

Submission on the Frenchs Forest Place Strategy

September 2021

About Shelter NSW

Shelter NSW is a non-profit organisation that conducts housing research and advocacy on behalf of households on ordinary incomes — those in low- and moderately-paid work, in casual or part-time employment, or getting by on government support payments. We were founded in 1975 as a member-based organisation that today represents a diverse network of other organisations and individuals who share our vision of a sustainable housing system that provides a secure home for all. To advance our vision, we engage our members, experts, and partners and advocate on housing reforms that aim to benefit our economy, our society, and our environment. One of our primary aims is to find a way to mitigate the growing impact of housing inequality across our cities and towns.

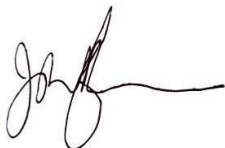
About our submission

Shelter NSW (Shelter) appreciates the opportunity to comment on the [draft Frenchs Forest 2041 Place Strategy](#) (the Strategy), prepared by the Department of Planning, Infrastructure and Environment (DPIE). Shelter's ongoing review of the planning system has presented evidence that the private housing market and the majority of existing planning mechanisms are failing to deliver housing solutions that address the housing requirements of security, affordability, choice and amenity. It is for this reason that we have reviewed the Strategy from the perspective of people living and working in and around Frenchs Forest who struggle to afford good quality housing that suits their needs, including the large number of key workers that will be working onsite in the future and those in need of social housing.

Our submission is primarily focused on ways to address the needs of that percentage of the population who don't own a home - residents who are struggling to meet their housing costs. We will therefore be raising some key concerns with the Strategy and proposing some areas of further investigation that will help to address the housing shortfall. With this as our focus, we will advocate ways to address the growing problem of declining housing affordability across greater Sydney and NSW.

If you wish to discuss our submission in more detail, please contact Stefanie Matosevic on 0431 037 724 or by email at stefanie@shelternsw.org.au or our CEO, John Engeler, on 02 9267 5733 or by email at john@shelternsw.org.au.

Sincerely Yours,



John Engeler
Chief Executive Officer, Shelter NSW



Stefanie Matosevic
Policy Officer, Shelter NSW



Housing Affordability in Frenchs Forest

The Frenchs Forest Place Strategy has been prepared to guide the transformation of Frenchs Forest into a key mixed-use strategic centre. The Northern Beaches Hospital, relocation of Frenchs Forest High School, and investment in infrastructure and transport are catalysts for Frenchs Forest to be a major health and education precinct.

In recent years, housing affordability in the suburb has declined due to its desirable location and attractive place character, which has seen lower-income families and singles increasingly priced out of the area. The median rent in Frenchs Forest is currently \$630 per week for a 2-bedroom dwelling¹, compared to \$500 in Greater Sydney². Additionally, social housing availability is low in the area relative to the rest of Sydney³. This is despite there being 744 households waiting for social housing in the CS05 Northern Beaches zone, including 174 which are considered priority i.e., in urgent need of housing⁴. The minimum wait on social housing is 5-10 years, and 10+ years for anything larger than a 4-bedroom dwelling.

This has led to an increasing demand for more social and affordable housing in the local area, as described in the Northern Beaches Local Housing Strategy⁵. Council has identified a current shortfall of more than 8,000 social and affordable housing dwellings, which is expected to increase by another 1,880 by 2036 (pp. 78-80).

The new Frenchs Forest High School will be a state-of-the-art public school. For people with young families, this makes the area even more attractive and people on higher incomes will buy into the area to access the school, placing additional pressure on housing prices. This will, in turn, see lower-income families further displaced.

Furthermore, the Northern Beaches Hospital and new high school will see a rise in the number of key workers in the area. Research undertaken by the Australian Housing Research Institute⁶ examined the housing situations and commuting patterns of key workers in Sydney and Melbourne. It found that appropriate and affordable housing is increasingly difficult to access for workers not only in the first and second quartiles of income (those traditionally considered 'low income'), but also increasingly for those in the third quartile. More specifically, the research found that no LGAs in metropolitan Sydney, Wollongong or Newcastle had a median house price that is affordable to an early career registered nurse.

¹ [Realestate.com.au, August 2021](https://www.realestate.com.au)

² [Tenants Union, August 2021](https://www.tenantsunion.com.au)

³ [Department of Communities and Justice Rent and Sales Statistics, March 2021](https://www.dca.nsw.gov.au)

⁴ [Department of Communities and Justice Expected Wait Times, June 2020](https://www.dca.nsw.gov.au)

⁵ Northern Beaches Council. (2021). Draft Northern Beaches Local Housing Strategy. Retrieved from <https://eservices.northernbeaches.nsw.gov.au/ePlanning/live/Common/Output/LoadGenWebDoc.ashx?id=PI DEAanAopIV0A60ki4OEG%3d%3d>

⁶ Gilbert, C., Nasreen, Z. and Gurran, N. (2021). *Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities*, AHURI Final Report No. 355. Australian Housing and Urban Research Institute Limited. Melbourne.

