



***Shelter NSW submission on Key TOD
Site Macquarie Park - Request to vary
the Affordable Housing Clause to Ryde
Local Environmental Plan 2014 (State
Significant Development (SSD-
79017211) 2-4 Giffnock Avenue,
Macquarie Park.***

A secure home for all

15 December 2025



1. Who is Shelter NSW

Shelter NSW has been operating since 1975 as the State's peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides a secure home for all. We are especially concerned for low-income households who struggle to afford good quality and well-located housing. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system. We are a member-based organisation; representing organisations and individuals committed to housing justice, from community housing providers, specialist homelessness services and related peak bodies, to community groups, policy professionals, academics and social housing tenants.

1. Executive Summary

This submission responds to a request to reduce the affordable housing contribution requirements under Clause 7.5(2) of the Affordable Housing Clause in the Ryde Local Environmental Plan 2014

Shelter NSW supports the move towards delivering affordable housing in perpetuity through the TOD framework because it will deliver an essential safety net for low to medium-income households, as they are in perpetuity and set at not more than 30% of household income.

The subject site is located within a significant Transport Oriented Development (TOD) precinct. The affordable housing contributions scheme connected with these TOD precincts is an essential infrastructure because it provides affordable rental homes in perpetuity at 30% of household income in a very unaffordable city.

Shelter NSW recognised the benefits of the TOD program as an innovative initiative by the NSW State Government because it provided an opportunity to deliver much-needed affordable housing in proximity to transport infrastructure and jobs.

2. Key findings

Shelter NSW's submission response to a request to vary Clause 7.5 (2) of the Affordable Housing Clause in the Ryde Local Environmental Plan 2014 and reduce the Affordable Housing contribution from 10% to 5%. A review of the argument and related documents indicates that the process lacks sufficient due diligence when it comes to substantive financial rigour regarding the argument to reduce to an affordable housing

contribution. The premise of this argument is based on a review prepared by Jayne Klein, Danielle Wigg, and Dan Keary from Keylan Consulting. This report review was based on a peer review by Hill PDA called 'Commercial Feasibility and Affordable Housing Analysis (2-4 Giffnock Avenue, Macquarie Park)'. The Hill PDA report was also a peer review of a report by Atlas Economics, which was undertaken for DPHI. Whereas the Atlas Economic Report provided credible financial modelling, which indicated a 10% contribution was viable. However, given the value loss of this alternative proposal, neither of the two reviews provides sufficient financial analysis on which to make an informed recommendation.

The DPHI commissioned Atlas Economics (2024) to prepare a report: TOD Rezoning Accelerated Precincts Review of Affordable Housing Contributions. This report sought to understand the exhibited affordable housing contributions requirement applied across the following TOD precincts: Bankstown (3%-10%), Bella Vista and Kellyville (3%-8%), Crows Nest (10%-15%), Homebush (5%-10%), Hornsby (5%-10%), Macquarie Park (10%-15%).

The Atlas Economics report highlights that significant planning changes have the potential to contribute more to affordable housing in Macquarie Park, and that planning uplift would result in significantly higher density. The proposed uplift is now higher than initially proposed in the Atlas Economic Research, and the land holdings were already consolidated by a single ownership, so there is no additional cost to the landowner.

From Shelter NSW's perspective, the documentation and peer review process lacks evidence regarding any viability assessment for the following reasons. Neither the Klein, Wigg, and Keary review (Keylan Consulting) nor the Hill PDA review includes a financial feasibility model. The Hill PDA review document has significant shortcomings; the document lacks transparency and clarity regarding assumed costs, revenues, and feasibility outcomes, such as clear residual land value. The report points out that the holding costs were not disclosed, and it is silent on the escalation of allowances or revenue from the site. Significantly, it didn't include the affordable housing costs in its calculation. So, the overall review process lacks significant financial rigour regarding the argument to reduce the 10% affordable housing contribution rate.

The viability test is benchmarked against a hypothetical residual valuation that excludes other factors and policy requirements. By doing this, the benchmark was inflated, the planning gain was suppressed, and this produced a false finding of "non-viability". If this procedure were adopted as a standard, no matter what the margin, landowners would always capture additional planning gain entirely, and any additional affordable housing contribution would always be deemed 'unviable'.

The viability claims also fail to provide full development feasibility inputs and outputs, land value assumptions, e.g. capital gains since 2012, profit margin estimations, absorption rates, so the overall cost cannot be independently verified. Shelter NSW can only assume that the argument is based on high developer profit margins or a failure to benchmark costs or revenue inputs against empirical Macquarie Park market data. Certainly, the lost opportunity of additional dwellings as Affordable Housing, is worthy of further analysis.

The strain placed on the viability of the site by the inclusion of the public parkland is also somewhat exaggerated in the submission. If you examine the marketing of the site on the developer's website, it says: Set among a generous open public green space, including a 3,025 sq m public park and public multi-use hand courts, this exciting new precinct will showcase new homes, new retail and new green spaces to relax. There will likely be a premium on sales prices because of the adjacent parkland, all without the owners having to pay for the upkeep of the park through their strata fees.

In addition, the developers appeared to have paid \$8.3 million for the site in 2012. The site has a set of buildings on it with paying tenants. A major hotel was later developed in the corner of the site, so it looks like the site has been very financially viable since it was originally purchased. Shelter supports a consistent approach regarding the NSW Government's policy directions, with an emphasis on increased affordable housing supply connected with TODs.

The NSW Government's policy directions for delivering affordable housing supply, especially in high-value, well-connected areas such as Macquarie Park, are supported by Shelter. Many NSW Councils have now adopted an affordable housing contribution between 7% and 15% in well-located renewal areas like Macquarie Park, because they offer superior value uplift and reduced infrastructure burden per dwelling.

The argument undermines the locally based Affordable Housing Contributions Scheme's financial viability testing

The NSW Department of Planning, Housing and Infrastructure (DPHI) requires in-depth economic land value analysis to be undertaken before they sign off on any local 'Affordable Housing Contributions Scheme'. So substantial economic analysis was undertaken regarding height, land use zones, and floor space ratios (FSR) and affordable housing contribution rate as part of the Macquarie Park Masterplan and Transport Oriented Development (TOD) program. The result of this work is evident in Part (7) Division 1,7.5 of the Ryde Local Environmental Plan (November 2014). This has an affordable housing levy contribution for affordable housing equivalent to 10%.

3. Key Recommendation

Shelter argues that unless the assumptions are more transparent and better benchmarked, the claims of a lack of viability for additional affordable housing across the development are not made conclusively, and a 10% affordable housing requirement across the enhanced should remain a requirement.

Thank you for reviewing our submission

Shelter NSW appreciates the opportunity to comment on the TOD - Key Site 6 Macquarie Park consultation. We hope that the comments and insights we have provided will bring application value.

If you wish to discuss our submission in more detail, please contact us at admin@shelternsw.org.au.

References

Jayne Klein, Danielle Wigg, and Dan Keary (Keylan Consulting): Request to vary Clause 7.5 (2) of the Ryde Local Environmental Plan 2014.

Hill PDA Commercial Feasibility and Affordable Housing Analysis (2-4 Giffnock Avenue, Macquarie Park).

Department of Planning, Housing and Infrastructure, (November 2024) Atlas Economics, Macquarie Park Affordable Housing Contribution Scheme.

Phibbs, Peter & Murray Cameron (October 2025) Density Deals: The unequal value of the In-fill Affordable Housing density bonus. Shelter NSW.

