



Ku-ring-gai Council Submission Draft amendment to Affordable Rental Housing State Environmental Planning Policy Explanation of Intended Effect – Boarding Houses

The Explanation of Intended Effect (EIE) advises that the intention of the amendment is to ensure that the built form of Boarding House development in the R2 zone is compatible with the built form of other development in the local area. The EIE does not explain which clause of the SEPP will be amended to achieve this objective, thus making the provision of helpful feedback difficult.

- *The Department should issue a revised EIE with the actual wording of the proposed amendment.*

Restricting the number of rooms would better achieve the intention of the amendment if there was also a proposal to change the non-discretionary development standard for floor space ratio in clause 29(1) to a discretionary standard or to reduce the maximum floor space ratio.

- *The Department should consider amending clause 29(1) to change the non-discretionary development standard for floor space ratio to a discretionary standard, or to reduce the maximum floor space ratio.*

In the event that a proposed Boarding House had more than 12 rooms, the applicant could seek a variation to this standard (if it is a standard, the EIE is silent on this) on the basis of compliance with clause 29(1), thus rendering the 12 room control of no effect.

- *The Department should include mechanisms to remove the ambiguity and loopholes in the 12 room limit.*

It is agreed that the 12 room restriction may be an adequate substitute for a floor space ratio standard for land that is not subject to a maximum floor space ratio control; however, given the SEPP's silence on tying Boarding Houses to Community Housing Providers, or any mechanism to match Boarding House room rentals with the Low to Very Low Income groups that generally require this type of housing, the 12 room provision is likely to be modified and used for private gain commanding high rentals, as is currently the case in the Ku-ring-gai LGA.



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Draft amendment to Affordable Rental Housing State Environmental Planning Policy

Explanation of Intended Effect – Boarding Houses

- The Department should consider whether restricting the number of rooms may lead to larger rooms that command a higher tariff, thus eroding affordability of boarding house accommodation.

There appears to be an assumption that the tariff for Boarding House rooms will be low because room sizes are limited to 25m², however that limit does not apply to the kitchen and bathroom, so the overall size of the room may be similar to a studio apartment.

For example, fairly small rooms in a Boarding House at 2 Newark Crescent, Lindfield are being advertised for \$450 per week. For this \$450 rent to meet the thresholds for affordable housing, the income of the person renting the room would need to be nett \$1500/week (gross \$2066/week) which equates to a gross annual salary of \$107,432. This places the population able to afford Boarding House accommodation at the top end of the Moderate Income household (as indicated in the table below).

Anecdotal evidence indicates that the occupants of Boarding Houses are generally young single people, students, older single people and pensioners. These populations are highly unlikely to have annual incomes above \$100k making Boarding House rooms unaffordable to the population groups most suited to its accommodation, and groups that are unlikely to afford any other type of accommodation.

Median household income levels by income band

Income bands	% of median income	Annual income range (Sydney) 2018-19
Very Low	50% median	Up to \$46,700
Low	50% - 80% median	\$46,700 to \$74,700
Moderate	80% - 120% median	\$74,700 to \$112,100

- The Department should include requirements for Boarding Houses to be managed by CSPs who can better match the accommodation with occupant and ensure accommodation is being offered to the Low to Very Low income bands in line with the likely earnings of the people seeking this type of accommodation; alternately, the Department should consider mandating the threshold for Boarding House accommodation to the median income of the Low to Very Low Income band population.