

 City of Ryde

Affordable Housing Policy

2016 - 2031



A plan to deliver key worker
housing to City of Ryde

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Executive Summary

The City of Ryde Affordable Housing Policy 2016 - 2031 offers a comprehensive framework to advocate for, facilitate, provide and manage affordable housing in Ryde Local Government Area (LGA) between now and 2031.



Council's determination to address housing affordability for essential key workers in Ryde LGA aims to lessen the negative impacts that housing stress is having across the community. This Policy acknowledges that without intervention, there will be very little affordable housing for households on very low, low or moderate incomes in the future.

For example, the Policy identifies a clear target: that 5% of new dwellings built between 2016 to 2031 will be affordable housing dwellings. : Based on current population and housing forecasts, this could equate to between 40 new affordable housing dwellings each year. This compares with approval rates of 1.2 affordable housing dwellings each year; by contrast, from 2011 to 2015, 1.2 affordable housing dwellings were approved each year.

"Every one has a right to shelter"

This policy recognises that while local government has not traditionally intervened directly to increase the supply of affordable housing dwellings, the City of Ryde Council intends to become a leading council in Sydney in the provision of affordable housing, working with the NSW Government, the development industry, community housing providers and community members to meet this goal.



This Policy will not only increase the supply of affordable housing for key workers, it could also address the negative social impacts that a failing housing market is having in Ryde LGA. Research undertaken as part of this Policy has found that some key workers feel personally burdened with the stress of their current situation, as well as their future, leading to health issues. Others suffer from being unable to spend time with friends and family as they seek to work longer hours or travel further for work.

Essentially, the Policy's focus on providing affordable housing for key workers in Ryde LGA:

- Identifies what is meant by affordable housing
- Identifies which segments of the community are classified as key workers
- Details the extent of the housing affordability issue for these people in Ryde LGA
- Sets out the role of local government to advocate for, facilitate and provide affordable housing and some of the mechanisms available
- Identifies 21 programs to support the Policy's vision and goals.

In
2011



80% OF WORKERS TRAVEL
from outside Ryde LGA for work



**15,000 KEY
WORKER
HOUSEHOLDS**
in Ryde LGA



**39% OF RENTAL
HOUSEHOLDS**
in housing stress

44,000 KEY WORKER
income-level jobs in Ryde LGA



**21% OF PURCHASING
HOUSEHOLDS** in housing stress

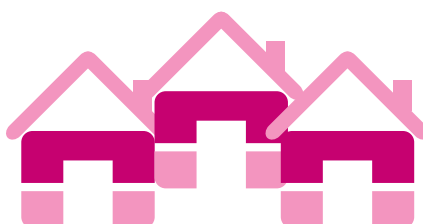
Forecasts
for Ryde
LGA



POPULATION

In 2015: **113,422**

In 2031: **135,508**



DWELLINGS

In 2015: **43,289**

In 2031: **53,611**



**KEY WORKER
HOUSEHOLDERS**

In 2011: **7,450**

In 2031: **10,700**



1.1 Vision and goals

The Policy's vision is:

By 2031, the City of Ryde Council will be a leading council in Sydney in the provision of affordable housing and an increasing number of key workers in the local economy will live locally.

This will be supported through three goals:

1. By 2031, 5% of all new dwellings in Ryde LGA will be affordable housing for key worker households on very low to moderate incomes.
2. By 2031, Council and stakeholders will be operating under a clear and transparent framework to deliver affordable housing outcomes.
3. By 2031, Council will have well-established partnerships with the NSW Government, community housing providers and other relevant stakeholders that help to deliver the vision.

1.2 Responding to the crisis

This Policy identifies affordable housing as housing that is appropriate for a range of very low, low and moderate income households and priced so that these households can also meet other basic living costs such as food, clothing, transport, medical care and education.

These households are made up of the essential key workers that support local communities and economies in frontline services such as health care, education, child care, aged care, emergency services, community services, retail and hospitality. Key workers are necessary for the normal functioning of a city and community.

People on low incomes living in rental housing are some of the most vulnerable people in the community and at highest risk if there is any tightening of supply or price increases in the private rental market. Low income households renting through the private market have virtually no option but to live in housing stress, and data indicates that no very low, low or moderate income households can affordably purchase in Ryde.

This comes within the context of increasing house prices: the median sales price of housing in Ryde LGA has increased by 30% since 2011 in real terms and rents have increased by 8% in real terms (compared to cost of living). Housing supply in Ryde LGA has also lagged behind in all housing forms (low, medium and higher density development).

Households that struggle to pay housing can face issues such as:

- Living with unmanageable levels of debt, further exacerbating housing vulnerability
- Working long hours to pay for housing
- Travelling long distances to work or services
- Living in overcrowded or substandard housing
- Going without essentials such as adequate food, heating, medication or education
- Missing out on other opportunities because housing costs are too high relative to income.

In response, this Policy works alongside existing NSW Government plans and strategies, including *A Plan for Growing Sydney*, as well as wider strategic planning for Ryde LGA as a whole. It identifies Council's ability to:

- Advocate to protect existing affordable housing and lower-cost housing available by setting affordable housing benchmarks, prioritising the supply of affordable housing and pushing the NSW Government for progress on affordable housing initiatives
- Facilitate the supply of affordable housing through planning incentives, value-capture mechanisms and changes to existing planning controls
- Provide affordable housing through partnerships with community housing providers, voluntary planning agreements or creating housing or demonstration projects on council-owned land.



The practical delivery of these actions is detailed in 21 projects under seven programs that will deliver the vision of this Policy.

“To afford this housing, I need to work more and spend less time with my family”*

1.3 Next steps

This Policy reflects the strong interest and support within the community for Council’s leadership on this issue. It follows a Housing Affordability Summit, held in November 2014, and the exhibition of a draft housing affordability policy in late 2015.

The Policy presents a positive framework that will see affordable housing introduced into the housing market over the next decade or so. It is a flexible framework that will be monitored, reported on and, where required, reviewed regularly to respond to contemporary changes in Ryde LGA’s housing and employment market.

2.0 Introduction

The City of Ryde Affordable Housing Policy 2016 - 2031 offers a comprehensive framework to advocate for, facilitate, provide and manage affordable housing in Ryde LGA between now and 2031.



The Policy determines the current and future need for affordable housing, sets out where this housing should be located and which segments of the community require it. It has a specific focus on the rental market.

The Policy includes extensive analysis of trends in the housing market, rates of housing stress, demographic profiling, income levels, the local economy and forecast population growth. It also considers the most appropriate models or mechanisms to deliver affordable housing, aiming to create and retain appropriate levels of affordable housing without placing an excessive impost on development.

The Policy has a particular focus on the roles and responsibilities of Council, as well as stakeholders, carefully considering which stakeholders will fund, build and manage affordable housing, and who will live in affordable housing.

These stakeholders include NSW Government agencies; landowners and developers; community housing providers; and various community groups.

In considering these roles and responsibilities, the Policy looks at what actions Council can take in terms of affordable housing, recognising that while local government is somewhat constrained by the hierarchical levels of government in Australia, it must take a role to tackle housing affordability given the breadth of the crisis and its direct impact on the Ryde community.

The Policy also identifies the appropriate governance and reporting processes that can ensure its continued communication, implementation and monitoring. The Policy may require amendments and adjustments as circumstances change, and this will be undertaken during periodic reviews.

2.1 Why a Policy is needed?

The housing market is failing householders on very low, low or moderate incomes in the City of Ryde local government area (Ryde LGA). Without intervention, there will be very little affordable housing for these households in the future.

This will negatively impact communities and the local economy as these key workers who help the community to operate and flourish will not be able to find housing near where they work. They may choose to work elsewhere, or may need to move further away from where they work.

Already, some workers drive from the Central Coast – 100 kilometres away – each day for work. Research undertaken as part of this Policy has found that some key workers feel personally burdened with the stress of their current situation, as well as their future, leading to health issues, while others suffer from being unable to spend time with friends and family as they seek to work longer hours or travel further for work.

“... But we love the community we are a part of here – and this is what is keeping us here at the moment”*

The detailed analysis that supports this Policy has found that rental properties are affordable to a narrow range of households that would be eligible for affordable housing. A snapshot of advertised rental properties found that none were affordable to very low income households, only 7% were affordable to low income households (with almost all of these one-bedroom apartments), while 56% were affordable to moderate income households.

Low income households renting through the private market have virtually no option but to live in housing stress, apart from those at the top of the band wishing to rent a one-bedroom apartment. While smaller households in the top half of the moderate income band can generally affordably to rent a one-bedroom apartment in Ryde LGA, their choices are constrained if they need a two-bedroom apartment. In terms of buying a home, data indicates that no very low, low or moderate income household can affordably purchase any first quartile (lower priced) dwelling in Ryde.

Further, the median sales price of housing in Ryde LGA has increased by 30% since 2011 in real terms and rents have increased by 8% in real terms (compared to cost of living). Housing supply in Ryde LGA has also lagged behind in all housing forms (low, medium and higher density development), with stock in Greater Sydney growing by 12% compared with 7% in Ryde LGA.

With a limited supply of affordable housing for very low, low and moderate income key worker householders in the market, the requirements for key worker households will increase. In 2011 7,450 key worker households in Ryde LGA were in need of affordable priced housing; it is estimated that by 2031, Ryde LGA will need 10,700 affordable housing dwellings for key workers. This equates a required supply of 40 affordable housing dwellings on average each year, yet in the five years from 2011 to 2015, only six affordable housing dwellings (1.2 per year on average) were approved (but not built) in Ryde LGA. Clearly, significant intervention is required.

2.2 A vision for affordable housing in the Ryde LGA

The Policy is underpinned by a clear vision for affordable housing in Ryde:

By 2031, the City of Ryde Council will be a leading council in Sydney in the provision of affordable housing and an increasing number of key workers in the local economy will live locally.

