a minimum lot size of 600m² applies. 	<ul style="list-style-type: none"> 800m²
Setbacks	<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> Front: 5.5m Side setback: 2m (minimum) Rear setback: 4m (minimum)
Landscaped Area	<ul style="list-style-type: none"> 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%. 	<ul style="list-style-type: none"> Minimum landscaped area of 40%, with a minimum width of 2m.
Private Open Space	<ul style="list-style-type: none"> 16m² with a minimum width of 3m. 	<ul style="list-style-type: none"> 25m² with on area measuring at least 5m x 4m.
Car Parking	<ul style="list-style-type: none"> 1 space per dwelling 	<ul style="list-style-type: none"> 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 Code is the potential for varied design outcomes, in particular for multi dwelling housing within the R1 and R3 zones. Existing provisions in the Penrith DCP 2011 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, breaking buildings into separate blocks). The 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 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.

Council is recommended to develop these character statements, which can later form part of the Penrith DCP. This will provide greater 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.

Potential Mechanisms

- Develop local character statements for inclusion within the Penrith DCP to provide greater guidance for low rise medium density housing within the LGA.
- Retain the application of the Low Rise Housing Diversity Code to areas zoned R3 Medium Density Residential, which already permit this form of housing and consider introducing height and FSR controls to signal the desired built form outcomes.
- Review the application of the R3 Medium Density Residential zone to prioritise 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.
- To balance design benefits with development costs, 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 in combination with incentives for development. This aims to ensure appropriate size and dimensions are provided for medium density housing. Incentives could include reduction in car parking rates, allowance for communal open space rather than private open space, allowance for a mix of three storey townhouse style units, and reduced front setbacks in areas where the character is appropriate.

Potential Mechanisms (cont'd)

- Undertake a design review of DCP provisions to investigate the implications of increasing 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.
- Review the DCP to make design controls more flexible to allow greater diversity of approaches within an overall character vision while acknowledging that character may change over time.
- Encourage increased delivery of higher density housing by prohibiting low density housing forms in the R4 and B4 Mixed Use zone.
- Review the permissibility of multi dwelling housing and attached dwelling land uses in the R4 High Density Residential and B4 Mixed Use zone and potentially prohibiting these uses to encourage higher density housing forms in those locations.
- Review DCP controls and their counterparts in the Codes SEPP, with the goal of making the DCP competitive and allow Council to have an active role in promoting design outcomes, rather than customers preferencing Complying Development.

6.1.3 Higher density housing

In 2015, there was a significant increase in the number of higher density development approvals in Penrith City 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 City 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 largely successful in our City where development scale has provided scope for place making, for example at Thornton.

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 City Centre) is less able to deliver place-making outcomes on-site (such as parks) 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. In some instances, high-density developments will be able to deliver in-kind

contributions as part of development proposals, such as parks, streetscape improvements, through-site links and/or community facilities.

This Strategy 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 Plan.

In the immediate future, this Strategy seeks to prioritise higher density housing delivery in the Penrith City Centre and Kingswood, to capture current market preferences and capitalise on existing infrastructure investment. Any revisions to the planning framework to encourage higher density housing in other locations should be sequenced so as not to place other centres in competition with these centres given the limited market demand.

Potential Mechanisms

- Consider inserting provisions in the DCP to 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.
- With respect to Penrith City Centre and Kingswood, develop a program to prepare masterplans for each key location for housing growth to align urban design, planning controls, development feasibility and infrastructure delivery.
- Update existing contribution plans for district and local open space and community facilities to accommodate additional demand generated in areas of housing diversity. This may require an update to works programs and staging to meet future population needs.
- Match infrastructure delivery with housing growth by planning for the delivery of an infrastructure works program to fund new and revitalised open space and community facilities within the key locations for housing growth.
- Develop a Social Infrastructure Plan for the LGA to understand, coordinate and advocate for the future supply of community infrastructure in Penrith City's new release areas.
- Incorporate character statements and design principles to promote performance based outcomes for the built form of key precincts.
- Incorporate public domain, streetscape and amenity principles into the character statements to articulate the vision for how development should interact and enhance the surrounding area.
- Clearly lay out community infrastructure guidance (e.g. physical infrastructure, through site links and land dedication) and examples of suitable provision to enable Key Site bonuses or otherwise provide opportunities for offsetting development contributions with works-in-kind.

6.1.4 Seniors housing

It is expected that the population aged 65 years and over in the Western Parkland City will increase over the life of this strategy. Based on the 2016 ABS Census data, 65-74-year olds 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 housing typologies will be required to support the changing demographics and ensure an adequate supply of specialised housing. Some segments of the Penrith City 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 City'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 the Penrith LGA.

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.

The appropriate design and location of housing can support the changing demographics within Penrith LGA. The LEP currently allows for seniors housing development in the R1, R3, RU5, and B4 zones. The Housing SEPP permits the development of certain types of seniors housing even where it is prohibited under the Standard Instrument. The Housing SEPP also includes provisions to incentivise development uplift in the form of an FSR bonus in specific circumstances.

Notwithstanding, it is considered that the current zones where seniors housing is permissible with consent are appropriate in the context of Penrith City 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, in proximity to retail, community and recreational facilities, and be well serviced by public and/or community transport in accordance with the Housing SEPP.

Potential Mechanisms

- Support the provision of seniors housing in established urban centres, rural villages, and new release areas where there is supporting social infrastructure and transport.
- Within residential flat buildings, maintain the delivery of at least 10% of all dwellings (or a minimum of one dwelling) being designed in accordance with the Australian Adaptable Housing Standard under the Penrith DCP.
- 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.
- Encourage delivery of a supply of housing suited to the needs of people as they age by:
 - Ensuring the planning framework effectively provides for a diversity of housing in the "right locations", with a specific focus on the key locations for housing growth
 - Increasing the supply of apartments and adaptable housing (as outlined above)
 - Supporting the development of medium density residential development in areas serviced by infrastructure.

Additionally, the Penrith DCP refers to the need to provide safe and easy access to buildings for all people and recommends that 10 per cent 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.

