

## Shelter NSW Submission

### Draft Northern Beaches Local Housing Strategy



#### Introduction

Shelter NSW (Shelter) appreciates the opportunity to comment on the Draft Northern Beaches Local Housing Strategy. Shelter's submission responds to the promise that the NSW planning system will deliver a more equitable city, and this includes the capacity to deliver affordable housing into one of the most expensive housing markets in the world.

#### About Shelter NSW

Shelter NSW has operated since 1975 as the NSW State housing policy and advocacy peak body. Our vision is to create a sustainable housing system that provides a secure home for all. Our work is focused on systemic advocacy and advice with the aim of resolving housing inequality. We are especially concerned with addressing the housing affordability needs of lower-income households who struggle to afford good quality, well-located housing<sup>1</sup> and advocating for people who struggle to manage their housing and are at risk of homelessness. Our approach involves engaging, collaborating, and connecting with stakeholders, consumers, Government, private and not-for-profit organisations on housing related issues.

#### • **Priority 1: Housing targets**

##### **Affordable Rental Housing Target for the LGA**

Shelter supports the inclusion of an affordable housing target for the LGA as part of the Council's broader dwelling supply target of around 12,000 by 2036. The District Plan already includes a stated 'Affordable Rental Housing Target' of 5% of new residential development and 10% on Government owned sites across for Greater Sydney region.

As acknowledged in Council's Housing Study, housing affordability is an issue for many residents on the Northern Beaches. In response, Shelter NSW suggests that the Council

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<sup>1</sup> In 2017–18, 47.8% of low-income households in greater capital city areas and 35.6% of low-income households in the rest of the states and territories were considered to be in rental stress. Source Australia Institute of health and Welfare 2019. (<https://www.aihw.gov.au/reports/australias-welfare/housing-affordability>)

make an explicit commitment to delivering both social and affordable housing products as part of their overall housing targets.

Shelter suggests that the Council set an affordable housing target of approximately 10% of all housing stock. This could then be broken down by affordable, community, and public housing. An example could be 5% of all housing in the LGA as public housing or community housing, and 5% as affordable housing delivered either by not-for-profits or through land use planning benefits via amendments to Local Environmental Plans (LEPs).

- **Priority 2: Detailed planning for centres**

Council's Housing Study identifies potential areas for the delivery of land use planning benefits in the form of increased height and density controls across the LGA<sup>2</sup>. Shelter recommends that any amendments to the planning controls that increase land value be linked with an affordable housing contribution scheme, aimed at delivering a percentage of affordable housing in areas undergoing redevelopment on the Northern Beaches.

#### **Affordable Housing Contribution Rate**

Shelter suggests that Council includes both residential and non-residential land use zones<sup>3</sup> as part of the affordable housing contribution for areas undergoing redevelopment. The following example is from the City of Sydney, using the following:

- **Residential development**

On-site: 3% of the total residential floor area must be provided as affordable housing.

Monetary: \$214.17 per square metre of the total residential floor area.

- **Non-residential development**

On-site: 1% of the total non-residential floor area must be provided as affordable housing.

Monetary: \$71.36 per square metre of the total non-residential floor area.

#### **Planning Agreement Framework to Include Affordable Housing**

Shelter recommends that the Council include an affordable housing clause in its 'Planning Agreement' framework to support the delivery of affordable housing. This will allow the Council to acquire a community contribution in the form of affordable housing on any major development or masterplan site.

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<sup>2</sup> (Avalon, Balgowlah, Beacon Hill, Belrose, Brookvale, Dee Why, Forestville, Freshwater, Manly, Mona Vale, Manly Vale and Narrabeen, Newport, Warriewood and Terrey Hills)

<sup>3</sup> In line with State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes) (SEEP 70 AH)

Two best practice planning agreement policies that include an affordable housing clause are provided below:

1. Canterbury Bankstown's draft Planning Agreement Policy has the following clause; *Where a Planning Proposal is seeking an uplift of residential floor space that exceeds 1,000 sqm of gross floor area (as defined in the applicable local environmental plan), the equivalent of at least 5 percent of the increased residential floor space should be dedicated to the Council in the form of residential dwellings for affordable housing, or as a cash payment for affordable housing.*
2. Randwick Council:  
[https://www.randwick.nsw.gov.au/\\_data/assets/pdf\\_file/0007/25990/Planning-Agreements-Policy.pdf](https://www.randwick.nsw.gov.au/_data/assets/pdf_file/0007/25990/Planning-Agreements-Policy.pdf).