The success of delivering on the vision will be determined against three key goals:

Goal	How to meet goal
1. By 2031, the equivalent of 5% of all new dwellings in Ryde LGA will be affordable housing for key worker households on very low to moderate incomes.	To meet this goal, Council will: ▪ Advocate the NSW Government to deliver 500 new affordable housing dwellings on government-owned land and through the development approval process ▪ Facilitate delivery of an additional 250 affordable housing dwellings through the development process.
2. By 2031, Council and stakeholders will be operating under a clear and transparent framework to deliver affordable housing outcomes.	To meet this goal, Council will: ▪ Review its planning and development assessment processes to remove barriers to housing supply, housing diversity or affordable housing ▪ Amend planning controls to include affordable housing objectives and obtain the necessary approvals for these amendments ▪ Adopt, implement, monitor, evaluate and amend (if necessary) this Policy.
3. By 2031, Council will have well-established partnerships with the NSW Government, community housing providers and other relevant stakeholders that help to deliver the vision.	To meet this goal, Council will: ▪ Communicate regularly with NSW Government agencies, community housing providers, community groups and other councils ▪ Sign a memorandum of understanding with a registered community housing provider to assist in managing, partnering and advocating for affordable housing in Ryde LGA.



2.3 Guiding principles

Seven guiding principles drive the Policy's vision and goals and set the foundation for 21 projects that will deliver positive affordable housing outcomes.

These guiding principles are to:

1. **INCREASE** the amount of affordable housing available in Ryde LGA to households with very low, low and moderate incomes
2. **PROTECT** the existing stock of low cost rental accommodation in the Ryde LGA
3. **ENCOURAGE** a diverse range of housing in the Ryde LGA
4. **COLLABORATE** with other councils and stakeholders in the region
5. **ADVOCATE** the protection and facilitation of affordable housing to other levels of government and the community
6. **SUPPORT** households in housing stress
7. **IMPLEMENT, EVALUATE and MONITOR** the Affordable Housing Policy.

3.0 Background

Key workers are necessary for the normal functioning of a city and community, and the lack of affordable housing for these workers impacts individuals as well as the broader community.



3.1 Affordable housing

Affordable housing is housing that is appropriate for a range of very low, low and moderate income households and priced so that these households can also meet other basic living costs such as food, clothing, transport, medical care and education. Housing is generally considered affordable if it costs less than 30 per cent of gross household income.

Certain eligibility criteria must be met to access affordable housing. Although affordable housing is sometimes available for purchase, it is most commonly available for rent. This Policy focuses on the rental market.

Affordable housing is usually owned by government or not-for-profit organisations but can also include private investors. It is typically managed by a registered community housing provider.

WHO NEEDS AFFORDABLE HOUSING

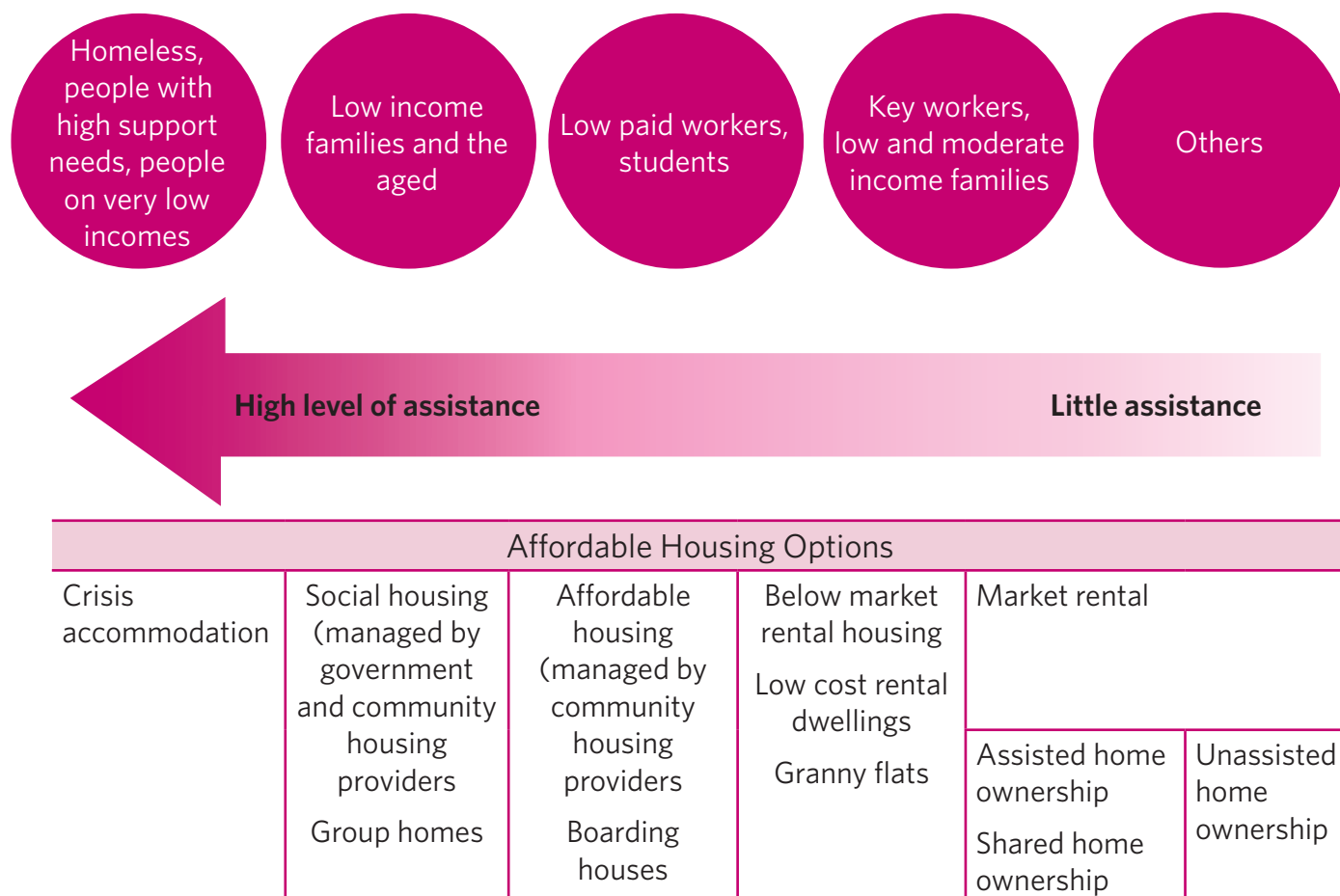


Figure 1: The spectrum and relationships between the different types of housing across the income levels and associated levels of government support (source: NSW Government Affordable Housing Taskforce: Interim Report, March 2012)

The *Environmental Planning and Assessment Act 1979* (NSW) (EP&A Act) defines affordable housing as “housing for very low, low or moderate income households”. These incomes are defined in State Environmental Planning Policy No. 70 Affordable Housing (Revised Schemes) (SEPP 70). SEPP 70 defines very low income households as those on less than 50% of median household income, low income households as those on 50-80% of median household income, and moderate-income households as those on 80-120% of median household income for Sydney Statistical District.

Unlike social housing, affordable housing is open to a broader range of household incomes, including that which earn higher levels of income. Social housing is typically restricted to households on very low incomes and income support. People who are eligible for social housing may also be eligible for affordable housing.

Affordable housing is managed more like a private rental property. Tenants must meet eligibility criteria and managers are mostly not-for-profit community housing providers. Vacancies are usually advertised and people apply to the manager just as they would if applying through the private rental market.

3.2 Key workers

Key workers are people on very low, low and moderate income levels. They are usually employed in essential frontline services such as health care, education, child care, aged care, emergency services, community services, retail and hospitality. Key workers are necessary for the normal functioning of a city and community.

There is no legal definition of the term key workers. NSW planning legislation considers levels of income rather than specific occupations (for example, a police officer) or industry sectors (such as education). Community housing providers advise that key worker criteria should be based on income rather than occupation, as prescriptive criteria can make it difficult to find tenants.

The NSW Government and community housing providers use the term 'affordable housing' rather than 'key worker housing'. Explicit 'key worker housing' is provided by Defence Housing Australia, teacher housing authorities and mining companies, restricted to their employees only.

Households on very low income include occupations in retail or manufacturing, as well as people earning the minimum wage or who are on an aged or disability pension or other government benefit. Households on a low income could include child care workers, secretaries or cleaners, while people on a moderate income could include teachers, police or nurses, depending on the stage of their career.

Table 1 shows the benchmark this Policy uses when referring to affordable housing.

	Very low income	Low income	Moderate income
Income Benchmark (% of gross median household income for Greater Sydney)	<50%	50-80%	80-120%
Income Range (per week)	<\$779	\$779-\$1,246	\$1,246-\$1,870
Income Range (per year)	<\$40,508	\$40,508-\$64,792	\$64,792-\$97,240
Affordable Rental Benchmarks (per week)	<\$234	\$235-\$374	\$375-\$561
Affordable Purchase Benchmarks	<\$225,000	\$225,001- \$360,000	\$360,001- \$540,000

Table 1: Income benchmarks¹

¹Adapted from JSA's Background Report 2015, based on 2011 Census data indexed to March Quarter 2015 dollars and consistent with relevant NSW legislation. Rental benchmarks calculated as 30% of total household income. Purchase benchmarks calculated using ANZ Loan Repayment Calculator, using 11 June 2015 interest rate (5.38%) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income.

CASE STUDIES

Very low income key worker households

Brian works full time as a cleaner, earning \$720 a week. His partner stays at home caring for their six-month old son.

For Brian to avoid housing stress, he can only pay a maximum of \$235 rent per week (i.e. less than 30% of weekly income). However, there is virtually nothing available for his family to rent in Ryde LGA; sometimes, a very small, older strata unit may come on the rental market. They could never afford to buy a property in Ryde LGA.

Brian is therefore forced to live outside the LGA, and instead of spending time with his family, is spending several hours a week travelling to work.



