

# Inner West Council

## Housing & Affordability Advisory Committee (HAAC)

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### Submission on the Draft Local Housing Strategy

**HAAC Members:**

Paul Adabie (Newtown Neighbourhood Centre)  
 Dr Hazel Blunden (University of NSW)  
 David Collins-White (Haberfield Public School)  
 Rachael Haggett (HOME)  
 Julia Murray (Marrickville Legal Centre)  
 Ashvin Parameswaran (Former Head of Student Accommodation, University of Sydney)  
 Dr Michael Zanardo (Studio Zanardo Architects)

**To:**

Inner West Council  
 Ashfield Service Centre  
 260 Liverpool Road, Ashfield NSW 2131

Thank you for the opportunity to comment on the Draft Local Housing Strategy.

The Housing and Affordable Advisory Committee (HAAC) met twice to discuss the strategy. We congratulate the consultants on producing a comprehensive and far-reaching document. The following comments are intended to add to this significant effort and provide constructive comments and suggestions.

The second column in the table below refers to sections and corresponding page numbers in the Draft Local Housing Strategy.

No.	Section and page number	Topic	Notes
1	Executive Summary, p. (i)	Inner West is one of the most liveable places in Greater Sydney.	Statements like “Inner West is one of the most liveable places in greater Sydney ...” is only true for some. This statement does not acknowledge lack of affordable housing in the Inner West. Accordingly it is suggested that this statement be amended to: “The Inner West is one of the most liveable places in Greater Sydney. Most services can be conveniently accessed and our neighbourhoods are vibrant and easy to get around. However there are challenges to address, one being that the Inner West is becoming increasingly unaffordable especially for very low, low and moderate income households.” Without this qualification, the Housing Strategy may tend to encourage a debate about where to locate the 10,000+ projected dwellings rather than who can afford to live in them.
2	Executive Summary, p. (x)	Additional affordable housing gap data and actions	Executive Summary needs to be more detailed in relation to affordable housing. It should be more substantial and include, for example, more data relating to the gap between affordable housing need and supply as well as more affordable housing actions.

3	Section 1.1.1, Global and National Context, pp. 2-3	Impact of Airbnb and other online holiday rental platforms on permanent rental accommodation	Studies have shown that Airbnb and other online holiday rental platforms can affect the availability of permanent rental accommodation. This challenge needs to be recognised and a policy framework put in place to monitor the impact of Airbnb rentals on the availability and cost of lower-cost permanent rental accommodations in the Inner West. Such monitoring may justify a revision of zoning and residential development controls in order to protect the availability of permanent rental accommodation in local neighbourhoods. Refer to reference [6] below.
4	Section 1.2.2, Housing Snapshot, p. 22-24	Additional housing data and housing trends	<p>The section could contain a sub-section devoted to data (number and proportion) relating to:</p> <ul style="list-style-type: none"> <li>• Median house prices and median rents;</li> <li>• Homes owned compared to homes being purchased;</li> <li>• Private rental dwellings;</li> <li>• Social housing (i.e. public housing, community housing and Indigenous housing);</li> <li>• Extent of housing stress (or housing unaffordability) amongst very low, low AND moderate income households;</li> <li>• Extent of affordable housing available to people on government income payments and people earning the minimum wage. (Refer to the methodology employed in Anglicare’s <a href="#">Rental Affordability Snapshot</a>, National Report, April 2019).</li> </ul> <p>The inclusion of data relating to trends between 2011 and 2016 would also have been revealing, especially in relation to:</p> <ul style="list-style-type: none"> <li>• Changes in household income profiles;</li> <li>• Changes in occupational profiles including changes in lower paid and lower skilled occupational groups;</li> <li>• Loss of affordable housing dwellings;</li> <li>• Displacement of very low, low and moderate income households including key workers; and</li> <li>• Decline in social diversity.</li> </ul>
5	Section 3.2.5, Preliminary Housing Projections, pp. 49-54	‘New generation’ boarding houses and affordable housing supply	A constraint of the <i>State Environmental Planning Policy (Affordable Rental Housing) 2009</i> (ARHSEPP) in relation to boarding houses is that it does not require dwellings to be let at an affordable rent. For example, there are media reports of dwellings (particularly in ‘new generation’ boarding house developments) being let at up to \$500 per week, which does not meet the standard indicator of affordability (less than 30% of gross income for very low, low or moderate income households). Therefore assuming that boarding house accommodation in the future, especially in ‘new generation’ boarding houses, will add to affordable housing supply is problematic. Refer to City Futures’ two reports [2] and [3] below.