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 per cent of the total apartments incorporating universal design features. This allows for universal 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 City's ageing population.

6.1.5 Boarding houses and co-living housing

The introduction of the Housing SEPP in November 2021 changed the long-held meaning of a boarding house. Under the SEPP, 'boarding houses' now refer to affordable developments managed by a Community Housing Provider, whereas 'co-living housing' are a similar style of housing available on the private market. The Housing SEPP also introduces a definition of 'student housing' whereas these were previously categorised as boarding houses. Between 2013 and 2020, there were 20 development applications for boarding houses within Kingswood, delivering approximately 360 boarding rooms.

Boarding houses within Kingswood have played an important role in this area, by providing suitable and affordable accommodation for students within proximity to Western Sydney University – Kingswood. Any new developments of this nature will now be able to be proposed as 'student housing' by definition.

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

Potential Mechanisms

- In recognising the important role that student housing, co-living housing and boarding houses play in providing suitable accommodation for students, low-income earners, and 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.

6.1.6 Lifestyle /executive housing

Penrith is growing. With growth comes change, and transition creates opportunities for a thriving local economy in Penrith that attracts jobs in health, education and other professional industries.

Anecdotally, Penrith City has lacked the “prestige” to attract high-income earners like surgeons, experienced doctors and pilots; but this perception is changing as more of these professions’ workplaces are being accommodated in Western Sydney. Places like Sydney Science Park are seeking to promote certain lifestyle benefits by positioning itself as a smart city and innovation precinct. Penthouse apartments in the Penrith City Centre will also be filling a gap which has long existed in the LGA.

Therefore, this Strategy refers to ‘Lifestyle or Executive Housing’ as the provision of various housing types that may attract higher-income earners to Penrith City, depending on individuals’ aspirations and needs. This is aimed at increasing the percentage of existing and future residents who will also work in the jobs of the future in our City.

To this extent, lifestyle/executive housing may be considered in high amenity urban areas defined by natural landscapes and views and vistas, for instance in new master planned areas where larger lots can be accommodated on the periphery of urban areas. It is paramount, however, that local scenic, cultural and landscape values, views and vistas, natural topography, waterways and tree canopy cover are protected and enhanced to achieve high-amenity living outcomes. Care must be taken with the amount of lifestyle/executive housing permitted as this very low density housing form is directly counter to the objective for denser, walkable, more compact centres; and could jeopardise housing delivery in the much longer-term.

Notwithstanding, the 2016 Census tells us that Penrith City’s largest cohorts of managers and professionals reside in Glenmore Park, St Clair and Cranebrook which are suburbs that loosely

fit the description of lifestyle/executive housing in so far as providing large, detached houses (but on smaller lots).

In this regard, there is scope to consider the provision of lifestyle/executive housing within centres in the form of high-end apartment living, maximising views and vistas and internal amenity, and in close proximity to centres, high-quality open spaces, transport and a vibrant urban, cultural and day-and-night experience.

Potential Mechanisms

- Support the provision of lifestyle/executive housing on the periphery of masterplanned urban areas where there is a need to “buffer” or “transition” the interface of established land uses with new urban precincts. Ensure this form of housing is only permitted in circumstances that protect or enhance scenic, cultural and landscape values.
- Support the provision of lifestyle/executive housing in the form of penthouse apartments, particularly in Penrith City Centre, St Marys Town Centre, Sydney Science Park and the Orchard Hills station precinct in an effort to retain high-income earners that are critical to the operation of the Nepean Hospital, Western Sydney International Airport and our LGA’s many commercial enterprises.

6.2 NEW AND EMERGING HOUSING FORMS

As our population changes, this drives a demand for different forms of housing. Already we see a shift to more residential apartments in Penrith City, particularly as detached houses become harder to afford for many in the housing market.

Granny flats have grown in popularity since their introduction to legislation as Complying Development in 2009. In 2020, planning legislation introduced the new housing definitions of 'manor house' and 'terrace house'. Meanwhile, the Housing SEPP (released in November 2021) now recognises 'co-living housing' as a form of upmarket boarding house, as well as introduces a definition of 'student housing'. The new SEPP also recognises the emergence of build-to-rent housing.

Some housing trends are emerging as solutions to perceived or real problems. Across Sydney, trends for tiny houses and modular construction are emerging, sometimes slated as a solution to homelessness and affordability issues. Meanwhile, demographers predict the growth of share-house arrangements for older Australians – no longer solely the domain of young people moving out of home. Indeed, housing forms will need to shift to accommodate an aging population.

Planning policy will need to adapt to the changing nature of housing and our population's housing choices. Good housing design goes beyond the look of a building and its architectural form - it can add social, economic and environmental value, and can assist to create robust neighbourhoods and communities that are fit for future challenges and change.

Potential Mechanisms

- Recognise the role of new and emerging housing forms in contributing to housing diversity in the LGA.

7. HOUSING AFFORDABILITY



7.1 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 Local Housing Strategy recognises that the geographic characteristics and design of Penrith City's residential areas also contribute 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 LGA 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 City community as it grows.

There is commitment at State Government level to delivering affordable rental housing across Greater Sydney, however, there is not yet a LGA-level affordable housing policy for Penrith City. The socio-economic profile of Penrith City indicates a growing need for affordable rental housing across the Penrith LGA.

In the Penrith City 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 means:

- ✓ Supporting the provision of specialised and affordable housing to accommodate residents with particular needs with regard to design, location, tenure and cost.

Potential Mechanisms

- 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.
- 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.
- 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.
- Investigate the inclusion of affordable housing targets, inclusionary zoning, development incentives and affordable housing funding schemes, particularly in locations likely to benefit from new public transport infrastructure.
- 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.

7.2 HOUSING CONTINUUM

The 'affordability' of housing can be thought of as a continuum. In this chapter, we will primarily discuss affordable rental housing as this is the category in which Council has legislative avenues to influence the delivery of affordable housing. To a lesser extent, this chapter deals with social housing - being housing delivered and subsidised by State Government. While the private market can deliver more 'affordable' housing options – like smaller homes, granny flats, and built-to-rent housing – this category is covered in the Housing Diversity section of this Strategy.