Moderate income key worker households

Moderate income key worker households earn \$1,250 – 1,800 per week. This could include couples or families, such as a couple with one person working full-time as an aged care worker and the other as a social and community services officer (approx. \$1,800 per week), or a family of five, with three school-aged kids, where one parent works full-time as a teacher and the other works part-time as a cleaner (\$1,800 per week).

These households need to pay between \$375 and \$560 rent per week for their housing to be affordable (i.e. less than 30% of weekly income). This is a particular challenge for larger families, and only those on the upper end of this income band could potentially purchase a one-bedroom strata dwelling in Ryde LGA.



Low income key worker households

Important civic roles are filled by people earning low incomes of between \$780-\$1,250 per week. This could include an ambulance officer (\$900 per week), a teacher (\$900-\$1,200 per week), or a firefighter (approx. \$1,000 per week).

These households need to pay between \$235 and \$375 rent per week for their housing to be affordable (i.e. less than 30% of weekly income) - a challenge for those working part time or supporting a family. They would also be unable to affordably purchase any home in Ryde LGA.



3.3 Current situation

People need affordable housing for many reasons. This may include people who work full or part-time in lower paid jobs, where their household income is not high enough to pay market rent in the area in which they live and/or work, or even people working full-time in an essential service such as a police officer, a nurse or a child care worker, particularly if they are just starting out in their career or supporting a family on only one income.

People may also need affordable housing because a change in their lives has impacted their financial circumstances – for example, a household member has lost their job, a family has separated, a family moves to a single income household after a baby has been born, or when a spouse has died. Affordable housing is sometimes only needed for shorter periods, depending on the life changes a household is experiencing.

People living in Sydney earning very low to moderate incomes are increasingly unable to access housing that is affordable: demand for affordable housing far exceeds supply. This puts pressure on rents and house prices and leads to a decline in the number of available affordable properties, even in suburbs experiencing an overall increase in the supply of rental properties.

People on low incomes living in rental housing are some of the most vulnerable people in the community and at highest risk if there is any tightening of supply or price increases in the private rental market. Households that struggle to pay housing can face issues such as:

- Living with unmanageable levels of debt, further exacerbating housing vulnerability
- Working long hours to pay for housing
- Travelling long distances to work or services
- Living in overcrowded or substandard housing
- Going without essentials such as adequate food, heating, medication or education
- Missing out on other opportunities because housing costs are too high relative to income.

“Housing costs can become a source of stress which can exacerbate all kinds of pre-existing physical and mental health issues...”*

The kind of households that may need affordable housing during their lifetime can include:

- Young people seeking to live near where they grew up
- Recently separated or divorced people for whom conventional home ownership is no longer possible
- Households dependent on one (or even two) low-waged jobs
- An older person on a reduced retirement income
- Families with a special need, such as a disability
- People at risk of homelessness.

A lack of affordable housing not only affects the quality of life of individual and families, it also hinders economic development. The loss of young families and workers in lower paid essential service jobs is contributing to labour shortages in some areas of metropolitan Sydney.

The lack of affordable housing for most very low to moderate income earners has created a high level of unmet demand for key worker housing and high levels of housing stress. For example, evidence indicates child care providers in Ryde LGA are struggling to attract and retain staff.

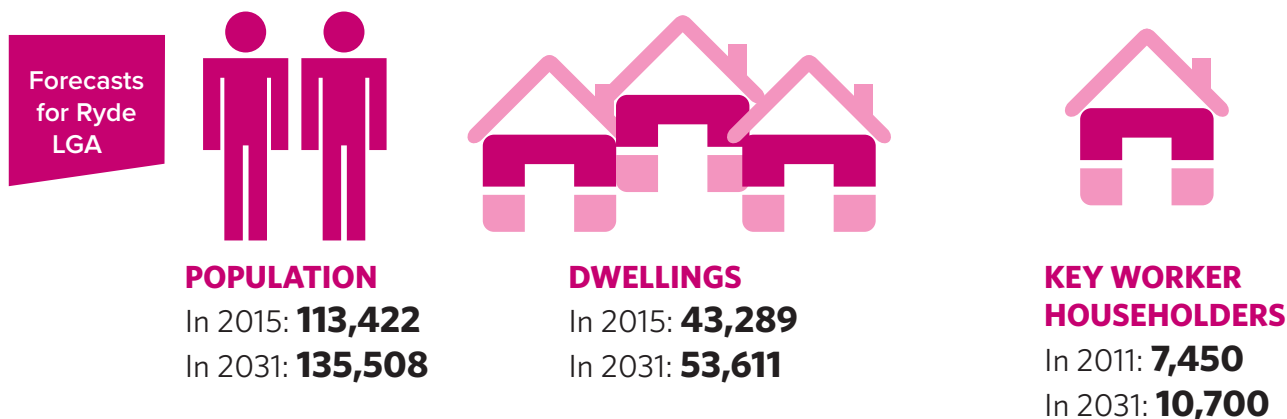
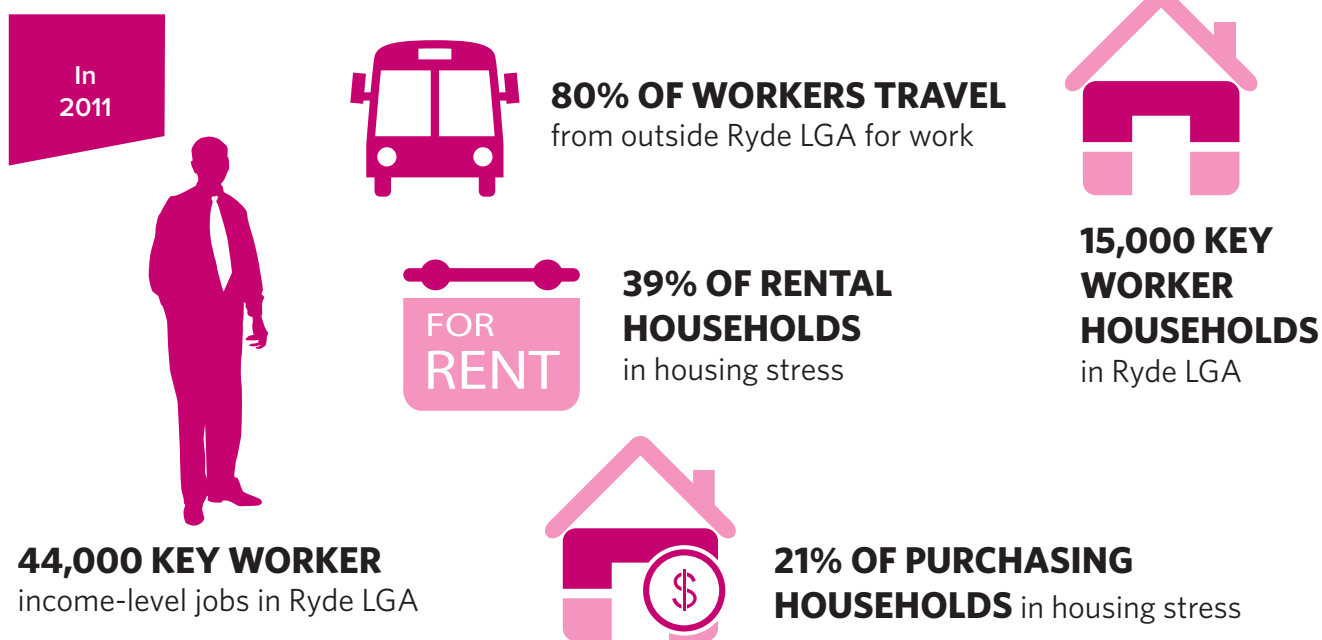
The impact: as reported in July 2015

In July 2015, paramedic Gareth Copland told the Sydney Morning Herald that on a good day, it can take him an hour to travel from his home on the Central Coast to his workplace at Ryde.

As an essential worker, Mr Copland was reported as being one of many who is being priced out of Sydney's suburbs, caught up in a "growing crisis... that is forcing the government to consider new ways of providing attainable accommodation to residents at all income levels."

Mr Copland told the paper that "If prices keep rising at the rate they are people could be driven away from the profession and Sydney."

"A one-hour commute might be acceptable now," he added, "but people can only put up with lengthy commutes for a matter of time."



3.3.1 Housing stress

The number of households in 'housing stress' is a commonly used measure of underlying need for affordably priced housing. A household is in housing stress if they pay more than 30% of their gross income on housing costs, and 'severe housing stress' when paying more than 50% of income on rental or mortgage repayments. Other factors will affect the financial and social wellbeing of a family, including the adequacy and appropriateness of their housing, and other inequalities such as high health care or transport costs.

Rental market

In 2011, **39% of renting households in Ryde LGA were in housing stress**. This equated to **5,050 renting households** and was significantly higher among very low and low income households:

- 68% of all very low income renting households (3,150 households)
- 56% of all low income renting households (1,400 households)
- 16% of all moderate income renting households (500 households).

In terms of household type, rates of **rental stress were higher for family and other households at 44%** compared to lone person or couples without children households (35%).

The Housing NSW Rent and Sales Report for the March Quarter 2015 indicates that the biggest gaps in the market are for all very low income households, most low income households, and larger moderate income families with children requiring more than two bedrooms. Moreover, low income households renting through the private market have virtually no option but to live in housing stress, apart from those at the top of the band wishing to rent a one-bedroom apartment.

Households in the top half of the moderate income band consisting of one person, couples without children and smaller households with children should generally be able to privately rent in Ryde LGA without falling into rental stress in one or two-bedroom apartments, although their choices are more constrained with regard to two-bedroom apartments. The affordably priced rental situation for most low income families with children is problematic in Ryde LGA, particularly for those who want to rent a three-bedroom dwelling.