6	Section 4.2.2, Non-Planning Mechanisms, pp. 58	Housing co-operatives	Housing co-operatives are a form of affordable housing that delivers choice and control in housing. This form of housing is especially suitable for people on low incomes as well as seniors, older single women and people living with a disability. <a href="#">Common Equity</a> is the peak body for housing co-operatives in NSW and is a provider and developer of affordable housing across NSW. It operates in 25 local government areas (LGAs) and administers over 500 properties. The Inner West is home to a number of housing co-operatives. The existence and potential of housing co-operatives need to be recognised in the draft Housing Strategy.
7	4.2.2 Non-Planning Mechanisms, p. 58	Affordable Housing Reserve Fund	HAAC members believe that an Affordable Housing Reserve Fund should be established to hold surplus rent revenue generated by Council's Affordable Rental Housing Program and any future cash contributions for affordable housing from developers. Rent revenue generated by the program should be devoted exclusively to managing, maintaining and growing the affordable rental housing portfolio. Establishing an Affordable Housing Reserve Fund is consistent with the objectives of Council's adopted <i>Affordable Housing Policy</i> . Reference to the critical need to establish an Affordable Housing Reserve Fund should be included in the draft Housing Strategy.
8	Section 4.4, Housing Stress, pp. 59-62	Housing stress among moderate income households	The draft Housing Strategy confines 'housing stress' to very low and low income households only. While this accords with the definition of 'housing stress' it is also instructive to know the percentage of moderate income households living in housing stress or unaffordable housing. This data is of significance in relation to the displacement of key workers associated with moderate income households. Refer to Table 1: 'Percentage of very low, low and moderate income households in housing stress (or unaffordable housing)' below.
9	4.5 Homelessness, pp. 62-63	Homelessness, emergency housing and the need for more social housing linked to service provision	The inclusion of statistics relating to emergency as well as transitional housing in LGA would be useful. Council does have a <a href="#">Homelessness Policy</a> . Refer also to the plan to end homelessness in <a href="#">Everybody's Home</a> campaign. It is recommended that the need for more social housing funded by the State and Federal Governments should be emphasised. On effectively addressing homelessness, refer to reference [7] on Finnish model below.
10	Section 4.6.4, The Local Affordable Housing Gap, pp. 67-68	Local affordable housing gap and Council's adopted affordable housing target	The draft Housing Strategy estimates that "571 social/affordable dwellings ... would need to be delivered per year to meet all housing need by ... 2036." This shows that the affordable housing gap is very large and the measures/actions proposed collectively will not bridge the gap by 2036. It would be beneficial to identify those measures/actions that would contribute the most to reducing this gap. It is suggested that Council's <i>Affordable Housing Policy's</i>