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 able to meet basic living expenses such as food, clothing, transport, medical care and education. Eligibility for affordable rental housing is described in the Housing SEPP. For instance, a low income household would be one that has a gross income of less than 80% of the median income of households in Greater Sydney, and the legislation ensures that they would pay no more than 30% of their gross income in rent.

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 identified⁶:

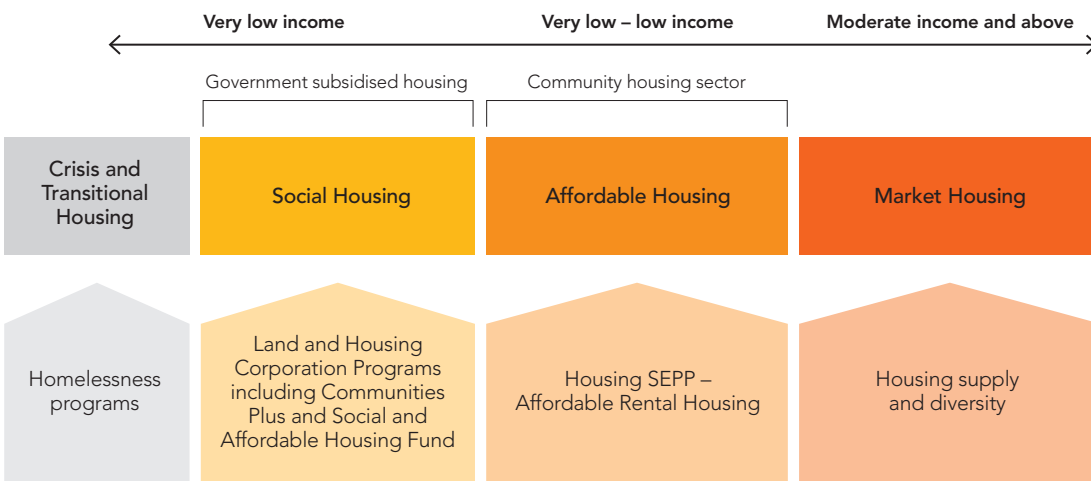
"There are limitations to the "30 per cent" affordability measure. For lower income earners, "after housing costs" income might be a more accurate indicator of housing cost burdens. In addition, when households need to travel further as a consequence of needing to move to more affordable areas, lower 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 or have low household incomes and spend a high proportion of this income on housing (i.e. are experiencing rental stress).

7.3 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 City (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 LGA, 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 two sites in St Marys will deliver 65 social and affordable housing dwellings⁷.
- Wentworth Community Housing has planned or delivered new affordable housing complexes in Penrith LGA since 2016 (including 61 apartments in Derby Street, Penrith; 16 micro-units in Chapel Street and 49 apartments on Phillip Street, St Marys).
- Evolve Housing, with Payce, have delivered 134 affordable housing units in the Harts Landing development in Thornton.

7.4 HOUSING STRESS AND AFFORDABLE HOUSING NEED

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 City – 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

Figure 39: Harts Landing development in Thornton, where half of all units are affordable units.



Source: Evolve Housing

(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 LGA). 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.

7.5 HOUSE PRICES AND RENTAL TRENDS

The housing market is presently in a period of considerable uncertainty. The market peaked in mid 2017, then the median house price fell 14.5% by 2018, and fell further still into March 2019. But the COVID-19 pandemic saw prices skyrocket from 2020, despite some dire market predictions earlier in the pandemic. Nationally, Australia's median house price rose 21.9 per cent over the twelve months between September 2020 and September 2021 to hit a new high of \$994,579, marking it the fastest annual growth on record.⁸

Incomes in Australia have experienced an extended period of low or no real growth (relative

to inflation), so affordability has not necessarily improved across all markets.

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

7.6 MECHANISMS FOR MEETING AFFORDABLE HOUSING DEMAND

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 Housing SEPP, Voluntary Planning Agreements, and inclusionary zoning.

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.

7.6.1 Affordable Housing Contribution Schemes

State Government legislation (formerly known as SEPP 70, but now the Housing SEPP) allows councils to prepare an affordable housing contribution scheme for a precinct, areas or developments within their local government area. A scheme essentially mandates the provision of a proportion of affordable housing or an equivalent monetary contribution – a mechanism that is known as “inclusionary zoning”. In LGAs undergoing significant growth, inclusionary zoning measures via the SEPP 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.

7.6.2 Planning incentives

Other affordable housing approaches focus on providing incentives to the housing developer or deliverer. The most common incentive is the ability to access height and/or floorspace bonuses. For instance, State Government legislation (formerly known as the Affordable Rental Housing SEPP, but now the Housing SEPP) includes provisions to incentivise the provision of lower-cost housing forms like

boarding houses by providing a FSR bonus in specific circumstances.

Similarly, there may be scope for Council to include incentive mechanisms in the LEP, Voluntary Planning Agreements, or a related affordable housing scheme to encourage private sector delivery of a proportion of affordable housing. Unfortunately, an earlier proposal by Council to include affordable housing in its community infrastructure policy (Clause 8.7 of the LEP) was not supported by the DPE.

7.7 COUNCIL INITIATIVES

While Council does not currently have an affordable housing contributions scheme in place, this has not prevented Council from proactively pursuing the provision of affordable housing. Several projects have been achieved through the negotiation of Voluntary Planning Agreements. Typically, these negotiations have led to allocations of affordable rental housing of around 3% of anticipated residential dwellings within new release areas, or a financial contribution to the equivalent value. The basis for this 3% figure was Council’s Sustainability Blueprint for New Release Areas, which was adopted in 2005.

Council has also worked closely with Community Housing Providers, the NSW Centre for Affordable Housing, and the NSW Land and Housing Corporation in delivering social and affordable housing within our City, including most of those projects referenced in Chapter 7.3. Council should continue to partner with providers, and it is noted that there are several active and reputable organisations already operating in the Penrith City area.