Purchasing market

Ryde LGA has a slightly lower rate of housing stress for purchasers (21%) compared to NSW and Greater Sydney (22%). Despite this, **0% of key workers on very low, low or moderate incomes can afford to purchase housing of any type** (e.g. one-bedroom unit) anywhere Ryde LGA (even the lower priced areas).

In 2011, around **2,400 purchasing key worker households faced housing stress in Ryde LGA**, with housing stress suffered by:

- 76% of very low income purchasing households (725 households)
- 66% of low income purchasing households (750 households)
- 41% of moderate income purchasing households (925 households).

In terms of household type, purchase stress is lower for family and larger households (19%) than for smaller households (lone persons and couples without children) (25%).

3.3.2 Housing need

The need for more affordable housing is spread across Ryde LGA. Housing in West Ryde and Meadowbank is generally less expensive than other parts of Ryde LGA, whereas housing in Ryde, Putney and Gladesville is particularly expensive for both rental and purchasing. The current need for affordable dwellings is shown right.

Current housing need

Income Type	Rent	Purchase
Very low income	4,525	1,050
Low income	2000	1,075
Moderate income	725	1,325



4.0 The process so far

Council is actively working to increase the supply of affordable housing and intends to play a lead role in the provision of affordable housing.



As part of Council's commitment to affordable housing, it resolved in August 2014 to hold an Affordable Housing Summit and was briefed by the General Manager on the main recommendations of the Summit.

The Summit was held in November 2014. It included speakers, a panel discussion and a workshop exercise with the 100 participants, including local residents, community groups, business owners, real estate agents, chambers of commerce, housing providers, councillors, council staff (from across Sydney), NSW Government agencies, and the invited guest speakers and panelists.

The speaker topics included:

- The Provision of Affordable Housing in Sydney and Ryde
- Local Government's Role in the Provision of Affordable Housing
- Options for Ryde Council in the Delivery of Affordable Housing

The common themes that emerged related to the:

- NSW Government's affordable housing policy
- Future of the Ivanhoe Estate and associated residents at Macquarie Park
- Scale of problem in terms of young people trying to enter the property market
- Practical measures local government can take to address housing affordability.

The workshop exercise identified the following three top issues:

- Public perceptions of affordable housing and a lack of community understanding and education on the issue
- Insufficient housing stock and increasing land value
- Few housing options to meet diverse needs such as low incomes or student housing.

Participants also called for ongoing workshops and community consultations to engage and educate the community, as well as a need to work with community housing providers, the NSW Government and other local councils.

Following the Summit, Council endorsed the preparation of this Affordable Housing Policy.

A detailed Background Report was prepared by Judith Stubbs and Associates to inform the Policy. The Policy has also been informed by the *Arresting Vulnerability* Research Project, which looked at the evidence of the impact of increasing rental and mortgage stress on the community, as well as the impact of rising utility costs on household food security. The draft report found that:

- Almost every area of Ryde LGA is affected by rental stress to some degree with some areas further strained by additional mortgage stress
- Adult homelessness is on the rise
- More low to medium income families are seeking food relief; however, supply is not meeting demand
- The people most affected include low income families, ageing single women and long-term unemployed.

Council endorsed the outcomes of the Summit on 12 May 2015 and resolved to progress this vital issue with the preparation of Affordable Housing Policy.

5.0 Housing market analysis

An analysis of the housing market clearly demonstrates the need for action.



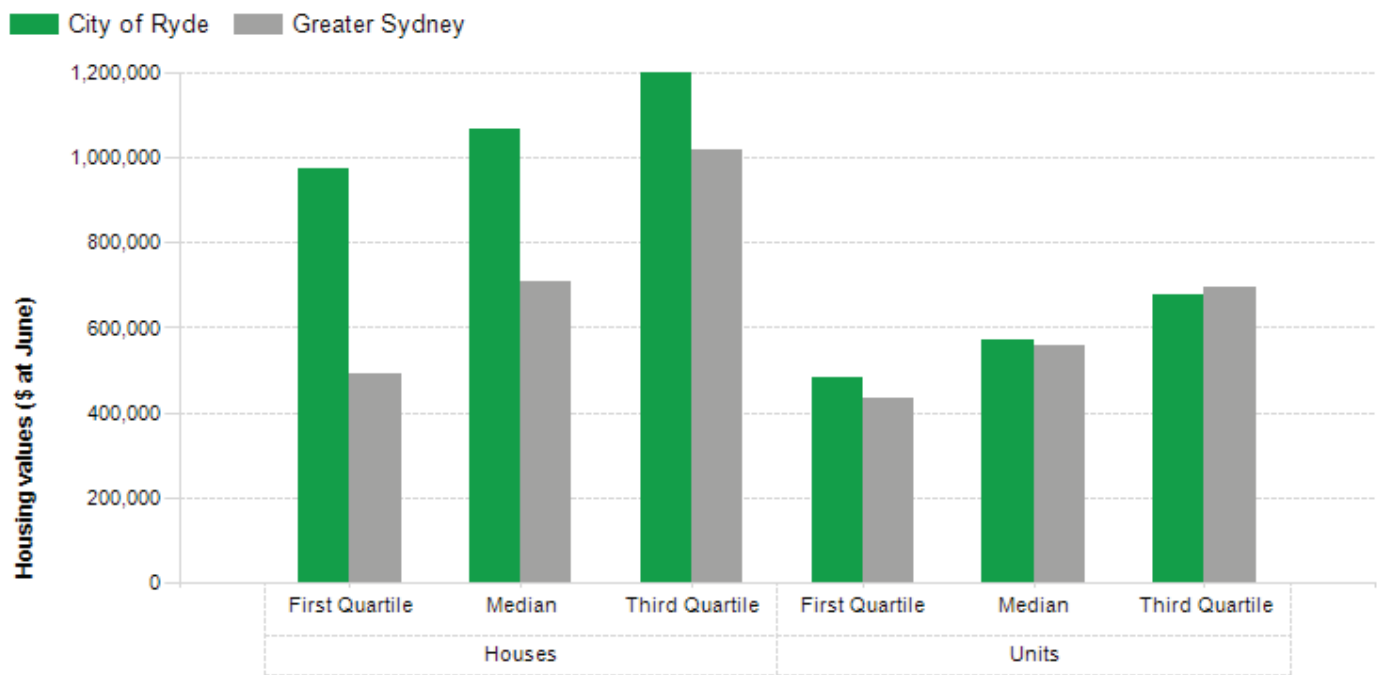
Council has undertaken substantial analysis to understand how the housing market works in Ryde LGA. Further detail is included in Appendix A.

5.1.1 Cost of housing

From 2010 to 2014, a house in Ryde LGA in the lowest quartile price was approximately \$1,000,000, almost double the lowest quartile average for Greater Sydney. The price of a unit in the lowest quartile price range, typically a one-bedroom unit, was approximately \$500,000.



Housing values, 2014



Source: Hometrack 2010-2014, Housing Valuation System

.id the population experts

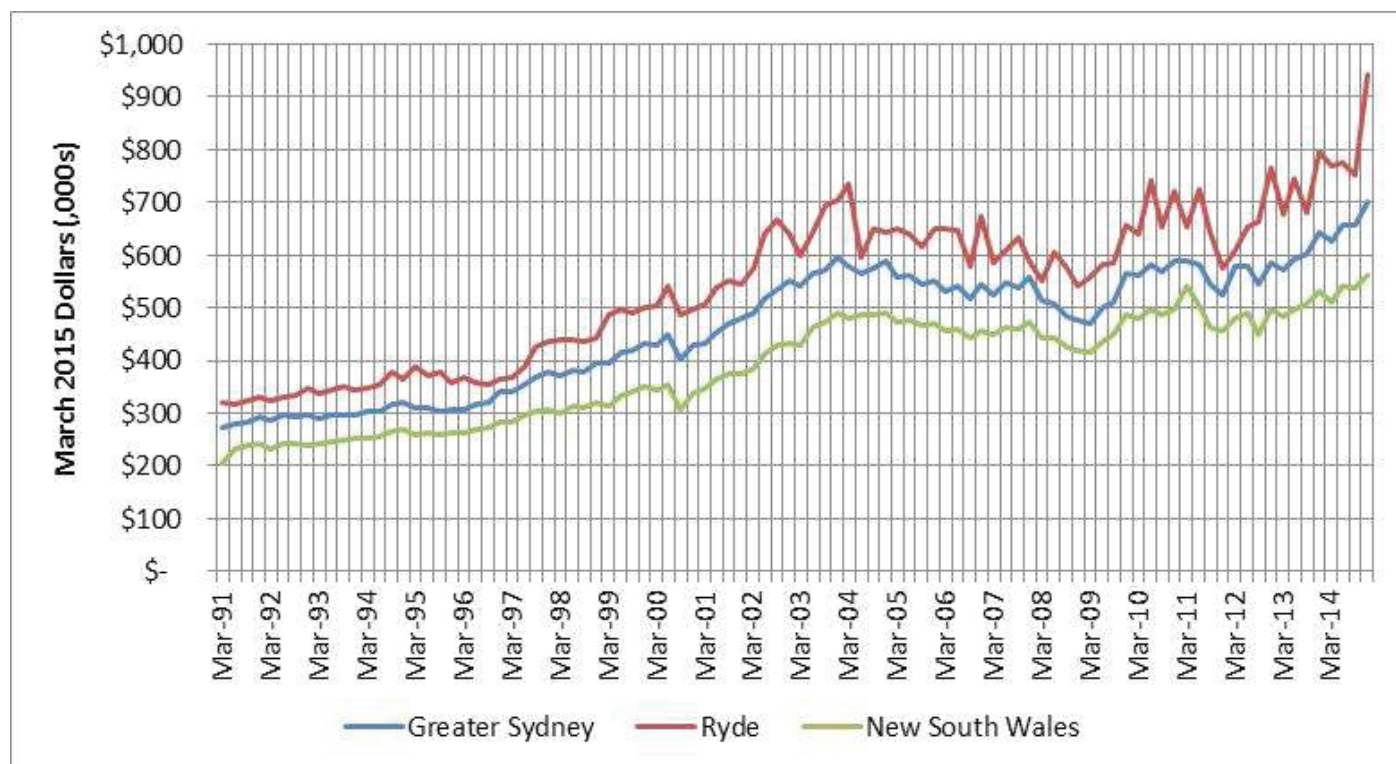
By 2015, non-strata purchase prices in Ryde LGA were greater than those for Greater Sydney while strata dwellings are similarly priced.