<https://www.ahuri.edu.au/research/final-reports/355>, doi:10.18408/ahuri7323901



Recognising the growing costs and increased housing pressures for local residents, Northern Beaches Council have been proactive in advocating for action and solutions to housing affordability in the area. The Frenchs Forest Precinct has a key role to play in the availability of secure and affordable housing for a growing number of residents in the Northern Beaches.

Shelter NSW comments and recommendations

Overall support for affordable housing targets

Shelter NSW strongly support the inclusion of 10-15% affordable housing in the Frenchs Forest precinct, which will deliver up to 250 affordable dwellings and help to deliver more housing close to critical employment hubs. However, we believe that this should go further, given the decline in housing affordability in the Northern Beaches and the fact that there are few opportunity sites to increase social and affordable housing supply.

We also wish to raise the issue of inconsistent affordable housing targets across Sydney. While we support a 10-15% target in Frenchs Forest, we would like to see this target across Greater Sydney, which would increase the amount of affordable housing across the city, while also providing greater certainty to developers.

Confirm that affordable housing will remain affordable in perpetuity

We request the DPIE clarify whether the affordable housing delivered on site in Frenchs Forest will remain affordable in perpetuity. We recognise that the Housing SEPP requires affordable housing to remain so for a minimum of 15 years, however we also note that the development in Narrabeen has affordable housing dedicated to council in perpetuity.

Shelter strongly believes that all new affordable housing must remain affordable in perpetuity. We are concerned that by placing time limits on affordable housing, any meaningful and much-needed increase in the supply of genuine affordable rental dwellings will be difficult to achieve, and NSW will continue to suffer from a critical undersupply of affordable rental housing. We would also like to highlight the risk of displacing affordable housing residents once the dwellings revert to market housing, which we are beginning to witness as the National Affordability Rental Scheme comes to an end⁷.

Shelter urges DPIE to ensure affordable housing remains so in perpetuity, to align with the NSW Government's own commitment to retaining existing affordable housing and increasing affordable housing supply.

Recommendation: Include a clearly stated commitment that all affordable housing delivered in Frenchs Forest will remain affordable in perpetuity.

⁷ Pollard, E. (2021, April 28). Fears Australia's housing crisis will worsen as affordable rental scheme winds down. ABC News. Retrieved from <https://www.abc.net.au/news/2021-04-28/homeless-rise-nras-affordable-rental-scheme-ends/100097588>



Opportunity to increase the provision of social housing

Shelter believes that every neighbourhood should have a supply of social housing to support those that are unable to access the private rental market. Whether it be loss of income or a dramatic

change in personal circumstances - including people escaping domestic violence, retirees that do not own their own home (particularly single women over 55), or someone that has had their income severely impacted by COVID-19 - all communities need a stock of social housing.

We therefore believe that an appropriate proportion of social housing should be delivered in the Frenchs Forest Precinct.

Recommendation: Commit to a minimum of 10% social housing

Consider increasing affordable and social housing targets on publicly owned land

Shelter strongly believes that publicly owned land should be leading the way in the delivery of social and affordable housing in NSW. We recognise that the cost of land represents a large proportion of the cost of development, especially in Sydney. Partnering with developers to deliver social and affordable housing on public land can significantly improve its financial feasibility and ultimately, can provide low- and middle-income families with access to secure, safe, and affordable homes^{8,9}. This strategy can provide NSW with strong, sustainable contributions to social and affordable housing.

The relocation of Frenchs Forest High School provides a key opportunity to better leverage land owned by the Department of Education. The NSW Government's lack of engagement with this common strategy calls into question their commitment to improving access to more affordable housing. It is for this reason we request that the Strategy be reviewed to increase the proportion of social and affordable housing on Site A, the site of the existing Frenchs Forest High school.

Recommendation: Investigate the opportunity to increase the affordable housing target from 15% to 20% and deliver up to 10% social housing on Site A.

Thank you

Shelter NSW appreciates the opportunity to comment on the draft Macquarie Park Place Strategy. We hope that the comments and insights we have provided bring some value to considerations in the housing policy space. We are also happy to engage on the issues raised in our submission. If you wish to discuss our submission in more detail, please contact our CEO, John Engeler, on 02 9267 5733 or by email at john@shelternsw.org.au, or Stefanie Matosevic on 0431 037 724 or by email at stefanie@shelternsw.org.au.

⁸ Spotts, M.A., Hale-Case, G. and Abu-Khalaf, A. (2017). Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing Development. Enterprise Community Partners, Maryland, USA. Retrieved from <https://www.enterprisecommunity.org/download?fid=3257&nid=3739>

⁹ Palm, M., Raynor, K. and Whitzman, C. (2018). Project 30,000: producing social and affordable housing on government land. University of Melbourne, Melbourne. Retrieved from <https://apo.org.au/node/251431>