### • Priority 3: Social and Affordable Housing

#### Encourage the provision of affordable housing

Shelter has already outlined its recommendation on strategies to support the delivery of affordable housing under Priority 2 (Detailed Planning for Centres). We fully support the Council's proposed affordable housing target in line with an affordable rental housing contribution scheme linked with new planning proposals (LEP amendments).

#### Built-to-Rent

The NSW Government has provided support for 'Build-to-Rent' (BTR) housing in the form of land tax rebates<sup>4</sup>. Further, the Government has introduced provisions into the planning system to support BTR, including a State Significant Development (SSD) approval pathway. Shelter NSW sees BTR as a natural 'fit' for the community housing sector to deliver affordable housing<sup>5</sup>. With this in mind, Council might consider supporting the BTR model for the redevelopment of surplus Council-owned land in collaboration with a community housing organisation.

#### State Significant Development and affordable housing contributions

State Significant Developments (SSD) are deemed to be of significance due to the size, economic value or potential impacts of the development. SSD deliver substantial uplift in land value via allied planning benefits but can also lead to a loss of existing affordable housing stock in areas undergoing redevelopment and gentrification. A review by Shelter in 2020 of approved SSD found that, based on a 5% affordable housing target, these developments failed to deliver hundreds of affordable housing dwellings in perpetuity.

Shelter believes that SSD present a primary opportunity to deliver on the State Government 5% to 10% affordable housing targets as outlined in the Greater Sydney Metropolitan and

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<sup>4</sup> BTR receive a 50 per cent land tax discount for 20 years.

<sup>5</sup> Build-to-Rent: an affordable solution? ([https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0027/45936/Build-to-Rent-an-affordable-solution-John-Nicolades-National-Housing-Conference-2019-Darwin.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0027/45936/Build-to-Rent-an-affordable-solution-John-Nicolades-National-Housing-Conference-2019-Darwin.pdf)).

District Plans<sup>6</sup>. Based on this, Shelter recommends that Council advocate for SSD to also deliver affordable housing in line with the objective of the Environmental Planning and Assessment Act 1979 (the Act) (EP&A Act) (to promote the delivery of affordable housing) and the Greater Sydney Commission's Metropolitan and District Plans.

### **Social & Community Housing**

Although Shelter does not have current specific data on the Northern Beaches' housing issues, we do know (based on ABS data) that in 2016, 58% of households owned their home, 31.8% rented, and 1.7% were in social housing. Levels of mortgage and rental stress varied across the LGA, ranging from between 5% of households to over 50% of households<sup>7</sup>.

Social and community housing, which is the primary safety net for people in housing stress, was only 1.7% of all Northern Beaches housing stock. Research indicates that in expensive housing markets you need a safety net for low-income households around of 5% public or community housing stock<sup>8</sup>. With this in mind, Shelter recommends that the Council advocate for additional social and community housing dwellings - up to 5% of all housing stock to be delivered over the next 5 to 10 years on the Northern Beaches.

Regarding the renewal of public housing by Land and Housing Corporation (LAHC), Shelter would recommend that Council monitor the desired outcome of any renewal projects to ensure that they align with the public housing waiting list and any unmet housing needs across the LGA. Many of these renewal projects have a target of 70% private and 30% public dwellings. However, these targets only consider the number of new dwellings being built and don't take into account the number of existing dwellings lost. They also undervalue the cost associated with transferring tenants. Based on this, Shelter NSW recommends that any public housing renewal project should deliver at least 50% of new publicly owned dwellings.

### **Boarding Houses**

It is evident that Council has some concerns regarding the delivery of boarding houses under State Environmental Planning Policy (Affordable Rental Housing) 2009 (SEPP ARH 2009). Shelter NSW has lobbied the Government on the Boarding House provision in SEPP AH (2009). We have argued that the Boarding House provision predominantly led to the delivery of luxury studio apartments, and has blurred the definition of what is a traditional boarding house and what is affordable housing<sup>9</sup>.

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<sup>6</sup> Greater Sydney Region Plan - A Metropolis of Three Cities

<sup>7</sup> Rental stress is where a low-income tenant faces housing costs that leave them without enough income for food, clothing and other essentials. The scale of the problem – commonly defined as when rent eats up more than 30% of income – is usually presented as a “point in time” or snapshot statistic.

<sup>8</sup> Steven Rowley, Emma Baker, Rebecca Bentley, Chris Leishman Heriot-Watt and Laurence Lester (2017). Modelling housing need in Australia to 2025. Australian Housing and Urban Research Institute.