Council supports a regional approach to addressing affordable housing needs in Western Sydney. In 2022, Council is expected to consider the findings of the Draft Western Sydney Affordable Housing Strategy, an initiative of the Western Sydney Planning Partnership and Blacktown Council. The Draft Strategy would seek to provide a regional and common basis for each of the nine partner councils to prepare

their own local affordable housing plans, and affordable housing contribution schemes. The Draft Strategy presents as a toolkit of policy opportunities from which each council may choose the mechanisms best suited to their LGA.

One way that the Sustainability Blueprint and Draft Strategy are similar is that they both see the opportunity for affordable housing provision to be in large-scale renewal or greenfield sites/precincts, particularly where the precincts include new or upgraded transport infrastructure. For example, precincts around new stations on the North-South Rail Line 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.

Opportunity Sites

DPE issued an Approval Letter in July 2021 which requires Council to identify any State

Government-owned sites that may be suitable for redevelopment, and particularly, deliver affordable housing outcomes. In this regard, there are a substantial number of State Government landholdings across the LGA. Where these sites are close to public transport, jobs and services, there could be an opportunity to deliver affordable housing. For instance, landholdings by Sydney Metro around St Marys and Orchard Hills that were acquired to facilitate construction of the new Sydney Metro, could pivot to affordable housing at the completion of the construction stage. Similarly, there are extensive landholdings of the Land and Housing Corporation (LAHC) that provide an opportunity for renewal with improved outcomes for social housing and affordable rental housing provision. Council would need to work with these State Government landowners ahead of redevelopment to ensure that the affordable housing product is fit-for-purpose and meeting our community's needs.



8. HOUSING CHARACTER, DESIGN AND RESILIENCE



8.1 LOCAL HOUSING CHARACTER

The DPE 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, and 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.

Council's Local Strategic Planning Statement recognises the need to identify and value local character, heritage and natural landscapes as these define and unite 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 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 higher density, provides an appropriate interface and transition with existing development. In particular it is noted that some key growth 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, delivers sustainable and environmentally responsive outcomes, preserves views and vistas,

Housing design, character and resilience means:

- ✓ Ensuring new housing respects local character values of Penrith City's diverse neighbourhoods and contributes positively in localities where character will transform over time.
- ✓ Promoting housing resilience through high quality and environmentally sustainable design.

Potential Mechanisms

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:

- Train station precincts within the East-West Economic Corridor including Penrith, Kingswood, Werrington and St Marys.
- Land around the Nepean Hospital and Penrith Health and Education Precinct.
- Land around future Sydney Metro stations.
- Specific high and medium density zones experiencing development pressure (e.g. R4 zone in Penrith, R3 zone in Oxley Park).
- Rural Villages.

natural topography and scenic landscapes, 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 key growth locations, greenfield and infill areas.

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

8.2 BUILDING HEIGHTS

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; and
- Provide additional height in flood prone areas.

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. 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, and 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 (excluding non-residential floors).

As height limits within areas zoned R4 do not align with the ADG's guidance on determining

maximum building 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 could be 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 the purposes for managing flood risk.

Potential Mechanisms

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 the 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.

8.3 DESIGN QUALITY

Penrith City is on a journey to reshape its role within the Western Sydney Parklands region. This journey brings an opportunity to elevate the role of design quality and sustainability in our city, so that our places grow, change and/or are preserved as places where people want to be, where nature can thrive and where local character, heritage and culture are celebrated. With the anticipated increase in urban densities in our key growth and infill areas, the quality and amenity of our natural and built environment must be protected and enhanced.

But Penrith is not alone in this journey. The NSW Government has elevated the importance of design quality in the Environmental Planning and Assessment Act 1979 through the inclusion of a new Object - 'good design and amenity of the built environment'. Other policies at State and national level are also championing good design in the built environment, such as Better Placed, Draft Greener Places Design Guide and the Creating Places for People: Urban Design Protocol for Australian Cities.

Council provides leadership in design quality through its design excellence clause in the LEP, a well-established Design Review Panel that assesses development proposals, amendments to the DCP to progressively embed design quality as part of our planning framework,

advocacy for quality design outcomes in State-led projects, and various city-wide strategies that are focused on enhancing the design quality and sustainability of our city.

As we prepare the city to accommodate change in our urban environments due to the significant amount of Government investment in infrastructure, we will establish a staged program to deliver an integrated design-led, place-based planning framework to guide growth and development of our key centres and places of significance.

There is an increasing demand for differing forms of housing to adapt to varying lifestyle needs and demographic trends, and this requires a rethink of how we design and deliver housing in our centres and infill areas to accommodate future populations. For example, a shift in townhouse developments across Sydney has seen a move away from a large internally focused siting, layout and design of terraces on deep lots, as currently present in some areas in Oxley Park (refer **Figure 40**). Instead, newer townhouse developments are designed on shallower lots, with buildings addressing the street, individual dwelling entries and mailboxes located on the streets, and vehicular access at the rear. This and other design-related matters will continue to be addressed in subsequent amendments to the local planning framework.

Figure 40: An example of existing medium density housing in Penrith LGA



Source: Ethos Urban

8.4 ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT

There are opportunities through this Local Housing Strategy to improve the environmental performance of Penrith City'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 Strategy to guide development and integrate housing with active and public transport, centres, open spaces 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 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 National Construction Code (NCC) 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 NCC 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.

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 minimum 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 households within the LGA. BASIX does not currently require a design standard for thermal autonomy, and standards are not designed based on Western Sydney climate data or future climate projection modelling. The standard for building envelopes and materials would need to be more stringent to deliver housing for Western Sydney that is more thermally comfortable and able to maintain habitable conditions during extreme heat.

8.5 URBAN HEAT ISLAND EFFECT

Urban heat is a major challenge for all buildings and developments across the LGA. Penrith City's daily maximum temperatures in summer are regularly 10 degrees above Sydney CBD. Penrith City 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 (refer to **Figure 41**).

