

Australia's property industry

Creating for Generations

13 December 2018

Ms Alison Frame
Deputy Secretary
Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

Dear Ms Frame,



Proposed Amendment to State Environmental Planning Policy (Affordable Rental Housing) 2009

The Property Council of Australia (PCA) welcomes the opportunity to provide comments to the Department of Planning and Environment (the Department) on the proposed amendments to State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARH SEPP). The amendments are contained in an Explanation of Intended Effect (EIE) issued on 28 November 2018 and apply to boarding house developments.

The proposed amendment involves capping the number of boarding house rooms in a boarding house development in the R2 zone to a maximum of 12 boarding rooms. This change has been developed in response to concerns from councils about perceived impacts on adjoining and nearby properties. It is noted that no particulars of these concerns have been provided within the EIE.

The ARH SEPP provides a set of State-wide planning controls intended to deliver a wide range of affordable housing product, including in-fill affordable housing, secondary dwellings, boarding houses and group homes. Since it commenced in 2009, the policy has undergone multiple reviews and amendments to respond to various community concerns.

The proposed policy change raises the following questions, which we ask the Department to take into consideration as part of its review of the proposal:

Justification

It is unclear from reviewing the EIE released by the Department, the reason(s) for 12 rooms being chosen as the cap on boarding rooms in the R2 zone. If there must be a cap placed on the number of boarding rooms in new generation boarding houses it should be informed by good planning evidence rather than the imposition of an arbitrary number. It would be a concern if an arbitrary number has been selected without consideration of how the cap will impact on financial viability of small to medium-sized boarding house developments.

Feasibility

It is unclear from reviewing the EIE released by the Department, what impact of the proposed cap will have on the development feasibility and operational viability of boarding houses in the R2 zone. New generation boarding houses are valid and affordable housing produce for the community housing sector that is being undermined by these changes. The proposed cap and the recent change to car parking requirements combined may have the unintended consequence of creating a total prohibition of boarding houses in R2 zones.

Impact on delivery of affordable housing

New generation boarding houses make a significant contribution towards the supply of low-cost rental accommodation in many parts of Sydney. The community housing sector view them positively because they can be targeted to particular groups which are in desperate need of housing. This restriction, if approved, may place many hundreds of new boarding house rooms under threat.

Transitional arrangements

It is important that there are transitional arrangements put in place to allow current proposals submitted to consent authorities before 28 November 2018 to be determined on the basis of pre-existing planning rules.

If the Government intends to proceed with the proposed amendment and impose a cap on boarding houses in the R2 zone, it should set aside unsubstantiated community concerns and objections and determine a cap based on legitimate planning grounds.

The Department should as part of its review into the impacts of boarding house development in low density residential zones, consider a threshold that does not undermine the viability of proposals that provide much needed affordable housing for particular groups in society whose needs are not being met by the regular private rental market.

It is crucial for the Department determine a threshold that both responds to community concerns and will still allow the delivery of much needed affordable housing for various community groups, including key workers, single person households and the elderly.

Please do not hesitate to contact Troy Loveday, Senior Policy Advisor, on (02) 9033 1907 or tloveday@propertycouncil.com.au if you would like to discuss any aspect of this submission further.

Yours sincerely



Jane Fitzgerald
NSW Executive Director
Property Council of Australia