

Shelter NSW Submission

Franklyn Street, Glebe

Redevelopment Proposal

23 December, 2020

About 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 secure homes for all.

We pursue our vision through critical engagement with policy and practice and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality.

We are especially concerned for low-income households which struggle to afford good-quality and well-located housing in the private market.

Our approach involves engaging, collaborating and connecting with Government, the private and not-for-profit sectors, stakeholders and consumers. Our research centres on the causes of inequity and injustice in the housing system.

Shelter NSW is concerned about the housing crisis in NSW and the rising trends in homelessness; housing rental stress as well as the impacts of poor-quality housing, particularly on low-income households. Lower-cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities as low-income households are displaced.

Of course, this was the case well before the economic impact of the Covid-19 pandemic took its toll on large sections of the workforce and across a wide section of industry.

We have an established interest in the development of social and affordable housing, including policies and practice around public housing estate renewal and associated property development. We have also been involved in the *Groundswell* coalition. *Groundswell* comprises a number of local community organisations from the Redfern and Waterloo area including REDwatch, Inner Sydney Voice and the Tenants' Union of NSW. It acts as a point of liaison between NSW Government agencies and community members regarding the development in the Redfern-Eveleigh-Waterloo area but with a strong interest in neighbouring suburbs such as Glebe.



Introduction and Executive Summary

Shelter NSW appreciates the opportunity to comment on the Redevelopment Proposal for Franklyn Street Glebe ('Franklyn Street') proposed by the NSW Government, Land and Housing Corporation (LAHC)). This proposal sits under the Government's broader *Communities Plus* program which aims to redevelop existing public housing sites using a joint venture, public-private partnership arrangement.

Given our advocacy focus and remit for the whole state, we will offer a number of overarching points or principles regarding the *Communities Plus* model and the degree to which it is delivering sufficient stock of Social (and Affordable) rental housing to meet a large and growing demand.

Shelter NSW understands that this is the first period of consultation regarding the 'preliminary concepts' for Franklyn Street - the important strategic direction of the whole project. Shelter NSW is concerned at the outset, therefore, that the proposal as it stands, appears to contradict its own 'strategic planning context'. The proposal purports, in the *Community Information Pack* for example, to : *support(s) the City of Sydney's Local Housing Strategy by delivering more homes, providing a diverse mix of housing, delivering affordable rental housing....*

The City of Sydney [Local Housing Strategy](#)(LHS) very clearly uses the term 'affordable rental housing' in the same way that the NSW Government uses it¹. That is, *'affordable housing' and 'affordable rental housing' are used to describe housing that is owned by government or a registered community housing provider, and rented to a mix of very low to moderate income households... for no more than 30 per cent of household income.*

At this early concept stage, the Franklyn Street redevelopment proposal does not require any Affordable Rental Housing, generally considered to be discount to market rent of at least 25%. More concerningly, nor does it even guarantee that the final development will deliver a **net increase** in the number of people who will be housed in the social housing dwellings. We question whether the proposed number and type of dwellings, as indicated by the number of bedrooms, even enables the NSW Government to practically deliver on its 'right of return' promise made to existing tenants of Franklyn Street.

This submission will note research, some of it documented by LAHC itself, about the housing crisis being experienced across the Sydney LGA. In doing so we will suggest that the Franklyn Street project falls far short of what is required for Glebe and the Sydney LGA as a whole.

¹ Where *Affordable Housing* describes housing that is appropriate for the needs of a range of very-low to moderate income households; rent at a discount to private market usually not exceeding 30% of household income; developed with the assistance of the State and/or Commonwealth Governments; usually managed by Community Housing providers (source [DCJ Affordable Housing definition](#))



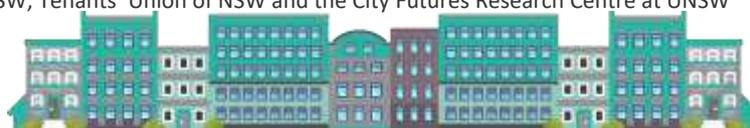
The proposed Franklyn Street redevelopment is on NSW Government land currently used for the sole purposes of social housing. As such, we believe there is a significant requirement that any redevelopment of the site makes a substantial contribution to increasing the stock of accessible, diverse social and affordable rental housing in the Sydney Local Government Area.