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. Lighter-colored reflective materials have been incorporated into the Penrith DCP urban Heat Controls, 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 Green 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 City's existing climate, and the potential for increased average summer

Figure 41: Example of high site coverage, dark roof and limited tree canopy



Source: Ethos Urban

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 City District was 16%, with over 46% of residents being exposed to high urban heat. This compares to the 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 (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 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 the tree planting provisions within the DCP Urban Heat Controls including provisions that address:

- a minimum tree canopy coverage within 10 years from completion of a development (referencing relevant canopy cover targets as these targets are developed)
- a minimum landscaped area and setbacks that can accommodate medium/large canopy trees
- the selection of appropriate tree species based on site conditions (referencing the List of Appropriate Trees)
- appropriate soil depths
- encourage the delivery of green roofs, where appropriate
- retention of significant trees within the public and private domains, where possible and supported by an Arborist.

Potential Mechanisms

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.
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.
3. Provide, as part of future DCP amendments:
 - Clear evidence-based reasoning for tree canopy coverage requirements that demonstrates that the provision of tree canopy coverage is reasonable
 - Clear expectations that undersupply of tree canopy coverage will not be supported by Council
 - Clear expectations that development is to be designed to ensure the retention of existing mature trees including street trees
 - Material sample colours and materials for residential buildings, specifically roofing.
4. Refine landscaping requirements by amending the DCP to:
 - Clarify requirements for 'landscape concept plans' and 'landscape detail plans' by providing worked examples
 - Require all residential development DAs to include a landscape concept/ design plan that demonstrates alignment with DCP requirements, including for urban heat management (refer to urban heat controls – cooling with landscaping)
 - Require all residential development to undergo the implementation and maintenance process, with the potential for low density residential development to be satisfied by an on-site confirmation by a Council officer, rather than a full report
 - Where practical, remove 'should' statements in favour of 'shall' or 'must' statements, with clear requirements for justifying variations
 - Revisit side setback controls and consider a maximum length/ proportion of the side boundary where 0.9m is acceptable and requirement for a larger setback beyond that length and tree plantings within the larger setback area
 - Increase ground level rear setback to align with first floor setback, with the goal of increasing planting areas
 - Set maximum vehicle crossover to allow for one vehicle, including for medium density development with side-by-side garages facing the street
 - Identify maturity requirements for trees to help ensure the success of their establishment (e.g. height or 'pot' size).
5. Partner with other councils in the Western City District to coordinate approaches to urban heat. As detailed in the District Plan, this is a major issue that will require a coordinated policy response. Sharing and implementing learnings and initiatives would likely provide a consistent and defensible response across the District.

8.6 LOCAL INFRASTRUCTURE CONTRIBUTIONS

A Local Infrastructure Contributions Plan or 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 City are detailed in **Table 13**. As can be seen in Table 13, 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, Council is undertaking a review of its contribution plans.

Potential Mechanisms

Review the contribution plans to consider forecast demand anticipated to 2036, based on the ABS Census 2021 (once available).

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.
- Recent infrastructure contributions reforms being implemented by the State Government.

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, and the amenities and services needed to support higher density living are delivered.

Table 13: Comparison of Contribution Plans in Penrith LGA

Contribution Plan	Development to which this plan applies	Population and dwelling projection source
Cultural Facilities Development Contributions Plan 2003	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • Multiple dwelling¹ (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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 rate 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).

Source: Ethos Urban 2019

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

9. IMPLEMENTATION



9.1 IMPLEMENTATION AND DELIVERY PLAN

This section presents a consolidated Implementation Plan to realise the vision and objectives of the Local Housing Strategy and guide its delivery. For each action the Implementation Plan indicates Council's role and the timeframe 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, educator, and regulator. A description of these various roles is provided below.

- **Plan** – implementing strategic planning responsibilities.
- **Deliver** – directly providing a service, facility, study or product.
- **Advocate** – representing community needs and interests to Commonwealth and State Governments and the private sector.
- **Collaborate** – working closely with developers, investors, government department and agencies and peak bodies.
- **Regulate** – ensuring that residential land use meets urban planning, building and public health regulations and expectations.
- **Educate/Promote** – providing information to the wider community, developers, businesses and interest groups.

Timeframe

Actions have been prioritised into short, medium, long 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 Local 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 and Environment;
- Transport for New South Wales (inc. former RMS);
- Land and Housing Corporation
- Sydney Metro
- Western Parkland City Councils
- Western Sydney Planning Partnership
- Western Sydney University, TAFE and other local institutions;
- Community Housing Providers;
- Private Sector.

Council will endeavour to work closely with its stakeholders to deliver our Housing Vision.

Outcome (aligned to the LHS Housing Objectives)	Action	Potential Mechanisms	Council's Role	Timeframe
PRIORITY A: Housing supply delivered in the right location at the right time.				
1. Delivery of up to 36,000 additional dwellings in the Penrith LGA by 2036 to meet the needs of the rapidly growing population.	1.1 Stage the supply of housing, in the right locations, to ensure that housing and infrastructure align.	Refer to Housing Location section of this LHS.	Plan Regulate	Ongoing
	1.2 Prioritise the delivery of new housing in the identified Key Growth, Greenfield and Infill Areas with remaining capacity.	As above	Plan Regulate	Ongoing
2. Housing growth supports and maintains the LGA's landscape and rural characteristics by limiting housing growth to the current urban area and sites identified in the Western City District Plan.	2.1 Use Council's planning framework to protect the rural edge in the LEP as defined in the Rural Lands Strategy to prevent the expansion of the residential footprint within rural areas. Ensure that the rural development controls apply to all lands identified by the rural edge. <i>Note: Consistent with Action 1 in the Rural Lands Strategy.</i>	As above	Regulate	Ongoing
	2.2 Protect areas of scenic and cultural landscapes. <i>Note: Consistent with Action 9 in the Rural Lands Strategy.</i>	As above	Plan Regulate	Ongoing
3. New housing focused in transit-oriented neighbourhoods within walkable catchments of existing and planned rail stations in order to maximise access to jobs and services and minimise environmental impacts of housing development.	3.1 Support housing diversity and density within a walkable catchment of centres, particularly Penrith, St Marys, Kingswood, Werrington and the new Sydney Metro station locations.	As above	Plan Regulate	Ongoing
	3.2 Promote an appropriate mix of residential and employment uses in the Key Growth Centres.	As above	Promote Plan Regulate	Ongoing
PRIORITY B: Ensuring there is a diversity of housing types and local infrastructure that caters to community need.				
4. Delivery of a diversity of housing types throughout the Penrith LGA to meet the needs of all households regardless of size, age, culture, affluence, and physical and mental health requirements.	4.1 Monitor housing delivery to ensure a mix of housing types are being provided and community needs are being met. Use this information to inform future housing demand and planning.	Refer to Housing Diversity section of this LHS.	Plan	Short Ongoing
	4.2 Review planning controls to provide guidance on the delivery of different housing types as required, such as seniors living, lifestyle/executive housing, and new or emerging housing forms.	As above	Plan	Ongoing
	4.3 Investigate a range of lot sizes appropriate to location and needs through strategic place-based planning such as the Corridors and Centres Strategy and planning controls.	As above	Plan	Short