The median price for all dwellings in Ryde LGA is 34% higher than the Greater Sydney median; the median price for strata dwellings is 3% higher and the median price for standalone housing 60% greater than the Greater Sydney median.

Dwelling Type	Area	1st Quartile	2nd Quartile	3rd Quartile
All Dwellings	Ryde LGA	\$613,000	\$939,000	\$1,300,000
	Greater Sydney	\$520,000	\$700,000	\$1,000,000
Strata Dwellings	Ryde LGA	\$545,000	\$623,000	\$750,000
	Greater Sydney	\$480,000	\$621,000	\$780,000
Non-Strata	Ryde LGA	\$1,163,000	\$1,300,000	\$1,500,000
	Greater Sydney	\$550,000	\$801,000	\$1,200,000

Housing prices in Ryde LGA have grown over the past five years, with the cheapest house prices rising by around \$220,000. This far exceeds the Greater Sydney average of a rise of just over \$100,000 in house prices in the lowest quartile.

Likewise, units have also experienced price increases over the past five years. Units in the lowest quartile (typically the cheapest one-bedroom apartments) have increased by over \$100,000. This is slightly higher than the Greater Sydney average.

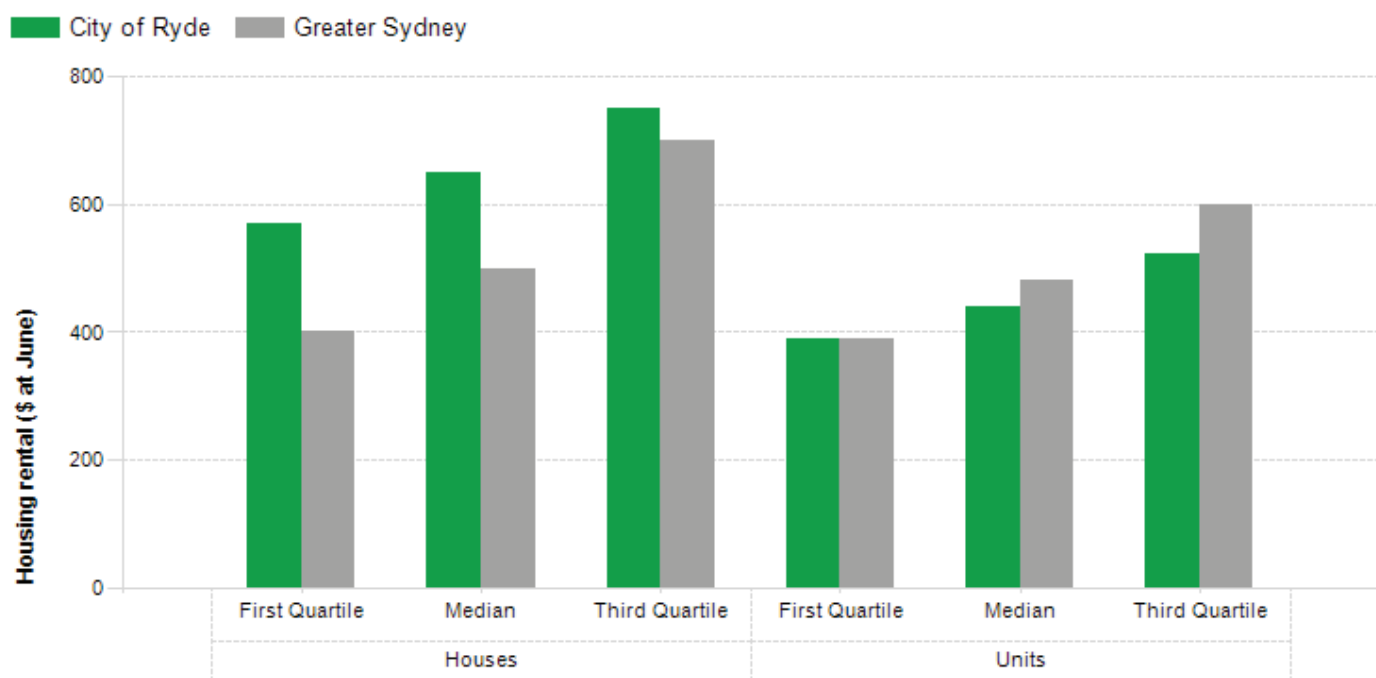


Source: JSA 2015, using data from Housing NSW Rent and Sales Report Issue 111 (Sales Price Trend) and ABS Consumer Price Index, All Groups, Australia

5.1.2 Cost and location of renting

In 2014, the lowest price for renting for a house in Ryde LGA was approximately \$580 per week, \$180 more than the Greater Sydney average for the lowest quartile housing rental. The lowest price for renting a unit (typically one-bedroom) in Ryde LGA was just below \$400 per week, equal to Greater Sydney.

Rental listings, 2014



Source: Hometrack 2012-2014, Automated Valuation System

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Usually a family will prefer a three-bedroom house rather than a one or two-bedroom unit. Table 2 shows how housing affordability adversely affects young families with rental for a three-bedroom house in Ryde LGA costing at least \$575 per week.

Dwelling Type	Area	1st Quartile	2nd Quartile	3rd Quartile
One-bedroom flat/unit	Ryde LGA	\$360	\$470	\$515
	Greater Sydney	\$400	\$479	\$540
Two-bedroom flat/unit	Ryde LGA	\$410	\$450	\$545
	Greater Sydney	\$415	\$520	\$640
Two-bedroom separate house	Ryde LGA	\$480	\$500	\$550
	Greater Sydney	\$350	\$420	\$560
Three-bedroom separate house	Ryde LGA	\$575	\$650	\$700
	Greater Sydney	\$400	\$450	\$580

Table 2: Comparing Ryde LGA and Greater Sydney Rental Prices - source: JSA 2015, based on data from Housing NSW Rent and Sales Report Issue 111 (March Quarter 2015)

Analysis of rental advertisements from 3 June 2015 provides further evidence that Ryde LGA is not affordable for the majority of families requiring a three-bedroom dwelling. Of the 350 properties available for rent:

- **None** were affordable to **very low** income households
- **7%** (23 dwellings) were affordable to **low** income households of which 19 were one-bedroom apartments
- **56%** (197 dwellings) were affordable to **moderate** income households, including only nine three-bedroom dwellings.

The lowest medians were in West Ryde and Meadowbank and North Ryde and Gladesville were the most expensive areas.

Suburb	No.	1st Quartile	2nd Quartile	3rd Quartile
Chatswood	1	-	-	-
Denistone	5	-	-	-
East Ryde	2	-	-	-
Eastwood	45	\$430	\$500	\$680
Gladesville	64	\$430	\$565	\$650
Macquarie Park	19	\$440	\$530	\$565 (s)
Marsfield	26	\$480	\$540	\$727.50 (s)
Meadowbank	47	\$420	\$470	\$600
Melrose Park	3	-	-	-
North Ryde	11	\$550	\$670	\$800 (s)
Putney	5	-	-	-
Ryde	82	\$438.75	\$547.50	\$642.50
West Ryde	40	\$398.75	\$455	\$593.75

s = small sample size (10-30)

Table 3: Rental Costs by Suburb within Ryde LGA, Source: JSA 2015, based on data from www.realestate.com.au on 3 June 2015

"I'm not planning on leaving the City of Ryde... however the rising cost of rent is becoming a concern"*

5.1.3 House tenure

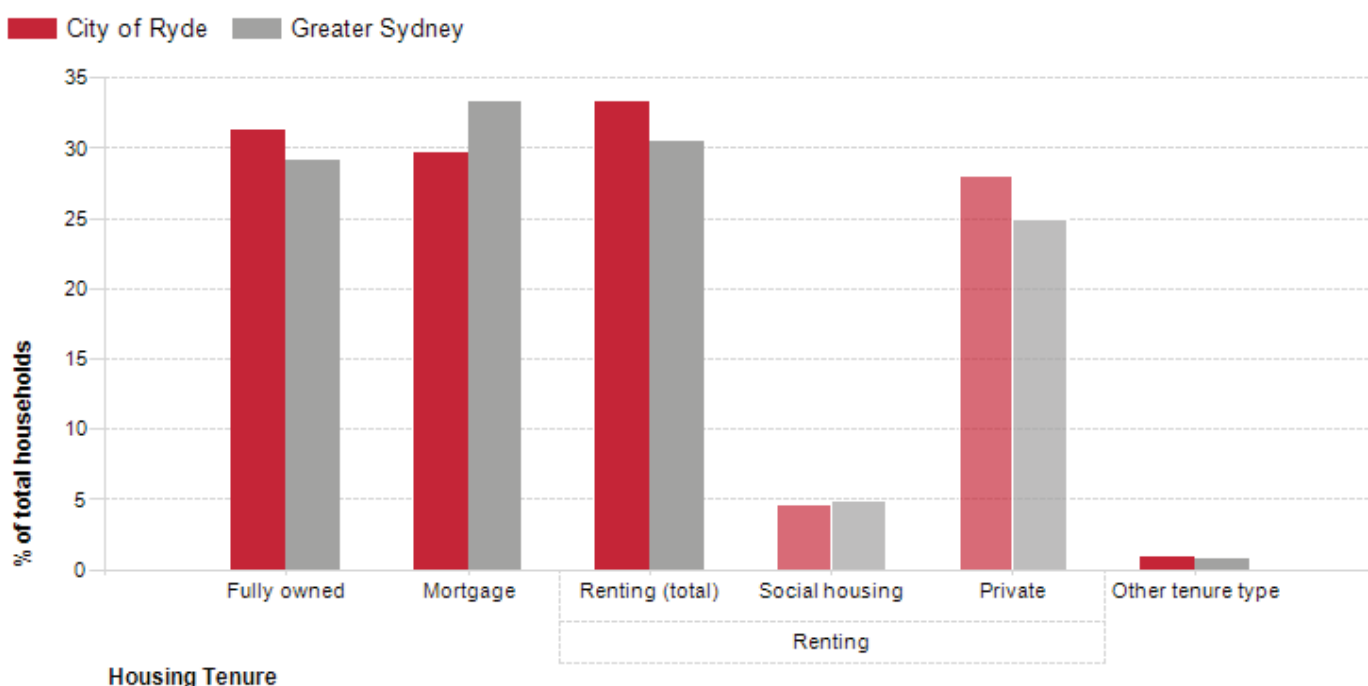
In 2011, over 95% of housing stock was privately owned. Social housing accounted for 4.7% of housing in Ryde LGA, either owned by the government or a community housing provider.