As it currently stands, the proposal delivers no affordable rental housing and the possibility that there will be fewer people housed in social housing than is currently possible. On this basis, Shelter NSW cannot support the proposal in its current form.

Having observed the progress and impact of a number of *Communities Plus* renewal projects, we will also offer some recommendations about the critical need to actively engage and support community members, but especially current Franklyn Street residents in the design of their future homes and community.

We will offer the [Compact for Renewal](#)² as a template for how the NSW Government might best engage with the community from this early stage right through to relocation and possible return.

² These are the principles for a proposed *Compact for Renewal* between agencies undertaking urban renewal and social housing tenants affected by renewal. The Compact is the result consultations with social housing tenants under a project carried out by Shelter NSW, Tenants' Union of NSW and the City Futures Research Centre at UNSW



Communities Plus - application of the 70:30 private: public mix

This project is part of the NSW Government's 'Communities Plus' redevelopment scheme, which currently involves 5 projects within the Sydney (LGA)⁴.

The Franklyn Street redevelopment proposes an eventual 425 dwellings including 130 social dwellings (currently 108) - applying the 70:30 Private:Social, *Communities Plus* mix. Under its current design this would deliver a net social dwelling increase of 22 dwellings.

Shelter NSW welcomes any actual net increase in social housing dwelling numbers but has a number of concerns about the one size fits all' application of the 70:30 rule.

Specifically, we are concerned that what started as a 'rule-of-thumb' has become orthodoxy – effectively acting as a cap on the NSW Government's ambition for increasing the stock of social housing dwellings (while completely ignoring the requirement for Affordable Rental Housing) within LGAs like Sydney and in a site like Franklyn Street.

130 social dwellings are indeed more than the current 108⁵ but how can we assured that 130 dwellings proposed at Franklyn Street is enough to justify the effective privatisation of what is currently public land used solely for social housing?

Rogers and Darcy (2020)⁶ note that a target of 70% private and 30% public dwellings has become an *accepted standard for public housing renewal projects in several Australian states*. The majority private ownership is said to be necessary to *counter stigma and the supposed demotivating impacts of concentrated disadvantage*. They argue however, that the combined failure to understand the particular housing profile of areas with large public housing estates like the neighbouring Waterloo and a simplistic application of the 70:30 target *within a narrowly defined boundary around an 'estate' risk seriously undervaluing large public housing assets*.

There is considerable research challenging the 'social engineering' goals and outcomes of the Communities Plus model. There is also research concerning the failure to account for the impact of the size and make-up of the new, renewed estate within its broader community – and the unintended consequences that may follow⁷

What is clear, is that *Communities Plus* is explicitly designed to deconcentrate or dilute the proportion of social housing in any area. Traditional social housing communities like that of Franklyn Street are integral to the broader, long-standing communities like Glebe.

The combined proposed reduction of social housing communities across the Sydney LGA, including that at Franklyn Street, should be understood to be a proposal that actively reduces the proportionate representation of lower socio- economic people (including Aboriginal and Torres Strait Islander people) in the local area and in doing so changes the character of the suburb entirely.



Recommendations:

That the NSW Government (LAHC):

1. **publish clear targets for social and affordable dwelling increases (net) across NSW** – indicating the proposed combined net impact of *Communities Plus* renewal projects including the Franklyn Street proposal ⁸
2. **that the proposed Public: Private dwelling split for Franklyn Street renewal be reviewed** and developed after an assessment of: local housing need ⁹, alignment with and preservation of the cultural heritage and socio-economic profile of the local community and capacity of the site to provide a reasonable commercial financial return for the people of NSW¹⁰

⁴ Note: **Redfern** (600 Elizabeth Street, Redfern); **Waterloo** (three separate masterplan sites: Waterloo (North, Central and South) which makes up 65 per cent of the entire site 18 Ha in total); **Glebe** (17-31 Cowper Street and 2A-2D Wentworth Park Road, Glebe, 1,800 sqm); **Eveleigh** (Explorer Street & Aurora Place)

⁵ A consideration of dwelling size as indicated by the number of bedrooms will follow in a later part of this submission

⁶ Rogers, D. & Darcy, M. (July 8, 2020) [Public housing renewal likely to drive shift to private renters not owners in Sydney](#), *The Conversation* online article

⁷ Dallas & Rogers *ibid* analysis indicated that the proposed Waterloo redevelopment projects for example, would likely reduce the entire suburb's proportion of social housing dwellings from 30% to about 17%. Rather than significantly growing the proportion of owner-occupiers they forecast only a slight increase to about 30% of households in the suburb would be owner-occupiers. Private renters might rise to be more than 50% of households. They point out that the original research suggested that the benefits of the social mix were based on owner-occupied and public housing neighbourhoods not on a transient renting population.

