



nsw Federation of
Housing Associations inc

NSW FEDERATION OF HOUSING ASSOCIATIONS ELECTION CAMPAIGN 2011

Information Sheet

STATE ENVIRONMENTAL PLANNING POLICY (AFFORDABLE RENTAL HOUSING) 2009

The NSW State election on March 2011 will set the direction for the State over the next four years. The NSW Federation of Housing Associations is calling on all Parties and candidates to commit to implementing a number of directions that will be essential to address the lack of affordable housing in NSW and to meet the housing needs of low and moderate income households.

Background – the need for affordable housing in NSW

In NSW, more than 10% of households are in housing stress, meaning they spend more than 30% of their income on rent and that their income is very low, low or moderate. Of these households, 70% reside in Sydney.¹ In the coming years, the gentrification of inner-metropolitan suburbs, increasing population, the increase in sole-person households and an ageing population will all put pressures on an already strained housing market. There is a need to increase the supply of affordable rental housing to meet today's demands and future trends. The planning system plays a major role in determining the provision of affordable housing.

Social housing caters for very low income households who are in the main receiving government income support, however eligibility criteria for social housing exclude 'key workers' on salaries as low as \$30,000. Affordable rental housing is aimed at low and moderate income working households. Key workers include care workers, taxi drivers, writers, construction workers, actors, bar staff, trades people, nurses, retail shop assistants, couriers, real estate property workers and finance industry staff.

Affordable housing has been mixed with social housing successfully to increase the financial viability of developments for community housing providers and to provide housing for a range of income groups in one area, avoiding concentrations of disadvantage. Affordable housing offers security for people who have exceeded the income limits for social housing but may not be catered for in the private rental market.

The supply of social housing has not kept up with the supply of market housing in NSW. As a result there is a lack of housing for moderate, low and very low income households. The NSW Government State Plan calls for the construction of a further 300,000 dwellings across NSW to meet the demands of a rising population by 2036. This does not include a target for affordable housing.

To increase the supply of both social and affordable housing, the NSW Government has committed to transferring the title of some 6,000 Housing NSW properties to Community Housing Providers by 2016. Provision of title will enable not-for-profit providers to leverage from their assets and develop more social and affordable housing to meet current and future demands.

¹ Shelter NSW Housing Factsheet, 01 October 2010, p 2.

Community Housing Providers are well placed to manage and develop (alone or in partnership with the private or public sector) affordable housing that provides a high standard of service, security of tenure and is overseen by an independent regulator. The NSW Government has introduced specific planning policies to encourage the development of affordable housing. The State Environmental Planning Policy (Affordable Rental Housing) 2009 (the AHSEPP) is one instrument intended to increase this supply.

What is the AHSEPP?

The AHSEPP was released in July 2009. The aim of this planning policy is to create opportunities and incentives for housing providers, developers and private owners to build affordable rental housing in NSW. This is achieved under the SEPP through a number of measures, including:

- Making higher-density dwelling types (such as low-rise flat buildings and town houses) permissible in residential zones;
- Offering bonus floor space incentives;
- Making secondary dwellings ('granny flats') permissible in residential zones with fast-tracked approval provisions.

Affordable rental housing developed under Division 1 of the AHSEPP must be managed by a registered community housing provider for 10 years after its construction. In its first year of operation, 4,400 dwellings were constructed under the SEPP, predominantly under Divisions 1 and 6. There have been a range of community views on the AHSEPP and it is currently under review.

The Federation's Position

With the transfer of title community housing providers underway, the community housing sector will begin to substantially increase its role as a developer of affordable housing in the coming years. While the Federation believes that the AHSEPP model could be strengthened in a number of ways, we strongly support a state-level planning instrument that facilitates the provision of affordable housing in NSW. We call upon all State parties and candidates to commit to a planning instrument that is designed to increase the supply of affordable housing. The instrument will need to offer incentives for the provision of affordable housing.

As part of this, we are seeking:

- **A commitment to adopt an affordable housing supply target in NSW (preferably as part of the NSW Government State Plan);**
- **A commitment to curb the loss of low-cost rental housing as a proportion of all housing in NSW;**
- **A commitment to support an increased role in affordable housing development by the community housing sector through a state-level affordable housing planning instrument;**
- **A mandated affordable housing component in large-scale developments where appropriate, for example at Barangaroo, or a contribution to affordable housing offsite.**

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The NSW Federation of Housing Associations (the Federation) is the industry peak body for housing associations in NSW. The Federation's mission is to support the development of a not-for-profit rental housing sector that compares to any around the world, and makes a difference to the lives of lower income and disadvantaged households across the state.

Housing associations are not-for-profit community housing providers whose principal business is managing and developing long term housing for low and moderate income households.