The supply of social housing in Ryde increased by 23% from 1,497 dwellings in 2001 to 1,836 (approx.) dwellings in 2011. Over this same period the number of dwellings in Ryde increased by 6%, showing real proportional growth in social housing. This represents the first net increase in social housing stock for a number of decades.

No boarding houses were recorded in Ryde LGA in the 2011 Census. However, as of 29 June 2015 there were seven registered boarding houses in Ryde LGA. A proprietor of one of these boarding houses advised that his boarding house had five rooms rented at \$400 per week.

By comparison, a median one-bedroom apartment rent for Ryde suburb was \$500 suggesting that boarding house rentals are likely to be around 80% of median one-bedroom rentals, and typically \$360 per week for Ryde LGA.

Housing tenure, 2011



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Enumerated data)
Compiled and presented in profile.id by .id, the population experts.

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6.0 The Role of Local Government

This Policy identifies a number of mechanisms through which Council can achieve its affordable housing target, through advocacy, facilitation and direct provision.



Before considering the mechanisms available to Council, it is necessary to understand where affordable housing fits into State and local strategic, funding and legal framework.

There are limits to the mechanisms Council can use in regards to affordable housing due to its subordinate relationship to the NSW Government, its lack of planning autonomy, the prescriptive nature of the land use zoning system, and finance and funding constraints. Despite these issues, Council can use land use planning controls to impact affordability, and can proactively create or retain affordable housing.



Each layer of government has a different role to play in addressing housing affordability:

- The Australian Government is responsible for tax policy associated with property ownership, which influences where money is invested and housing prices. For example, negative gearing makes investing in housing attractive given the possible deductions in taxable income.
- The NSW Government has the primary role in providing social and affordable housing. It also sets the legal framework through which planning legislation is enacted and sets housing targets, including affordable housing targets, for local government areas.
- Local government, while not having primary responsibility for affordable housing provision, still has an influence, as all NSW Government plans related to affordable housing are implemented at the local level. Councils can actively intervene in the market by developing appropriate planning mechanisms and strategies and through advocacy, facilitation and provision.

Limited Market Intervention

- Define 'affordable housing', set benchmarks and assess need.
- Assess where and for whom the market is supplying genuinely 'affordable housing' (AH).
- Ensure adequate supply of land supply to meet projected need.
- Ensure efficient approvals process.
- Advocate to other levels of government for an increase in AH resources or policy responses.
- Convene forums with industry, public & community sector to raise awareness and develop responses.
- Conduct staff training to improve capacity in AH issues.
- Provide planning, building or design support to community or private sector developers.

Facilitative Intervention

- Assess gaps in market provision of AH including location, type, tenure, and target groups.
- Remove impediments in local planning schemes (LPS), e.g. zoning that constrains diversity.
- Include AH aims, objectives & provisions in LPSs supported by policies, controls, etc.
- Make low-cost housing types permissible in appropriate locations in all relevant zones.
- Include incentive-based variations to controls in LPSs to offset the impact of mandatory provisions or to enable diversity in lower value markets; or to capture a share of benefit (profit) in higher value /uplift markets.
- Develop incentive-based state planning policies to create AH.

Mandatory Intervention

- Require housing diversity in LPSs in market-based developments where assessed as likely to be 'affordable', with or without concessionary offsets.
- Require % of time-limited affordable rental (e.g. at discount market rent), with or without concessionary offsets.
- Mandate a % of AH (e.g. greenfield or large-scale redevelopments) through DCP Masterplan or similar.
- Proactive land assembly or acquisition to facilitate consolidation & redevelopment.
- Mandate a reasonable contribution (in cash, land or dwellings) where feasible.
- Require SIA in major redevelopment of low cost housing/types, & require mitigation to offset loss (e.g. cash or in kind contributions, rehousing tenants).
- Develop mandatory state planning policies to create AH.

Direct Market Intervention

- Reduce cost through waiving fees, land rates, contributions, etc for AH developments.
- Use public resources in AH PPPs, e.g. through partnerships on council or other public land via land audits; EOLs to create AH on public land, etc.
- Use resources gained through incentive-based or mandatory mechanisms for AH PPPs.
- Enter into longer-term development and/or management partnerships with a preferred community housing provider (e.g. MOU).
- Directly funding or construction of AH by local, state or federal agencies.

Source: Stubbs (2003); JSA (2011)

Figure 2: Strategies to create affordable housing

6.1 NSW Government policies and statutory controls

A Plan for Growing Sydney is the NSW Government's plan to manage Sydney's growth to 2031. Goal 2 of the Plan is to "deliver more opportunities for affordable housing".

- Action 2.3.1 requires each Council to prepare a local housing strategy that considers (among other things) local affordable housing needs and strategies to provide affordable housing.
- Action 2.3.2 aims to remove barriers to subdivision of existing lots of a suitable size.
- Action 2.3.3 aims to deliver more opportunities for affordable housing by involving all stakeholders, providing affordable housing on government-led urban renewal projects and government-owned sites, and requiring Councils to include affordable housing in their local housing strategies, to respond to local demand.

A Plan for Growing Sydney also identifies two priority precincts in Ryde LGA, one at North Ryde Station and one at the Macquarie University Station Precinct.

The *Making it Happen* State Priorities also identify a need to increase housing supply to put downward pressure on housing, with a target to deliver more than 50,000 housing approvals every year. As part of this the Premier has a specific priority for 90% of housing approvals to be determined within 40 days.

The NSW Government has increased funding for affordable housing through the \$1 billion Premiers Innovation Fund. The NSW Department of Family and Community Services currently offer grants of \$10,000 per room to encourage the construction of new boarding houses or the addition of new rooms to existing premises under the Boarding House Financial Assistance Program.

Previous initiatives focused on building community housing sector capacity to deliver and manage affordable housing by increasing funding, transferring social housing stock to providers (including some with title) and providing regulatory support to increase professionalism and capacity.

The NSW Government is now looking to incorporate social and affordable housing developments on public land in partnership with community housing providers. This increased emphasis can make the most efficient use of Australian and NSW Government funding and resources, including between State and local government, the private sector and community housing providers. These partnerships leverage State and Federal funding through access to Council or other publicly-owned land, access to resources created through the planning system, or through the accumulated funds or the borrowing capacity against equity of larger community housing providers.

From a legislative perspective, the *Environmental Planning and Assessment Act 1979 (NSW)* (EP&A Act) has express provisions relating to affordable and low cost housing, and other provisions that support affordable housing. Council, accordingly, has roles and responsibilities relating to affordable housing under planning legislation including State Environmental Planning Policies (SEPPs). State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP) and State Environmental Planning Policy No. 70 Affordable Housing (Revised Schemes) (SEPP 70) encourage the development of new affordable housing and the maintenance of existing affordable housing. Appendix B details the provisions under the EP&A Act and relevant SEPPs.

AHSEPP in City of Ryde to date

The Affordable Housing SEPP has not resulted in any new infill affordable housing in Ryde LGA. Similar to Greater Sydney, there has been a significant increase in the number of granny flats (secondary dwellings) in Ryde. This provides for greater housing choice. Over the last five years one affordable housing dwelling has been obtained through a Voluntary Planning Agreement and four dwellings have been approved as part of a former Part 3A Approval for a major development site.

6.2 Council policies and reports

Council plans that relate to affordable housing are listed below::

- **City of Ryde Community Strategic Plan 2031** is Council's overall strategic plan. One of the key outcome areas is "A City of Liveable Neighbourhoods" that recognises the need for affordable housing in Ryde LGA.
- **Ryde Local Environmental Plan (LEP) 2014** and the Ryde Development Control Plan (DCP) regulate development in Ryde LGA. The current LEP does not contain specific affordable housing objectives and incentives.
- **Ryde Voluntary Planning Agreement (VPA) Policy** guides the nature of voluntary planning agreements associated with development in Ryde LGA. It allows for the provision of affordable housing as a potential material public benefit in any planning agreement.
- **Ryde Economic Development Plan 2015 – 2019** provides a supportive framework for local economic development in Ryde LGA. It is concerned with business and employment growth but acknowledges the need to tackle housing affordability to ensure a diverse workforce.
- **Draft Arresting Vulnerability Report** identifies people on lower incomes in Ryde LGA are at particular risk of homelessness and vulnerability.

6.3 Options available to local government

6.3.1 Advocacy

Local government can monitor affordable housing and rates of housing stress in their local government area and lobby the NSW Government to provide additional affordable housing. Councils can also protect existing affordable housing and lower-cost housing available through AHSEPP. Developers can be required to mitigate the loss of affordable housing through either a 'bricks and mortar' or financial contribution.