Outcome (aligned to the LHS Housing Objectives)	Action	Potential Mechanisms	Council's Role	Timeframe
5. Provision of housing suited to those with diverse needs including housing for people with disabilities, older people and large multi-generational households.	5.1 Support opportunities to deliver housing for specific sub-markets including seniors living, housing for people with disabilities, and multi-generational households.	As above	Regulate Collaborate	Ongoing

PRIORITY C: Supporting the provision of specialised and affordable housing.

6. Delivery of affordable housing to accommodate local workers and those in the low to moderate income groups while also working with the State Government to maintain and deliver an appropriate supply of social housing.	6.1 Explore the establishment of a broad-based scheme for affordable housing delivery that would enable the housing industry to deliver or make financial contributions towards affordable housing in Penrith City.	Refer to Housing Affordability section of this LHS.	Plan Collaborate	Short
	6.2 Balance plans for the renewal of Key Growth Areas with the retention of existing affordable housing stock to maintain a market-driven supply of affordable housing.	As above	Plan Regulate	Ongoing
	6.3 Collaborate with the Western Parkland City Councils and the Western Sydney Planning Partnership to unlock opportunities for the delivery of affordable housing in the region.	As above	Collaborate	Ongoing

PRIORITY D: Ensuring new housing respects local character, is of high quality, and promotes housing resilience.

7. The character and value of Penrith City's suburbs are celebrated as they evolve and grow into more sustainable neighbourhoods with improved environmental performance and high-quality public spaces.	7.1 Prepare local character statements for centres as part of the Corridors and Centres Strategy for inclusion within the Penrith DCP to elevate the role of local character within the planning framework. <i>Note: Consistent with Action 19 in the Rural Lands Strategy.</i>	Refer to Housing Design, Character and Resilience section of this LHS.	Plan Regulate Deliver Educate	Short
	7.2 Support the revitalisation of existing centres and neighbourhoods in a manner that will deliver high-quality built form outcomes, enhance the public domain, and provide community benefit.	As above	Plan Collaborate Regulate	Ongoing

Outcome (aligned to the LHS Housing Objectives)	Action	Potential Mechanisms	Council's Role	Timeframe
8. Housing resilience through environmentally sustainable designs within neighbourhoods that nurture an urban tree canopy to reduce urban heat effects, as well as promote energy efficiency and active transport.	8.1 Review planning controls and policies to ensure that the design of new housing and residential precincts better address resilience, sustainability, urban heat and tree canopy coverage.	As above	Plan Regulate	Ongoing
	8.2 Identify tree canopy targets for Penrith, Kingswood, Werrington, St Marys and Orchard Hills centres through the Corridor and Centres Strategy. <i>Note: Consistent with Action 6.1 in the Green Grid Strategy.</i>	As above	Plan Regulate	Ongoing
	8.3 Collaborate with State Government, regional and private stakeholders on managing the impacts of natural hazards on residential development, especially flooding.	As above	Collaborate Advocate	Ongoing
	8.4 Continue to advocate for the delivery of the Castlereagh Connection for flood evacuation. <i>Note: Consistent with Action 20 in the Rural Lands Strategy.</i>	As above	Advocate	Ongoing
	8.5 Collaborate with the State Government, Greater Sydney Commission and the Western Sydney Planning Partnership to plan and deliver Net Zero precincts in Key Growth Areas.	As above	Collaborate Advocate	Ongoing
9. Housing delivery aligned with the delivery of infrastructure and services by planning for infrastructure and housing concurrently and establishing effective funding streams.	9.1 Advocate to the Federal and State Governments to prioritise infrastructure planning and investment in the right place, at the right time, to align with forecast growth.	As above	Advocate	Ongoing
	9.2 Review the contribution plans to consider forecast housing demand anticipated to 2036 and other implications of the framework for dwelling growth set out in this LHS.	As above	Plan Deliver	Short



Integrated Planning and Reporting

Council's Integrated Planning and Reporting (IP&R) framework under the Local Government Act 1993 provides the basis for implementation of the Local Housing Strategy. Under the IP&R framework, Council is required to prepare a number of plans including the Community Strategic Plan, a Delivery Program and an Operational Plan to outline planned work and track our progress on the commitments we made to achieve our community's vision for Penrith City. Implementation of the Local Housing Strategy will be considered in the development of Council's next Community Strategic Plan and Delivery Program.

Alignment with other Council strategies and initiatives

Existing Council strategies and plans provide the policy framework for the Local Housing Strategy and its implementation needs to be considered in the context of what already exists. To this end, the Local Housing Strategy stems from actions in Council's Local Strategic Planning Statement (LSPS). Appendix 2 explains further the relationship of this document to the LSPS.