			housing target of 15% on private land and 30% on State owned land is a key strategy and is likely to contribute significantly to increasing affordable housing supply. The application of an Affordable Housing Contribution Scheme under SEPP 70 to key precincts in the Inner West will assist in this regard.
11	Section 4.7, Affordable housing supply barriers, p. 69	Amalgamation	The assumption that amalgamation is required to achieve higher densities is flawed. The existing prevalence of small lots throughout the LGA can allow an increase in density with sensitive built form if development controls allow for party-wall built-to-street-edge development. The small lot structure is actually an advantage.
12	Section 4.8.4, Voluntary Planning Agreements (VPAs), p. 71	VPAs, affordable housing contributions and calculating 'land value uplift'	Given the very large affordable housing gap, the new VPA Policy should prioritise affordable housing contributions, preferably in kind rather than in cash. In addition, in order to maximise the contribution that VPAs can make to affordable housing supply, it is crucial that Council's new VPA Policy contains a clear description of the Residual Land Value model for valuing land for redevelopment and that future valuations of redevelopment sites used in VPA negotiations are based upon this model.
13	Section 4.9.5, Public Housing Redevelopment Opportunities, p. 75	Development of Land and Housing Corporation (LAHC) site	The draft Housing Strategy states that in the Inner West, small scale redevelopments may have the most potential for increasing the supply of public housing in locations such as Lilyfield. The potential for Community Housing Providers to enter into an arrangement with LAHC to redevelop public land for community housing throughout the LGA should be explored in more detail. Council should consider the application of planning concessions to encourage the expansion of social and affordable housing on such sites.
14	Section 4.9.6, Special Rate Levies for Affordable Housing, p. 75	Special rate levy or special budget allocation to increase affordable housing supply	The draft Housing Strategy recognises that there are opportunities for Council to utilise rate levies for the development of affordable housing in partnership with Community Housing Providers. Another mechanism serving the same purpose involves the establishment of a special budget allocation. Council's current budgetary situation will impact on the feasibility of each measure. However given the extent of the local affordable housing gap and its impacts on the community, the feasibility of each of these measures should be investigated.
15	Section 5, Inclusive Communities and fair access to housing, Principle 6, p. 83	Universal design	Action 2A considers a minimum percentage of new homes should meet 'silver' level Liveable Housing Design Guide. Silver level focuses only on the key requirements to ensure 'future-proofing' of dwellings. It has a very low spatial and cost imposition and is designed to be 'universal'. It should be required for 100% of new dwellings. 'Platinum' level is equivalent in imposition to AS4299 adaptable housing and provides housing for those with higher needs. A

			minimum percentage should be required for 'Platinum' level housing. Generally the Liveable Housing Design Guidelines are preferable to Australian Standards as they are more flexible.
16	Section 5, Inclusive Communities and fair access to housing, Principle 6, p. 85	Affordable housing in employment or industrial land	Consideration should also be given to amenity of dwellings in employment land, particularly in terms of noise and pollution (SEPP Infrastructure)
17	Section 5, Inclusive Communities and fair access to housing, Principle 6, p. 86	Opportunity sites	Port Philip Housing Association (now Housing First) in Melbourne have developed several such sites for the purposes of affordable housing. Refer to Housing First's <a href="#">Kyme Place development</a> located in Port Melbourne.
18	Section 5, Implementation and delivery plan, Principle 4, pp. 85-87	Empty property levy	It is recommended that the feasibility of applying an empty property levy or vacant residential land tax be undertaken. Councils could work in partnership with the State Government to increase rates for homes that have been vacant for 12 months or more. Note that the Victorian Government has introduced such a tax to help address the lack of housing supply.
19	Section 5, Implementation and delivery plan, Principle 4, pp. 85-87	Key Performance Indicators	It is recommended that reference should be made to a range of affordable housing indicators, including targets for the supply of social and affordable rental housing stock in the Inner West as well as the supply of dwellings in Council's affordable housing portfolio. In this regard, reference should be made to the Key Performance Indicators in Council's adopted <i>Affordable Housing Policy</i> .
20	Section 5, Implementation and delivery plan, Principle 4, pp. 85-87	Community Land Trusts	While governance models do not affect land or construction costs per se, the draft Housing Strategy should mention alternative ways of managing housing including through co-operative structures. For example, <a href="#">Community Land Trusts</a> (CLT) can provide shared equity with limits on capital gain on re-sale. Such models can allow greater tenant/resident control over their housing and CLTs have the potential to allow for lower-cost shared equity home ownership in housing.
21	Section 5, Implementation and delivery plan, Principle 4, pp. 85-87	Homeshare programs	The feasibility of Council supporting a homeshare program in the Inner West should be investigated. Homeshare is a simple idea: someone with a spare room invites someone in need of affordable housing to live with them, in exchange for an agreed number of hours of help, and/or rent below the market rate. The householder with a spare room is normally a mature or older person, or a younger person with disability. The homeseeker is often a younger person, but can also be a mature or older person. Homeshare programs have operated in Australia since 2000 and a local homeshare program could draw on the expertise of existing programs. Refer to reference [10] below.
22	Section 5, Implementation and	Implementation and delivery plan –	It is recommended that Council give priority to Community Housing Providers to purchase and

