



17<sup>th</sup> December 2018.

To: The Director, Housing and Infrastructure  
Department of Planning and Environment  
GPO Box 39 Sydney NSW 2000

Submission on:

**Proposed amendment to the Affordable Rental Housing State Environmental Planning Policy (SEPP) – to amend the boarding house provisions so that a boarding house in the R2 zone can have no more than 12 boarding rooms.**

on behalf of:

The Property Owners Association of NSW.  
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Thank you for the opportunity to make a submission on the “Proposed amendment to the Affordable Rental Housing State Environmental Planning Policy (SEPP)- to amend the boarding house provisions so that a boarding house in the R2 zone can have no more than 12 boarding rooms”.

### **Background**

The Property Owners Association of NSW (POA NSW) was formed in 1951 to represent property owners in NSW. It is the peak body that represents general boarding house owners and operators in NSW.

The crisis associated with inadequate supply of affordable and low cost housing in established areas of Sydney is of grave and ongoing concern to POANSW.

### **Summary**

POANSW is opposed to policies that stifle the supply of genuine affordable housing, but it is acknowledged that large bulky developments that are totally out of character in low density zones is inappropriate.

To maintain and enable the improvement of the existing stock of established low cost boarding houses in NSW, the Government should provide an **exemption** to the proposed ARHSEPP 12 boarding room maximum in R2 zones **for existing registered boarding houses** that are currently listed on NSW Fair Trading register and/or on Local Council records, so that existing Boarding Houses, or conversion of existing ‘bulky’ buildings in R2 zones are excluded from the 12 room max.

### **Data on “Genuine affordable” accommodation supply crisis**

**Registered traditional boarding houses are the only commercially available supply of long term accommodation that provide ‘flexible’ access to low cost accommodation to a diverse range of people near public transport nodes.** This is

critical supply for essential workers who are often on very low rates of pay in areas where rents or supply is extremely difficult or inflexible.

Registered Boarding houses represent an extremely small number of dwellings in NSW. **There were only 1002 registered general boarding houses** (both “new gen” and ‘traditional boarding houses’) **in the whole of NSW as at October 2017**. [Evaluation of the Boarding Houses Act 2012- Final Report by Associate Professor Gabrielle Drake ACU February 2018 page 5]. This represents an extremely small percentage of dwellings and occupants when compared to the total number of residential buildings and people in NSW.

In fact we know in 2014, via NSW Revenue, that **of the 776 registered boarding houses, 720 were providing low cost accommodation in 2013**. [(Boarding House Act Evaluation Report 1 2014 Appendix 9.10, pg 110) & (Evaluation of the Boarding Houses Act 2012- Final Report by Associate Professor Gabrielle Drake ACU February 2018)]. These figures could be updated for 2018 by obtaining the latest numbers from NSW Revenue.

Further, the growth in the number of registered boarding house numbers has been moderate at about 7%pa since 2014 (776 registered boarding houses in 2014). POA NSW estimates that most of the increase in boarding houses since 2009 is due to the construction of ‘new gen’ boarding houses, thereby it can be extrapolated that the supply of traditional boarding house accommodation has declined in numbers.

**Government policies that curtail legal supply, simply fuel the growing supply of illegal, non compliant share houses that take up the desperate excess demand for affordable accommodation**. Often at 3<sup>rd</sup> world standards, these illegal premises rarely provide adequate fire safety, which poses a great risk to the health and safety of occupants and their neighbours, as well as Australia’s international reputation.

### **Proposed ARHSEPP Solution.**

The ARHSEPP is an essential planning instrument designed to address the critically inadequate supply of affordable accommodation. This policy is especially important for the traditional boarding house market.

The Proposed amendment to the Affordable Rental Housing State Environmental Planning Policy (SEPP)- to amend the boarding house provisions so that a boarding house in the R2 zone can have no more than 12 boarding rooms- **should not apply to existing established boarding houses that supply genuine affordable accommodation**.

This policy solution could be achieved by utilising the existing register of boarding houses held and maintained by the NSW Department of Fair Trading [<http://parkspr.fairtrading.nsw.gov.au/BoardingHouse.aspx>]. This Boarding House register provides comprehensive information on the address and size of the 1002 (as at October 2017) registered boarding houses in NSW at any one point in time since 2014.

Alternatively, Local Councils would maintain records of approved boarding houses, and this could also establish whether or not any development application related to a currently existing Boarding house or a new proposed boarding house.

Additional exemptions that should be incorporated within the ARH SEEP on the proposed max 12 room limit for low cost boarding house supply in R2 zones are for sites that are:

1. In sympathy with local bulk and character, eg infill developments
2. In close proximity to essential services, like hospitals or university's where there is a housing shortfall
3. If it's an existing BH to encourage growth and amenity improvements
4. If it's an existing building of significant bulk, only requiring minor modifications that are within the existing building's bulk
5. R2 zones with close proximity of major transport nodes and have the flavour or are in very close proximity to a higher density zone.

### **Conclusion.**

Sydney has been recently identified as one of the most expensive cities in world to live in. Low cost rental accommodation, especially if close to public transport, is vital for people of varied incomes to live in Sydney. Traditional boarding houses are a significant part of private sector provision of affordable low cost rental accommodation close to public transport. The concessions in the ARHSEPP are critical to the ongoing viability and ongoing improvements in this sector.

**An exemption to the proposed 12 room maximum should apply to the NSW Department of Fair Trading/Local Council lists of existing registered boarding houses so as “*promot[e] the sustainability of, and continuous improvements in, the provision of services at registrable boarding houses*” [The Boarding House Act 2013 Section 3(d).**

Yours Faithfully,

On behalf of The Property Owners Association of NSW.

*P. Dormia*

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The Property Owners Association of NSW

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