⁸ Noting that overall public housing deliverables exist for the NSW Government's 'Future Directions for Social Housing (2016)' Strategies.

⁹ As per the NSW Social Housing Waitlist at June 2019: 46,530 approved general applicants and 4,484 priority applicants. Total 51, 014 (noting that an application) may represent a family or household

¹⁰ Darcy, M. & Rogers, D. (October 2019), *Finding the Right mix in Public Housing Redevelopment: Review of Literature and Research Findings*, The University of Sydney. Describes the limitations of the 70:30 ratio has a one size fits all", calls on planners to take on a more nuanced and context sensitive approach.



Demand for low-cost (diverse, Social and Affordable) housing in the Sydney LGA

A. LAHC research about the Sydney LGA

There is considerable research available supporting the case for a significant increase in the stock of Social and Affordable Housing in the Sydney LGA within which the Franklyn Street site sits.

Documentation and data supporting the proposed *State Significant Development (SSD) Waterloo Metro Over Station Development (OSD)* ¹¹ proposed in a neighbouring precinct, for example, assembles such research. Throughout its documentation the demand for low-cost (diverse, social and affordable) housing in the Sydney LGA and the inner-city is acknowledged. We commend this data-driven approach.

For example, the *Environmental Impact Statement (EIS) Appendix AA - Social and Economic Assessment, Social Needs Assessment*, ¹² cites research undertaken by the City Futures Research Centre at UNSW, that shows:

there is current unmet need for 136,100 units of social and affordable housing in Greater Sydney. There is also projected need for an additional 80,900 units of social and affordable housing to 2016, resulting in a total unmet need of 217,000 units of social and affordable housing across Greater Sydney to 2036.

The Waterloo OSD (EIS) ¹³ elaborates further on the extent of housing and rental stress in the local area:

An assessment of housing stress in the Study Area indicates that around 53% of rental households are in housing stress...

And further,

Overall, this analysis identifies there is a significant proportion of the Study Area that are paying unaffordable rent and mortgage repayments (more than 30% of their income), which indicates the strong need for more affordable housing within the area.

11. [Waterloo Metro Over Station Development \(OSD\)](#) proposes the design, construction and operation of: an office building (Northern Precinct); a predominately residential building (Central Precinct) and two residential buildings for student housing and social housing (Southern Precinct). The site is not an existing public housing site.

12 Waterloo Developer PTY Ltd (2020) [Environmental Impact Statement, Appendix AA - Social & Economic Assessment](#) p 49

13 Ibid p114



B. Social and Affordable Stock needs to grow – view of the City for Sydney

According to the [City of Sydney June 2020 Housing Audit](#) as at June 2020, there were:

- **9,630 Social** (including public) housing dwellings representing **8.1% of private dwellings** in the city (compared to 9,397 in 2007)
- **1,028 Affordable Rental Housing** dwellings representing **0.9% of private dwellings** in the city (compared to 447 in 2007)

In the decade 2006 – 2016, the City of Sydney reports¹⁴ that the stock of social housing increased by 841 dwellings however the **proportion of social housing stock compared to total households reduced from 11.7% to 9.2%**

The NSW Government, via the Greater Sydney Commission released the *Greater Sydney Region Plan: A Metropolis of Three Cities and its Eastern City District Plan* in 2018. That plan requires relevant Councils including the City of Sydney to prepare a 20-year local housing strategy.

The City of Sydney has released that plan¹⁵ identifying the following targets:

Table 1: adapted from *City of Sydney Housing provision to 2036*¹⁶

Housing	Total 2016	2016–2021 (0–5 year) target	2022–2026 (6–10 year) target	2027–2036 (11–20 year) contribution	Total 2036
<i>Affordable</i>	835	+2714	+2714	+5428	11,690
<i>Social</i>	9,716	+494	+494	+987	11,690
Total Dwellings	117,429				173,429

Notes: This reflects the City's target that of all private housing, 7.5 per cent will be affordable housing and 7.5 per cent will be social housing; noting also that the City views itself as having limited influence over how much housing is provided as affordable or social housing.