<sup>9</sup> Martin, Chris. July 2019. Boarding houses in New South Wales: growth, change and implications for equitable density. A research report for Shelter NSW (No. 64) City Futures Research Centre Built Environment.  
[file:///Users/stacey/Downloads/cfrjuly2019\\_boardinghousesnsw\\_shelterbrief64\\_d3hAeTm.pdf](file:///Users/stacey/Downloads/cfrjuly2019_boardinghousesnsw_shelterbrief64_d3hAeTm.pdf).

Shelter has also expressed additional concern in submissions to the Government regarding the exponential growth in off-campus Student accommodation in the form of new generation Boarding House developments, incentivised with NRAS subsidies. This form of student accommodation is not cheap and does not deliver affordable housing, which is a someone problematic and counterintuitive outcome for students in the time of Covid <sup>10</sup> .

Shelter NSW has raised the following concerns regarding the Boarding House provision;

1. Although there may be some benefits associated with new boarding house products such as their capacity to provide secure long term rental accommodation, these dwellings are increasingly expensive and should not be defined as affordable.
2. All developments under the AH SEPP should address the stated aim of the SEPP to facilitate the effective delivery of new affordable rental housing through planning benefits.
3. The delivery of student accommodation under the boarding house provision in the SEPP fails to address the accumulative impacts of these large-scale facilities across an LGA.

#### **Analyze and update both housing and affordable housing-related data**

Shelter recommends that the Council monitor the amount of public, community and affordable housing available in the LGA. This will enable the Council to respond proactively to the needs of its communities by assessing any losses or increases in housing stock for lower-income households.

#### **Acknowledge and Support for Local Aboriginal Land the Council to delivery additional housing opportunities**

Shelter would like to see a commitment by the Council to work with the Local Aboriginal Land Council on the development of a strategic plan, aimed primarily at delivering additional housing opportunities. This work can be based on the Aboriginal Land Framework (introduced by the NSW Planning System in 2019) to work cooperatively with LALC to rezone land so that additional dwellings can be delivered.

#### **• Priority 4: Precinct sustainability and housing**

Shelter supports this priority and, in order to achieve success, we suggest that Council encourage clustered development patterns that aim to consolidate landscaping and

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NOT CHEAP, REASONABLE - the development of not-for-profit boarding houses A DISCUSSION PAPER compiled by Colin Robinson Social Research for Shelter NSW November 2000. <https://shelternsw.org.au/wp-content/uploads/2020/11/2000-%E2%80%93-Not-cheap-reasonable-the-development-of-not-for-profit-boarding-houses-%E2%80%93-Colin-Robinson.pdf>

<sup>10</sup> The following asking rents; A small studio apartment in the iglu Regent Street Redfern development is \$529 a week, A single bedroom in a 4-share apartment at iglu Chatswood's development is \$379 a week. University Living: <https://www.universityliving.com/> & IGLU <https://iglu.com.au/>.

vegetation, facilitating better water management practices and reducing the risk of bushfires.

- **Priority 5: Planning for seniors housing**

Shelter supports this priority and suggests that the Council look at ways to deliver seniors housing options in locations close to town centres (taking into consideration land and environmental constraints). This will serve to reduce the mismatch between existing housing stock and the needs of older residents so they can age in place.

### **Low Rise Housing Diversity Code**

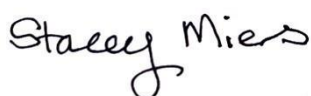
We note that the Council has some concerns regarding the “Low Rise Housing Code”. Nonetheless, Shelter feels that some of the housing products in the Code have the capacity to deliver housing options for older residents who may wish to live independently, close to town centres. We also understand that some of the standards for manor houses would diminish existing street character in a main street setting and would not be acceptable. With this in mind, we suggest that Council develop its own strategic framework and design guide to support the delivery of manor houses in locations close to town centres.

To support older residents to age in place, Shelter NSW would encourage the Council to adopt guidelines to increase the provision of adaptable and accessible dwellings in line with universal housing design principles (<http://universaldesign.ie/What-is-Universal-Design/Definition-and-Overview>).

Thank You

Shelter NSW appreciates the opportunity to comment on the Draft Northern Beaches Local Housing Strategy. We hope that our comments provide some valuable insights to assist with your strategic planning work in the housing space. We are also happy to engage with the Council on the issues raised in our submission. If you wish to discuss our submission in more detail, please contact Principal Policy Officer, Stacey Miers, on 0410 633 272 or by email at [stacey@shelternsw.org.au](mailto:stacey@shelternsw.org.au) or CEO, John Engeler, on 0410 402 212 or by email at [John@shelternsw.org.au](mailto:John@shelternsw.org.au)

Sincerely Yours,



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