Other examples of advocacy include:

- Defining affordable housing and setting affordable housing benchmarks
- Monitoring rates of housing stress and assessing where gaps exist in the housing market
- Pushing the NSW Government for progress on affordable housing initiatives
- Conducting staff training to improve capacity for affordable housing issues
- Holding and participating in affordable housing forums.

6.3.2 Facilitation

Local government prepares and implements land use planning controls to influence development outcomes. Councils can assist the delivery of new affordable housing through by incorporating affordable housing objectives in their LEPs and DCPs.

Where appropriate, Councils can offer a mix of incentives and requirements so that affordable housing is included in the total development. Financial contributions may also be collected towards an affordable housing delivery fund. Other actions to facilitate affordable housing are to:

- Include affordable housing aims, objectives and provisions in planning controls
- Include incentive-based variations to controls encourage affordable housing
- Include mandatory provisions or 'value share' mechanisms to share the benefit of uplift for affordable housing
- Develop an affordable housing calculator to assist in 'value sharing' negotiations.

6.3.3 Provision

Councils can directly deliver affordable housing by creating housing on council-owned land, leasing council land to community housing providers for affordable housing developments, or using financial contributions through the development process (e.g. voluntary planning agreements) to purchasing units to be used as affordable housing.

Other examples include:

- Signing an MoU with a registered Community Housing Provider to manage affordable housing stock and enter into joint venture partnerships where appropriate
- Undertaking an affordable housing demonstration project that incorporates a specified percentage of affordable housing into the development
- Using funds collected through the mandatory contributions process to deliver affordable housing.

6.4 Specific mechanisms

In considering the most appropriate options and planning mechanisms, Council must be aware of the local housing market, development cycles and demographics when selecting the appropriate mechanism for affordable housing delivery.

Measures to protect existing low-cost or affordable housing must be used very carefully to ensure that the conditions do not impose a barrier on new development.

Planning incentives are voluntary provisions that aim to increase development yield in exchange for the provision of community benefits such as affordable housing. Potential incentives include reducing the time or cost of development assessment, or providing bonuses that increase the overall yield of a development.

6.4.1 Value sharing agreements

Value Sharing Agreements (VSAs) can be applied to larger scale, major redevelopment projects or master planned communities. VSAs are negotiated between council and the developer based on the uplift in value received from a rezoning that grants the development an increase in floor space ratio (FSR) and height. Under this model the developer can make either a monetary or physical contribution towards affordable housing.

Voluntary agreements provide greater scope for the developer and council to agree on a mechanism that suits both parties and, by being negotiated for one particular site, means mechanisms can be tailored to suit the individual circumstances of the development, rather than applying a more general rule that may not fit specific proposals.

Council already has a similar process in place through Voluntary Planning Agreements (VPAs). However, these are only voluntary and there are competing objectives for VPA funding (e.g. green space, affordable housing or community space).

To improve this process Council could develop an affordable housing calculator as an objective affordable housing evaluation tool to assist in negotiations with developers.

6.4.2 Precinct-based density bonus model

A precinct-based density bonus is a mandatory inclusion. There are many variations of a density bonus model but in simple terms it involves offering increased height and/or floor space in return for the inclusion of a percentage of affordable housing within the development. It incentivises the provision of affordable housing so there is no loss to the developer while still having controls in place for height.

For example, a 30% bonus in building height could be approved in return for a profit-share of 50% of the additional floor space, with this 50% allocated to key worker housing.

Preliminary testing in Ryde LGA indicates these incentives would likely be taken up by the developer. The outcome would be that approximately 15% of the total development would be key worker housing (depending on size).

A precinct-based density bonus offers some level of control over where the affordable housing is located. For example, there is greater control to ensure the affordable housing is located in areas close to public transport.

This model would require further planning studies and detailed planning controls for each precinct before adoption. A potential weakness is the density bonus could be in conflict with other planning objectives (e.g. the intended built form outcomes and amenity).

6.4.3 Mandatory inclusions

Mandatory inclusions require developers to provide affordable housing as part of a development. They are best introduced when land rezoning creates significant uplift in the value of land. They allow the cost of providing affordable housing to be offset by the larger value gain achieved through rezoning of the land. For example, a developer may seek to rezone a parcel of land to R4 (residential) or B4 (mixed use), which permits high density residential development.

Under this model, a certain percentage (e.g. 2%) of units in large residential developments (e.g. more than 20 units) must be designated affordable housing as a mandatory condition of the rezoning.

Incentives may also be offered to offset any losses to the developer, such as allowing for increases in the number or size of dwellings that can be provided on a particular site which can improve profitability particularly for high value/high growth markets. As with density bonus offers, any incentives must protect the amenity of the location for other residents.

Combining mandatory inclusions with incentives it is the most effective means of delivering affordable housing over the long term. The model provides certainty for developers and transparency of the community.

To enact the mandatory inclusions model a further planning/feasibility study will need to be conducted to determine the appropriate inclusion percentages and amendments made to the Ryde LEP.

6.5 Affordable housing target

An affordable housing target will underpin the many programs and projects needed to meet this Policy's clear vision. The success of otherwise of the Policy will be measured against a target that the equivalent of 5% of all new housing growth in the next 15 years will be affordable housing for key worker households.

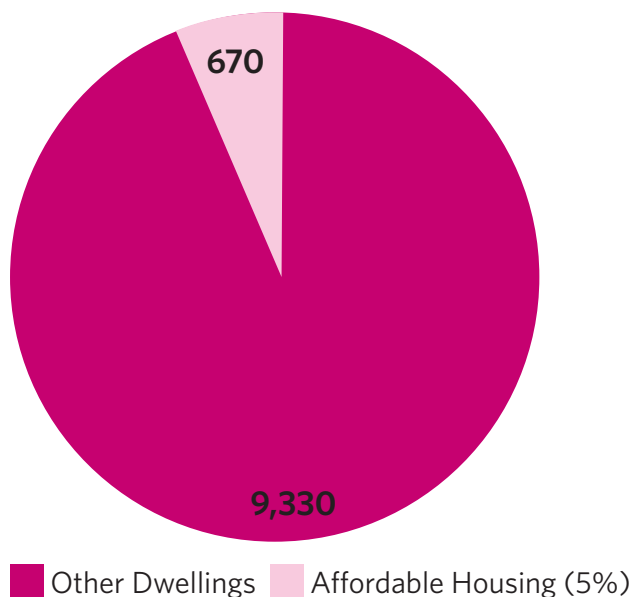
The affordable housing target is based on analysis undertaken as part of the Background Report. This found that:

- In 2011 there were 7,450 key worker households in Ryde LGA in need of affordable priced housing.
- By 2021 there are forecast to be 8,925 key worker households in Ryde LGA in need of affordable priced housing.
- By 2026 there are forecast to be 9,750 key worker households in Ryde LGA in need of affordable priced housing.
- By 2031 there are forecast to be 10,700 key worker households in Ryde LGA in need of affordable priced housing.

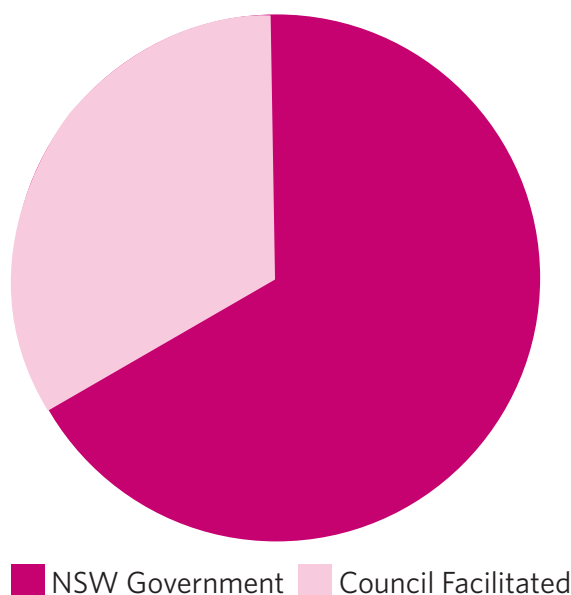
These figures denote the underlying need for affordable housing based on the incidence of housing stress among key worker households rather than the target. They sit far beyond the scope of what Council can realistically deliver in terms of new affordable housing dwellings within the next 15 years.

For this reason, Council has instead set the 5% target as a realistic and achievable target.

NEW DWELLINGS 2015 - 2031 (10,000)



DELIVERY OF AFFORDABLE HOUSING



This target illustrates a significant shift on current activity. For example:

- In 2014 only seven affordable housing dwellings were completed in Ryde LGA
(Source: FACS NSW)
- During 2011 - 2015 only six affordable housing dwellings were approved (but not yet built) in Ryde LGA - an average of 1.2 a year
- The percentage of affordable housing approvals as a proportion of total new dwellings from 2011 to 2015 was just 0.18%.

Therefore, to meet this target, the 21 projects (see next chapter) will be driven by a mix of Council and NSW Government activity. The 5% target equates to 750 additional affordable housing dwellings by 2031 for key worker households. Of these:

- 500 will be delivered by the NSW Government, equating to 33 new affordable housing dwellings a year
- 250 will be delivered by City of Ryde Council, equating to 17 new affordable housing dwellings a year.

7.0 Programs and projects

The goals and objectives of the Policy will be delivered via 21 projects under seven programs.



7.1 Programs and projects

State Government Affordable Housing Stock Program:

1. Advocate for the inclusion of affordable housing in urban renewal sites on government-owned land.
2. Advocate the NSW Government for progress on affordable housing initiatives and targets.

Council-Facilitated Affordable Housing Stock Program:

3. Develop an affordable housing calculator to support negotiations with the development industry.
4. Identify training and professional development needs to facilitate the delivery and management of Council's affordable housing stock.
5. Undertake a demonstration project with a designated percentage (e.g. 5 - 10%) of affordable housing.

6. Monitor and identify relevant grants in relation to affordable housing and its provision.
7. Create an Affordable Housing Fund that collects mandatory and voluntary financial contributions.
8. Manage the Affordable Housing Fund, using funds to build or purchase affordable housing stock.