¹⁴ City of Sydney, Housing for All [Local Housing Strategy - Technical Report](#) at p 46

¹⁵ City of Sydney [Local Housing Strategy](#)

¹⁶ *Ibid* at p 13



C. *Increased Aboriginal Housing required to sustain a critical, local community*

Like the Waterloo-Redfern-Eveleigh area, Glebe is a critically important cultural and historical home to Aboriginal and Torres Strait Islander people – both for local residents as well as connected communities across Greater Sydney and NSW. According to the [2016 Census](#) 2.3% of the Glebe population are Aboriginal or Torres Strait Islander. This compares to 3% in Waterloo and 2.1% in Redfern

The Waterloo OSD *EIS Appendix AA - Social and Economic Assessment* cites Australian Bureau of Statistics (ABS) census data from 2016, highlighting, at a demographic level, the significance of local Aboriginal people in Sydney LGA. It went on to cite the City of Sydney's – *Housing for All: Local Housing Strategy* (2020):

The Strategy... highlights the need to support Aboriginal and Torres Strait Islander people maintain ties to the local community. This includes ensuring suitable social and affordable housing managed by Aboriginal community housing providers and led by Aboriginal people and organisations as a continued expression of self-determination...

... the number of Aboriginal and Torres Strait Islander people living in inner Sydney continues to decline. It now stands at just 3,509 individuals in the local area. Aboriginal and Torres Strait Islander communities have expressed concern that gentrification and a lack of social and affordable housing are causing further displacement. They want to make sure that Aboriginal and Torres Strait Islander people with ties to the local community can maintain those links and stay in the area.

The proposed Franklyn Street redevelopment is on NSW Government land currently used for the sole purposes of social housing.

As such, we believe there is a significant requirement that the proposal, if it is to proceed, makes a substantial and far greater contribution to increasing the stock of social and affordable rental housing (including that dedicated to Aboriginal people) in the Sydney Local Government Area.

The Franklyn Street redevelopment proposal ought to make a much greater contribution – commensurate with the local need and the ability of Government to drive a better outcome in the broader public interest



Shelter NSW recommendations

In relation to the Franklyn Street site, that the NSW Government (LAHC):

3. (further to Recommendation 1) **review the overall proposed dwelling numbers and proposed dwelling mix to require both Social and Affordable Rental Housing dwellings** be required (consistent with the City of Sydney *Local Housing Strategy*) with a guarantee that the number of people who can be housed within the future social housing dwellings will be, as a minimum, no less than currently possible.
4. **actively canvass alternatives Private:Social:Affordable dwelling ratios** (for example, 50:30:20 or 40:40:20)
5. **commit to ensuring that Aboriginal and Strait Islander people are not displaced from the Glebe area by providing culturally appropriate Social and Affordable Rental Housing** (Affordable Rental Housing to be dedicated to and managed by an Aboriginal Community Housing providers).



Unit Mix & Bedrooms at Franklyn Street – current and proposed

Shelter NSW understands that:

- the current stock of 108 dwellings are made up of 1, 2, 3 and 4 bedroom dwellings with 254 bedrooms in total
- the proposed future 130 social dwellings will be mainly studios, 1 and 2 bedrooms¹⁸
- current residents will be offered a 'right of return' and that may mean return to a smaller dwelling (based on household size)

Shelter NSW encourages LAHC to assess the proposed impact of the development using metrics other than 'number of dwellings'. Take for example, a comparison of the number of bedrooms currently available (254) versus that potentially proposed across 130 dwellings.

We can imagine the scenario of 130 social dwellings configured as:

40 x studio	= 40 bedrooms	= 40 people
40 x 1bdr	= 40 bedrooms	= 40 – 60 people
50 x 2bdr	=100 bedrooms	= 100 – 150 people
Total	= 180 bedrooms	= 180 - 250 people

Under this conservative scenario, the proposal might produce a net decrease in social housing – as measured by the number of bedrooms or the number of people housed.