The Local Housing Strategy relates to, and aligns with, other Council strategies such as the Employment Lands Strategy – particularly in respect to preserving commercial space within Penrith City's main centres within walking distance of rail stations, promoting mixed use areas that provide both housing and employment

opportunities. The Local Housing Strategy also aligns to the Resilient Penrith Action Plan, Cooling the City Strategy, and the Green Grid Strategy to support the implementation of resilient, green, high-quality neighbourhoods that address issues such as urban heat and tree canopy coverage.

Review and Monitoring

The Local Housing Strategy will be reviewed at least every five years, but may be revised more regularly if deemed necessary by Council. These reviews should include a review of the evidence base and housing stock upon which the Strategy is based, as well as any changes to District and Regional Plans.

Council will undertake regular reviews (at least every two years) of housing delivery and supply against the targets in this Strategy to ensure that the Strategy is delivering housing and meeting the Strategy objectives in a timely manner.

CONCLUSION

The Local Housing Strategy sets out nine objectives for retaining, planning and managing residential land in Penrith LGA. The transformation of Penrith City is already underway with the construction of the Sydney Metro Western Sydney Airport, and development of the Western Sydney International Airport and surrounding Aerotropolis. A measure of success of this transformation and this Local Housing Strategy will be the degree to which it provides resilient, sustainable, high-quality centres and neighbourhoods that contribute to the wellbeing of our residents and generations to come.

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APPENDIX 1: DPE APPROVAL REQUIREMENTS

The DPE issued an approval letter in July 2021. The letter sets out further matters for inclusion or consideration in Council's LHS. While these requirements have no legislative force, Council is committed to addressing the requirements as far as possible. The following table sets out how Council has addressed the DPE's approval.

DPE Approval	Action
1. Council is to submit to the Department for approval the further and revised LHS (including any amendments arising from the public consultation) by the end of 2021/22 financial year. A summary of key themes raised during consultation, Council's response, changes to the LHS and a copy of Council's resolution should also be provided.	This revised draft of the LHS (Version 2) was endorsed by Council for community consultation on [insert date]. Key themes raised during consultation would be the subject of a further report to Council. Version 2 has not yet been adopted by Council.
2. Within six (6) months of Council endorsing the LHS, Council is to prepare an updated and prioritised Implementation and Delivery Plan that clearly articulates the actions, yields, roles and responsibilities and timing to facilitate housing supply, diversity and affordability between 2021 and 2026 and beyond. In preparing the Plan, Council should seek input from the Department, Transport for NSW (TfNSW) and the Western Sydney Planning Partnership, to ensure any critical interdependencies are satisfactorily resolved.	This revised draft of the LHS (Version 2) has not yet been adopted by Council. The implementation and Delivery Plan will be delivered as a separate document.
3. Future iterations of the LHS be informed by a more comprehensive (than the current) land use opportunities and constraints analysis and mapping to confirm medium- and long-term housing opportunities. This analysis should: <ol style="list-style-type: none"> be contextualised having regard to the Greater Sydney Region Plan, WCDP, the Penrith Local Strategic Planning Statement (LSPS) (including any updates), Future Transport 2056, delivered infrastructure investments and the outcomes of any Council-led analysis undertaken to inform Places of Penrith; consider the implications that Penrith's Metropolitan Centre and St Marys Strategic Centre designation could have for housing and the need to balance employment function and jobs growth with housing needs; be undertaken in collaboration with relevant stakeholders, including TfNSW and the Western City Councils (particularly in relation to any relevant City Deal considerations); consider the implications of the DPE Population Projections for the LGA; clearly articulate existing and future opportunities and constraints as either manageable or insurmountable; and identify any State Government-owned sites that may be suitable for redevelopment, and particularly deliver affordable housing outcomes (in consultation with the identified landowners). 	<p>This revised draft of the LHS (Version 2) incorporates more comprehensive opportunities and constraints analysis and mapping. These can be found in Chapter 3.4.</p> <p>Items 'a', 'b' and 'c' are discussed throughout the LHS.</p> <p>In respect to item 'd', Population Projections are discussed in more detail on Pages 20 and 71.</p> <p>In respect to item 'e', this is discussed in more detail on Page 57.</p> <p>In respect to item 'f', the identification of government sites for possible affordable housing is discussed in more detail on Page 121.</p>
4. The revised LHS must provide a 6-10 year target that aligns with the GSC's identified target range, acknowledging the unlocking opportunities that the North South Rail Line offers.	The GSC's Letter of Support for the LSPS (issued March 2020) set a target of 7,500 to 10,000 additional dwellings in the period 2021-2026 (i.e. 6-10 year). Scenario 3 in this revised draft LHS projects around 9,400 additional dwellings in that period, aligning to the GSC's target range.
5. Future iterations of the LHS and any supporting studies/ investigations must acknowledge and give due regard to the Western Sydney Aerotropolis Plan (WSAP).	The Western Sydney Aerotropolis is discussed in Chapter 2.4.