	delivery plan, Principle 4, pp. 85-87	priority to be given to Community Housing Providers to develop rezoned land	develop rezoned land for social and affordable housing prior to such land being made available in the marketplace to reduce the significant land cost component of development.
23	Section 5, Implementation and delivery plan, Principle 6, p. 91	Policy Guidance	The Apartment Design Guide relates to all residential apartment development in the state. Its purpose is to address ‘universals’ of housing design such as light, air and privacy. It cannot and should not extend to the design of public space which is a ‘local’ consideration and should be dealt with through DCPs and masterplans. Alternatively state guidance could be provided through another instrument. The Better Placed policy (and associated sub-policies) by the Government Architect NSW (GANSW) already goes some way to addressing better public domain outcomes.
24	Section 5, Implementation and delivery plan, Principle 6, p. 91	Design excellence	Action 5C in Principle recommends the inclusion of design excellence objectives and a local clause in the Local Environmental Plans (LEP) and design code in the Development Control Plans (DCP) to ensure good and sustainable built form outcomes based on nuanced locality based approaches. However the draft Housing Strategy does not specify how this is to be achieved. There are a number of ways this could be done including: <ul style="list-style-type: none"> <li>• Developing design guides and/or DCP controls, similar to the Apartment Design Guide provisions, but specific to other housing types; and</li> <li>• Implementing a design review panel process for all residential housing DAs to provide design advice to Council’s planning officers.</li> </ul> It is recommended that such design measures be incorporated in the Local Strategic Planning Statement (LSPS).
25	Section 6.3, pp. 112-114	Additional challenges to providing housing in the Inner West – built-form	The draft Housing Strategy states that consultation feedback indicated a lower-rise nature of the built form (1-5 storeys) is preferred in the Inner West. An alternative to a ‘taller’ city is the ‘thicker’ city or lower-rise higher-density form. A change in development control provisions could encourage this form of development by allowing party-wall built-to-street-edge development that is 1-5 storeys in height. This built form could double existing densities whilst being compatible with local character. It frees up space in rear setbacks for deep soil and canopy. It could also comfortably accommodate additional social and affordable housing dwellings. It is recommended that the applicability of international examples of lower-rise higher-density city form, but adjusted to local climate and cultural expectations, be considered for the Inner West.

**Table 1: Percentage of very low, low and moderate income households in housing stress (or unaffordable housing)**

2016	% of very low income households in housing stress		% low income households in housing stress		% moderate income households in housing stress g	
	Renting	Purchasing	Renting	Purchasing	Renting	Purchasing
Inner West LGA	97%	70%	81%	53%	52%	36%
NSW	94%	69%	65%	44%	34%	26%

Source: FACS Local Government Housing Kit Database

## REFERENCES

1. Anglicare, [Rental Affordability Snapshot](#), National Report, April 2019.
2. Troy, L., van Nouwelant, R. & Randolph, B., (2018) [State Environmental Planning Policy \(Affordable Rental Housing\) 2009 and affordable housing in Central and Southern Sydney](#), City Futures, UNSW, Sydney.
3. Troy, L., van Nouwelant, R. & Randolph, B., (2018), [Occupant Survey of Recent Boarding House Developments in Central and Southern Sydney](#), City Futures, UNSW, Sydney.
4. Crabtree, L., Phibbs P., Milligan, V. and Blunden, H. (2012) [Principles and Practices of an Affordable Housing Community Land Trust Model](#), Australian Housing and Urban Research Institute, Melbourne.
5. [Everybody's Home](#), 2018.
6. Gurrán, N. and Phibbs, P. (2017) ['When Tourists Move In: How Should Urban Planners Respond to Airbnb?'](#), *Journal of the American Planning Association*, 83(1), 80-92.
7. Henley, J. (2019) ['It's a miracle': Helsinki's radical solution to homelessness'](#), *The Guardian*, June 3.
8. Inner West Council (2017) [Affordable Housing Policy](#)
9. Inner West Council (2017) [Homelessness Policy](#)
10. Squires, B. with Winter, B. and Gilmour, T. (2016) [Homeshare Parramatta: Feasibility Study, Final Report](#), Barbara Squires Consulting, Sydney.