

Affordable housing within the Bays Precinct

Affordable Housing in the Bays Precinct

- Draft report looks at land in the Bays Precinct areas including analysis of sales and rent data in Annandale, Lilyfield and Rozelle.
- We now understand the Rozelle marshalling yards to be used for open space.
- White Bay and Glebe Island to be retained for port and maritime uses.
- White Bay Power Station Precinct and Rozelle Bay likely to carry the bulk of mixed uses in the Inner West Area.
- Key strategies identified likely to be effective in delivering affordable housing:
 - Delivery by the open market
 - Delivery by the market subject to value capture mechanisms
 - Social housing – deeper subsidy required
- Based on preliminary modelling it was found that:
 - The Inner West affordability targets can be achieved.
 - A variety of housing can be provided (studio – 3 bedroom).
 - A mix of subsidised and public housing could be delivered to cater to different markets.
 - Many calls on the land that limit opportunity for affordable housing – roads, parks, infrastructure, remediation etc.

- 1** Bays Waterfront Promenade
- 2** Bays Market District
(Sydney Fish Market wholesale and retail functions and Blackwattle Bay)
- 3** White Bay Power Station
- 4** White Bay including
White Bay Cruise Terminal
- 5** Rozelle Bay and
Bays Waterways
- 6** Rozelle Rail Yards
- 7** Glebe Island



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- **Very low-income households:**
 - Less than \$801pw - max rent @ 30% = \$240pw
- **Low-income household:**
 - \$801-1,282pw - max rent @ 30% = \$385pw
- **Moderate income households:**
 - 1,282- 1,992pw - max rent @ 30% = \$577pw
- **Two measures of affordability:**
 - Rent must be at least 20% less than the market rate.
 - Rent to be no more than 30% of gross household income.

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- What we are finding
 - Virtually all very low and low income households and family households on moderate incomes will be excluded from affordable rental in the Bays Precinct.
 - As at 13 June 2017:
 - There was no accommodation affordable to very low income households.
 - Low income households could afford a studio in the Bays Precinct area.
 - Moderate income households could afford to rent a studio or one bedroom apartment in the Bays Precinct area.

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- The greatest uplift is expected at the White Bay Power Station and Rozelle Bay sites – modelling suggests contributions toward affordable housing could be as high as 31% for high density development. That is:
 - Estimate construction cost of a 14 storey tower \$23.4m
 - Sale price \$68.6m
 - Uplift \$44.2m
 - Uplift as a % 187%
 - Affordable Housing as a % 31%

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- What could we reasonably be expected to receive at the 30% rate?

Some assumptions:

- 10% normal uplift / windfall gain to developer assumed.
 - 50% split in value uplift between council and developer assumed.
 - Nominal land cost attributed.
 - No contributions, infrastructure and remediation costs attributed
 - Assumed number dwellings across both precincts is 2,400 noting this will be a mixed use innovation hub and be jobs focused also.
 - 30% of gross floor area in the White Bay Power Station Precinct.
- Estimated Value Capture:
 - approximately 800 dwellings

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- Need to keep in mind UrbanGrowth is now reviewing the White Bay Power Station precinct. Unlikely to be in a position to release its new strategy for the site until late 2017.
- A mix of uses expected to be maintained at White Bay Power Station and Rozelle Bays Precincts however the mix of uses may alter.
- Council officers will continue to work with UrbanGrowth on any master planning through a formal working group arrangement and continue to pursue a minimum 30% affordable housing to be delivered.

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