DPE Approval	Action
<p>6. Future iterations of the LHS and any supporting studies/investigations are required to:</p> <ol style="list-style-type: none"> underpin rezonings for residential development on flood affected land are to acknowledge and give due regard to:- <ul style="list-style-type: none"> * flood modelling undertaken by INSW Hawkesbury-Nepean Valley Flood Risk. Management Directorate and any other information known at that stage. * If relevant the Penrith City Centre Adaptive Management Framework. * the evacuation capacity limitations of the Hawkesbury-Nepean floodplain and new guidance which come into effect on 14 July 2021. (https://www.planningportal.nsw.gov.au/flood-prone-land-package). <p>Council should consult with the Department, TfNSW, NSW SES and INSW in relation to flood evacuation capacity of affected areas of the LGA also. It is acknowledged that implementation of these new and existing considerations may impact or delay Council's ability to deliver additional housing capacity.</p>	<p>Flooding is discussed in Chapter 3.4. It should be noted that unlocking the development potential in the Penrith City Centre is contingent upon the State Government completing further strategic and infrastructure delivery works.</p>
<p>7. Council is to work with the Department to confirm the 10+ year forecast for the Penrith LGA to give effect to the WCDP which requires local councils to identify capacity to contribute to the District's 20-year strategic housing target.</p>	<p>Scenario 3 anticipates 110,000 dwellings in 2036 (i.e. 20 year target). If Council endorses this revised draft of the LHS (Version 2), Council will work with the DPE to obtain support for this approach.</p>
<p>8. Council is to consult with the Department during the development of Places of Penrith, and in doing so, demonstrate how Council, in the updated LHS, is balancing employment and housing particularly around future Metro Station locations.</p>	<p>Council has, and will continue to, work closely with the DPE on a range of projects during the development of Places of Penrith including its involvement in the Greater Penrith Collaboration Area, St Marys Collaboration Area Group, and planning for the Sydney Metro Western Sydney Airport.</p>
<p>9. Council is to manage and expedite planning proposal processes, particularly where they will secure housing diversity and affordability outcomes and in particular support key cohorts such as seniors housing, key worker housing, affordable housing and other typologies that suit the changing needs of existing and future households in identified investigation areas.</p>	<p>Council will continue to progress Planning Proposals in line with legislative processes. This revised draft of the LHS (Version 2) demonstrates Council's commitment to housing diversity and affordability.</p>
<p>10. Any updated LHS should provide the necessary analysis to support proposed amendments to LEP and DCP controls, particularly where their implementation may be reliant on a statutory planning process.</p>	<p>This revised draft of the LHS (Version 2) seeks to provide the analysis to support proposed amendments to LEP and DCP controls, where relevant.</p>
<p>11. Council is to prepare an Affordable Housing Contribution Scheme (AHCS) that commits Council to examining the feasibility of levying affordable housing contributions for any new planning proposals that would result in development uplift or an increase in land value. This will ensure that planning proposals give effect to the District Plan, Action 18 to prepare an AHCS.</p>	<p>Affordable Housing is discussed in Chapter 7. Should Council endorse an Affordable Housing Contribution Scheme (AHCS), such a scheme would be progressed separate to the LHS.</p>
<p>12. Further consideration should be given to prioritising precincts and articulating their housing needs particularly as the Metro Station locations are confirmed. In the interim, the LHS should be updated to identify future North-South Rail Line stations as "possible" or "potential".</p>	<p>At the time of exhibiting the initial draft of the LHS (Version 1), station locations for the Sydney Metro Western Sydney Airport were not known. This revised draft of the LHS (Version 2) has greater regard to the station locations and Council will continue to work closely with the DPE on the planning for these precincts.</p>
<p>13. The direction and strategic planning approaches endorsed in any State-led strategies or plans are to prevail in the event of any inconsistency with this approval and/or the Council's LHS (as revised and current).</p>	<p>This revised draft of the LHS (Version 2) seeks to align with all relevant State-led strategies or plans.</p>
<p>14. Council is to update or revise the LHS to inform Council's updates/ revision to it LSPS following the making of a future District Plan and Future Transport 2026.</p>	<p>Any future updates/revisions of Council's LHS or LSPS would have regard to any future District Plan and Future Transport 2026.</p>

The approval letter also enclosed a set of Advisory Notes. The Advisory Notes provide guidance only, and set out matters that Council is encouraged to consider. Most of these matters are generic in nature or have been largely addressed in the comments above.

APPENDIX 2: RELATIONSHIP TO THE LOCAL STRATEGIC PLANNING STATEMENT (LSPS)

For the complete list of LSPS Planning Priorities and Actions, refer to Page 111 of the LSPS.

Planning Priority/Action	Relationship to Local Housing Strategy
3. Provide new homes to meet the diverse needs of our growing community	
3.1 Prepare a Local Housing Strategy.	The endorsement of this Local Housing Strategy marks the completion of Action 3.1.
3.2 Investigate the rezoning of land in Orchard Hills North urban release area with supporting planning and development controls.	This LHS has been informed by the work that is underway for the investigation of Orchard Hills North.
3.3 Review and update planning and development controls to encourage the delivery of mixed-use and high-density residential development in Penrith City Centre, St Marys Town Centre and Kingswood.	This LHS will be used, in part, to inform the updating of planning and development controls.
3.4 Investigate urban investigation areas at Glenmore Park South, Mt Vernon and Orchard Hills South.	This LHS has been informed by the work that is underway for the urban investigation areas. Work is continuing on some of the investigation areas and therefore these may be more comprehensively covered in future iterations of the LHS.
4. Improve the affordability of housing	
4.1 Develop an affordable housing policy.	This LHS will be used, in part, to inform the development of an affordable housing policy.
5. Facilitate sustainable housing	
5.2 Understand and manage the implications of the Low-Rise Medium Density Housing Code.	This LHS discusses the Low-Rise Medium Density Housing Code and its implications for housing in Penrith City.
5.3 Update planning and development controls to improve the design, durability and sustainability of new dwellings and release areas.	This LHS will be used, in part, to inform the updating of planning and development controls.
5.4 Develop a city-wide Structure Plan.	This LHS will be used, in part, to inform the development of a city-wide Structure Plan.
9. Support the North South Rail Link and emerging structure plan	
9.3 Work with State Government to plan for and around proposed station locations.	This LHS has been prepared to seek the State Government's approval of our direction for housing in our City, particularly as it relates to development around station locations.
16. Protect and enhance our high value environmental lands	
16.6 Review mapping and planning and development controls for land with scenic and landscape values to protect and enhance identified high value landscapes.	This LHS identifies land with scenic and landscape values as a land use constraint and generally locates new housing away from these areas.
17. Define and protect the values and opportunities within the metropolitan rural area	
17.8 Apply Council's planning framework to define and protect the MRA shown in Map 8 (of the LSPS) and described in the Draft Rural Lands Strategy.	This LHS identifies land within the MRA as a land use constraint and generally locates new housing away from these areas.



For more information contact:

City Strategy

citystrategy@penrith.city

Penrith City Council
601 High Street Penrith NSW
(02) 4732 7777