While we appreciate that over time, the dwellings at Franklyn Street may have become substantially underutilised (with currently an approximate 168 people living at the estate) there remains across Sydney a substantial need for two and three-bedroom social housing dwellings.

As at 30 June 2019, there are approximately 50,000 applications on the NSW social housing waiting list (where an application may represent a household)¹⁹. The highest need for Sydney is for two and three-bedroom properties – with a forecasted 10-year waitlist. The waitlist is shorter for studio and 1-bedroom dwelling at 5 years, indicating a high need for more two and three-bedroom units.

Shelter NSW Recommendations:

That the NSW Government (LAHC):

6. **review the proposed room profile across all dwelling types** (but especially social) to better match consumer demand.
7. **review the proposed room profile across all dwelling types** (but especially social) to ensure the resulting number of people housed (as indicated by the number of bedrooms) maximises the reduction in the social housing waiting list.

¹⁸ LAHC advice

¹⁹ Refer footnote 9



General design considerations

Beyond our primary concern about the overall net increase in the proposed number of the social and affordable dwellings, Shelter NSW commends LAHC for noting the following consideration in its community information pack: *creating apartments that better suit residents' needs as people age or their circumstances change*

Shelter NSW recommendations

That the NSW Government (LAHC):

8. **utilise universal design principles in the development** catering for a full range of disabilities (not just physical) including for example, cognitive impairments like dementia which currently affects three in ten Australians aged over 85 years and one in ten aged over 65²⁰
9. **require strengthened energy and environmental standards, NatHERS²¹ for example** (beyond minimum standards) of energy efficiency, to ensure new dwellings at Franklyn Street (private, social or affordable rental) are of good quality, environmentally sustainable and lower cost for owners and tenants.
10. **ensure that affordable renewable energy is accessible to all tenants** across the site – delivering low-cost energy to tenants and potentially supporting the development of a precinct-based Clean Energy Hub.

Community Consultation

The eventual transfer processes connected with the current *Communities Plus* projects in the Sydney LGA will be very disruptive to the lives of existing tenants. Of course, the disruption has already begun for the current Franklyn Street residents. They are already feeling the impact of learning that they will need to leave their current homes and community.

Many of those residents are vulnerable and may have already experienced a recent relocation from areas such as Millers Point. Some may be employed and wonder how this renewal will affect their employment. Some are houseproud and wonder how their personal investment in their homes will be recognised and compensated.

²⁰ According to Dementia Australia: [Statistics](#)

²¹ The Nationwide House Energy Rating Scheme (NatHERS) is a star rating system (out of ten) that rates the energy efficiency of a home, based on its design. Refer [NatHERS site](#)



With the benefit of having observed the progress and impact of a number of *Communities Plus* renewal projects, Shelter NSW encourages the NSW Government to actively engage and support community members, but especially current residents in the design of their future homes and community.

Shelter NSW recognises that the level of engagement we are advocating requires the partnership between LAHC and the Department of Families, Communities and Justice (DCJ), the 'landlord' of any current and future social housing residents across the life of the project. We offer the [Compact for Renewal](#)²³ as a template for how the NSW Government might best engage with the Franklyn Street community from this early stage right through to relocation and possible return.

Shelter NSW Recommendations

- 11. That LAHC ('The Developer') and DCJ ('The Landlord') bring together all relevant parties (including Community Housing providers; local community groups) to evaluate the combined overall social impacts and opportunities of these concentrated *Communities Plus* redevelopment projects within the Sydney LGA**
- 12. Adopt the *Compact for Renewal***

Conclusion

Shelter NSW appreciates the opportunity to comment on the Redevelopment Proposal for Franklyn Street, Glebe proposed by the NSW Government. We trust that the comments and insights we have provided bring some objectivity to the early conceptual work for this proposed project.

We look forward to discussing our submission in more detail, please contact Cathy Callaghan on 0407 067 587 or by email at cathy@shelternsw.org.au.

Yours Sincerely,

Yours Sincerely,

Senior Policy Officer, Shelter NSW
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Chief Executive Officer Shelter NSW John
Engeler

²³ These are the principles for a proposed *Compact for Renewal* between agencies undertaking urban renewal and social housing tenants affected by renewal. The Compact is the result consultations with social housing tenants under a project carried out by Shelter NSW, Tenants' Union of NSW and the City Futures Research Centre at UNSW

