



**Proposed changes to the State
Environmental Planning Policy
(Affordable Rental Housing)
2009 – Boarding Houses**

Submission prepared by NSW
Federation of Housing
Associations

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**nsw Federation of
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NSW Federation of Housing Associations

The NSW Federation of Housing Associations (the Federation) is the industry peak body for registered community housing providers in NSW. The Federation is also supporting Aboriginal Community Housing Providers (ACHPs) in NSW in a process to establish a representative body.

The community housing industry in NSW is growing and diversifying. It now manages more than 38,000 homes and is due to manage a further 14,000 homes being transferred from public housing management over the next three years.

Registered community housing providers in NSW manage both social housing and affordable rental housing - they are grounded in their local communities and understand local housing need.

Many registered community housing providers have established strong relationships with local councils to encourage affordable rental housing delivery. As well as managing affordable rental housing on behalf of local councils which has been delivered through inclusionary zoning and other planning mechanisms, our members have worked across 35 different local government areas to deliver new social and affordable housing.

The Federation's purpose is to support the development of a not-for-profit rental housing industry which makes a difference to the lives of lower income and disadvantaged households in NSW. The Federation seeks to ensure that registered community housing providers are active in all housing markets, providing a full range of housing products.

Position on the proposed changes to the SEPP

The Federation does not support the proposed changes to the SEPP (Affordable Rental Housing) 2009 – Boarding Houses.

The experience of our members is that the current parking requirements are more than adequate for the needs of people living in their boarding house developments. This appears to be supported by forthcoming research¹ which indicates that very few neighbours report negative impacts of boarding house developments by our members.

The proposed changes are likely to make the cost of developing some new generation boarding houses for low income people prohibitive. In other cases the numbers of rooms provided will be reduced. In summary the proposed changes will reduce the numbers of genuinely affordable homes that are developed in NSW.

Our submission is focused on accommodation developed by our members. Understandably we have less information about car parking impacts from other boarding housing developments. We do however recognise that they can provide an affordable option for single people whose other choice may be in a less well located area. Understanding both the actual impact on car parking spaces and what the change will mean in terms of housing supply is critical before changes are made.

¹ Building Community Acceptance for Community Housing, Judith Stubbs and Associate (2017),

Overview

Single people are a growing proportion of people living in social and affordable housing and need for affordable rental products for singles is also growing. New generation boarding houses are an excellent product for this group. Registered community housing providers are typically developing new generation boarding houses as a way of providing affordable rental housing to very low or low income single people in well located and well serviced communities.

The existing requirements under the SEPP (Affordable Rental Housing) 2009 allow our members to balance development cost with meeting the needs of the community. The provisions mean that community housing provider development of new generation boarding houses can be feasible, even given the low rental yield received from the very low and low income single people they house.

Changes to the SEPP that would have the effect of making development more expensive will mean that new developments targeting single people will not be viable for community housing providers in many NSW housing markets.

Furthermore the proposed car parking requirement is higher than the car parking requirements for a typical multi-unit development that are developed utilising ARHSEPP. Under the current ARHSEPP, for multi-unit developments 0.4 car space is required for 1 bed and 0.5 car space for 2 bed if the development is carried out by a community housing provider.

Community housing provider experience of boarding house development

The Federation's members have developed over 100 new generation boarding house units across at least six different local government areas. In addition to this, the Federation understands that several members are managing new generation boarding houses developed by private developers.

Our members advise that in their collective experiences, community concerns about parking in new generation boarding house developments are no more pronounced than for other medium density projects they undertake. They also point out that concerns about parking expressed at the development application stage are based on the perceived impact rather than what actually occurs which suggests there is scope for better information to be made available about typical car ownership rates in different housing models.

Registered community housing providers target new generation boarding house developments to locations with excellent transport links, recognising that the people they will house are less likely to have cars and need access to transport to access jobs and services.

Some of these developments focus on specific household cohorts, such as the redevelopment of an existing dwelling in the inner west as a new generation boarding house for single older women. Other developments are providing affordable housing to low income single people trying to live near to work or their support networks. It is these disadvantaged groups with few other housing options (and low car usage) who will be most severely affected by the proposed changes.

Registered community housing providers have an excellent understanding of their target household groups and developments by community housing providers are designed to meet their needs. Our members also have the skills and experience to work with communities to manage concerns they

may have with developments and can put in place strategies to mitigate any potentially negative impacts.

Registered community housing providers also have to meet and continue to comply with minimum performance standards that include obligations on asset management, tenancy services and community engagement. They are assessed annually on compliance and there are mechanisms for raising concerns at other times.

Innovation by community housing providers

Community housing providers take their role in providing housing for communities which is supported by communities very seriously.

In developing new generation boarding houses, our members have engaged extensively with local councillors, councils and community members to identify issues of concern for communities. Typically development are small scale They also put in place appropriate management arrangements (typically more intensive) that are responsive to the residents' needs and consistent with the requirements of their regulatory obligations.

A report² commissioned by the Federation which will be launched in May 2018, provides some supporting evidence that boarding houses involving not for profit registered community housing providers do not have negative impacts on the surrounding area. The report examines three boarding houses, each with a different development and management arrangement. One large boarding house developed and managed privately did face resistance and ongoing management issues. The experience of residents with the other two was positive;

- A boarding house in the inner west built by a private developer about which neighbours raised concerns. The management has since passed to a registered community housing provider and very few neighbours have reported any negative impacts. The boarding house has an onsite manager, appropriate to the resident cohort
- A North Sydney development by a registered community housing provider had a straightforward passage through the planning system with no community resistance or reported negative impacts afterwards. This is in part attributed to the provider being well known and respected in the locality, working well with the Council and providing high standard management

One of our members worked with the community to develop a local allocation strategy for a boarding house which meant that not owning a car was a condition of the tenancy agreement. In this case the target group and the boarding house location made this a feasible solution. Clearly, there are circumstances where car ownership / reliance is necessary and a blanket no car policy for boarding house tenants is somewhat draconian. There are other options - one of our members has developed a policy which allocates parking to people with priority needs, including people with disability, parents and shift workers. Parking use can then be reviewed regularly and managed.

Other members have worked with local Councils to locate car share scheme parking near developments.

² Building Community Acceptance for Community Housing, Judith Stubbs and Associate (2017),

Car use by tenants

While data on car ownership and usage is not formally recorded, our members have been able to provide an insight into car use by their tenants and in particular those residing in new generation boarding houses.

Typically, our members have found that only around 30% of their tenants are car owners. Of the examples cited by our members, parking for tenants (including tenants of new generation boarding houses) is not reducing available spaces for other community residents. On the contrary the developments usually have more spaces than are regularly in use. Further, research commissioned by the former Wyong Shire Council (now Central Coast Council) indicates that 74% Public Housing (Social Housing) Tenants living in studio or 1 bed room apartments do not own a car.

Examples provided to the Federation include:

- An inner west Sydney development has one space between nine units. There are 3 main bus stops located within 20m of the site, it is approx. 1.5km from the station and neighbourhood shopping centre hence cars have not been required. The site provides 1 x car space and 3 x motorbike spaces none of which are currently used.
- A Western Sydney development with 24 spaces for 38 units typically has less than ten spaces in use at any one time.
- An inner city Sydney development with 20 units for older women has three spaces, two of which are dedicated to people with live in carers and the other is not used.
- An existing 31 room boarding house in Woy Woy NSW was required to have six car park places for residents. At no stage have all of these parking spaces been in use.

Potential impact of proposed changes

Margins are very low for community housing developers and the proposed increase in parking required could effectively mean that registered community housing providers will no longer build new generation boarding houses.

One member has calculated the potential impact on a 30 room boarding house in the Central Coast area, where the changes would add another nine car park spaces. The impacts of these additional spaces are likely to result in increased capital development costs

- The additional spaces would require a minimum of 250sqm of land (assuming on grade). Depending on the site location this will require \$200K - \$500K of additional land investment.
- Constriction of the additional car parking, retaining walls, drainage etc would require an additional \$80K-\$150K.
- The additional costs equate to an extra \$300K-\$650K in capital investment (\$10K-\$20K per room), which is up to 10% extra.
- The additional costs to the project reduce the financial viability for the provision of Affordable Rental Housing to the community

A Sydney based provider has estimated that an increase could add up to \$40k per unit to the cost of the development. In one case they noted a development may not have been possible as being a refurbishment there was no scope to provide the parking within a basement parking area.

Other members have also noted space constraints on many of the sites they are able to acquire or identify for potential new generation boarding house developments. Where sites have been acquired or identified, our members will be left with no other option than to reduce the number of units in developments if parking requirements were increased damaging the feasibility of these projects.

Our members have also raised concerns about the timing of any proposed changes to the SEPP. Some members have new generation boarding houses at the development application stage which will potentially be delayed or disrupted by this process, particularly if any adjustments to parking requirements are retroactive.

Further considerations

Local councils have other mechanisms to regulate on street parking where it is at a premium. Councils can introduce time restrictions, resident permits and ticket parking which can manage parking by residents and visitors.

Growing use of car share schemes and expansion of bike lanes in metropolitan areas is changing car ownership and use. The existing parking requirements for new generation boarding houses reflect that these developments target single people who are [less likely to be car owners](#) than couples or families.

Go get may be a good option for the larger developments at least 50 plus unit sites otherwise it is not viable, especially if we are unable to place the Go get on the Street. Perhaps an incentive is that developments within a certain distance of town centre or train station could be exempt from parking and the further away you are from these facilities the rate increases as there would be more demand on cars.

Recommendations

Consideration should be given to other measures which may address community concerns around parking without increasing development costs for registered community housing providers. These could include

- Exempting new generation boarding house developments targeting very low to moderate income people from the increased parking requirements. Consideration will need to be given to how compliance with this policy intent is ensured. Both for-profit and not-for-profit organisations can become registered community housing providers but only not-for-profit providers will target exclusively to this income bracket. A requirement to be a registered community housing provider which is also registered with the Australian Charities and Not-for-profit Commission could be one avenue to address this issue.
- Establishing maximum parking requirements – the City of Sydney has maximum parking requirements in its Local Environmental Plan which reflects the accessibility of public transport in the area and its aim to reduce car use in the local government area