Planning Controls Review Program:

9. Review planning controls to identify and remove barriers to the creation of affordable housing.
10. Undertake a local housing study as part of the LEP planning process.
11. Continue to assess the appropriate mix of housing choice available in Ryde LGA.
12. Monitor housing needs associated with changing household sizes (e.g. increases in lone person households).

Affordable Housing Planning Incentives Program:

13. Include affordable housing aims, objectives and provisions such as mandatory inclusions, inclusionary zoning, or precinct based density bonus schemes in land use planning controls.

Affordable Housing Policy Review Program:

14. Establish an Affordable Housing Working Group to implement and review this Policy, ensuring a whole of Council approach.
15. Review the Affordable Housing Policy and determine whether amendments are necessary.
16. Work with businesses and organisations to help attract key workers.

Affordable Housing Communication Program:

17. Conduct granny flat workshops and information nights for the local community.
18. Include affordable housing updates in regular Council and community communication.
19. Build capacity of the not-for-profit sector and connect with government agencies to support vulnerable groups.

Affordable Housing Partnership Program:

20. Appoint a registered community housing provider(s) to manage affordable housing stock.
21. Establish eligibility criteria for key workers to access affordable housing.

7.2 Project implementation

Community housing providers would manage the day-to-day functioning of affordable housing after it has been created and allocated/dedicated to Council. A proportion of the rent would go to the provider for their tenant administration services, to maintain the asset and potentially to acquire new affordable housing stock, with specifics detailed in an MoU.

Council would call for expressions of interest for an accredited community housing provider through standard council procurement process. As part of the development of this Policy, interviews with a range of service providers gave Council a more detailed understanding of the need for affordable housing, the local service context, and to explore the potential for partnerships in affordable housing delivery and management. Several community housing providers have demonstrated an interest in becoming more active in Ryde LGA.

7.2.1 Criteria

The criteria for who is eligible for affordable housing would be identified in conjunction with the community housing provider. It usually depends on the level of household income which is set by the NSW and Australian Governments. The common factors considered as a part of selection criteria include:

- Permanently employed
- Australian citizen or permanent resident
- Whether the household could secure suitable or adequate housing in the private rental market
- Whether the household owns any assets (e.g. a property) they could be reasonably expected to use to solve their housing need
- Whether they are a key worker in the LGA
- Whether they already live in Ryde LGA
- If they earn very low, low or moderate incomes.

7.2.2 Rental rates

Affordable housing rents vary, and are set either as a discount to the market rent or as a percentage of a household's income.

Where rent is set as a discount of the market rent, the discount is usually between 20% and 25% compared to the market rent for a similar property in the area.

Where rent is set as a proportion of a household's income, households may be charged between 25% and 30% of their before tax income for rent, although providers may charge slightly more in some circumstances.

Rental rates aim to ensure that affordable housing properties are available to a range of income groups, balanced with a need to ensure rents cover the cost of managing the properties and will most likely be determined in when the relevant planning controls are drafted.

7.2.3 Reporting on the Policy

It is critical to the successful implementation of the policy that delivery partners, the NSW Government and the community are kept engaged and informed in the process. Council will report regularly on the results of the Affordable Housing Policy through its Annual Report, internal reporting, Council meetings and regular communication channels.

Temporary working groups may oversee an aspect of the Policy as needed. This might include the initial launch of the Policy, a major affordable housing development project, or a review of the Policy. Relevant stakeholders will be invited to participate in these working groups as an expression of interest.

7.2 Implementation Plans

Goal 1: By 2031, 5% of all new dwellings in Ryde LGA will be affordable housing for key worker households on very low to moderate incomes.

To meet this goal, Council will:

- Advocate the NSW Government to deliver 500 new affordable housing dwellings on government-owned land and through the development approval process
- Facilitate delivery of an additional 250 affordable housing dwellings through the development process
- Review its planning and development assessment processes to remove barriers to housing supply, housing diversity or affordable housing.

Program	Project	Partner	Timing
State Government Affordable Housing Stock Program	1. Advocate for the inclusion of affordable housing in urban renewal sites on government-owned land	NSW Government, NSW DoPE, NSW Land and Housing Corporation & NSW Centre for Affordable Housing	Ongoing
	2. Advocate the NSW Government for progress on affordable housing initiatives and targets	NSW Government, NSW DoPE & NSW Centre for Affordable Housing	Ongoing
Council-Facilitated Affordable Housing Stock Program	3. Develop an affordable housing calculator to support negotiations with the development industry		2016/17
	4. Identify training and professional development needs to facilitate the delivery and management of Council's affordable housing stock	NSW Centre for Affordable Housing	Ongoing
	5. Undertake a demonstration project with a designated percentage (e.g. 5 - 10%) of affordable housing		2021
	6. Monitor and identify relevant grants in relation to affordable housing and its provision		Ongoing
	7. Create an Affordable Housing Fund that collects mandatory and voluntary financial contributions		2018
	8. Manage the Affordable Housing Fund, using funds to build or purchase affordable housing stock		Ongoing
Planning Controls Review Program	9. Review planning controls to identify and remove barriers to the creation of affordable housing		2016/18
	10. Undertake a local housing study as part of the LEP planning process		2020
	11. Continue to assess the appropriate mix of housing choice available in Ryde LGA		Ongoing
	12. Monitor housing needs associated with changing household sizes (e.g. increases in lone person households)	NSW DoPE	

Goal 2: By 2031, Council and stakeholders will be operating under a clear and transparent framework to deliver affordable housing outcomes.

To meet this goal, Council will:

- Amend planning controls to include affordable housing objectives and obtain the necessary approvals for these amendments
- Adopt, implement, monitor, evaluate and amend (if necessary) this Policy.

Program	Project	Partners	Timing
Affordable Housing Planning Incentives Program	13. Include affordable housing aims, objectives and provisions such as mandatory inclusions, inclusionary zoning, or precinct based density bonus schemes in land use planning controls	NSW Centre for Affordable Housing	2017/18
Affordable Housing Policy Review Program	14. Establish an Affordable Housing Working Group to implement and review this Policy, ensuring a whole of Council approach		2016/17
	15. Review the Affordable Housing Policy and determine whether amendments are necessary	NSW Centre for Affordable Housing & Community Housing Providers	2021
	16. Work with businesses and organisations to help attract key workers	NSW Centre for Affordable Housing, Community Housing Providers & Council	Ongoing

Goal 3: By 2031, Council will have well-established partnerships with the NSW Government, community housing providers and other relevant stakeholders that help to deliver the vision.

To meet this goal, Council will:

- Communicate regularly with NSW Government agencies, community housing providers, community groups and other councils
- Sign a memorandum of understanding with a registered community housing provider to assist in managing, partnering and advocating for affordable housing in Ryde LGA.

Program	Project	Partner	Timing
Affordable Housing Communication Program	17. Conduct granny flat workshops and information nights for the local community		Annually
	18. Include affordable housing updates in regular Council and community communication		Ongoing
	19. Build capacity of the not-for-profit sector and connect with government agencies to support vulnerable groups		Ongoing
Affordable Housing Partnership Program	20. Appoint a registered Community Housing Provider(s) to manage affordable housing stock	Community Housing Provider	2017
	21. Establish eligibility criteria for key workers to access affordable housing		2017

8.0 Glossary

Term	Meaning
Affordable housing	Housing that is appropriate for a range of very low, low and moderate income households and priced so that these households can also meet other basic living costs such as food, clothing, transport, medical care and education. Housing is generally considered affordable if it costs less than 30 per cent of gross household income.
Community housing providers	Non-government organisations that provide housing and associated support to people on very low, low and moderate incomes.
Development contributions	Contributions that councils can levy on a development where that development generates an increased demand on Council's services and facilities.
Housing stress	A household or an individual is said to be in "housing stress" when they are paying more than 30% of their gross household income on housing costs whether rental or mortgage payments. Those paying more than 50% of gross income on housing are regarded as being in 'severe housing stress'.
Key workers	Key workers are people on very low, low and moderate income levels. They are usually employed in essential frontline services such as health care, education, child care, aged care, emergency services, community services, retail and hospitality. Key workers are necessary for the normal functioning of a city and community.
Income (very low)	Less than 50% of the Greater Sydney gross median household income, or less than \$40,508 per year.
Income (low)	Between 50 to 80% of the Greater Sydney gross median household income, or between \$40,508 and \$64,762 per year.
Income (moderate)	Between 80 to 120% of the Greater Sydney gross median household income, or between \$64,762 and \$97,240 per year.
Planning controls	The suite of plans and policies used by councils as an urban planning framework to regulate development and conservation in their local government area. These can be local (council) controls or State controls (such as legislation or State Environmental Planning Policies).

Precinct-based density bonus	While there are several models, in simple terms this involves offering increased height in return for the inclusion of a percentage of affordable housing within the development. It incentivises the provision of affordable housing so there is no loss to the developer while still having controls in place for height.
Urban renewal sites	Sites of government-owned land that have been identified for a renewed use, such as new residential, retail or commercial purposes, or a mix of these uses.
Value sharing agreements	Negotiated between council and the developer based on the uplift in value received from a rezoning that grants the development an increase in floor space ratio (FSR) and height. Under this model the developer can make either a monetary or physical contribution towards affordable housing.

Type of Housing	Reason for Housing
Crisis Housing	For emergency situations or homeless people
Boarding Houses	Low cost forms of shared rental accommodation typically for individuals
General/Social/Public Housing	Terms given to government-owned housing designated for households on very low incomes or income support
Affordable Housing	For very low to moderate income households
Supported Private Rental	Renters receive some additional support from government or non-government organisations
Supported Home Ownership	Government contributes to home ownership
Private Rental	The private housing rental market
(Private) Home Ownership	Normal private home ownership

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10.0 Appendix A Detailed Data

10.1 The workforce

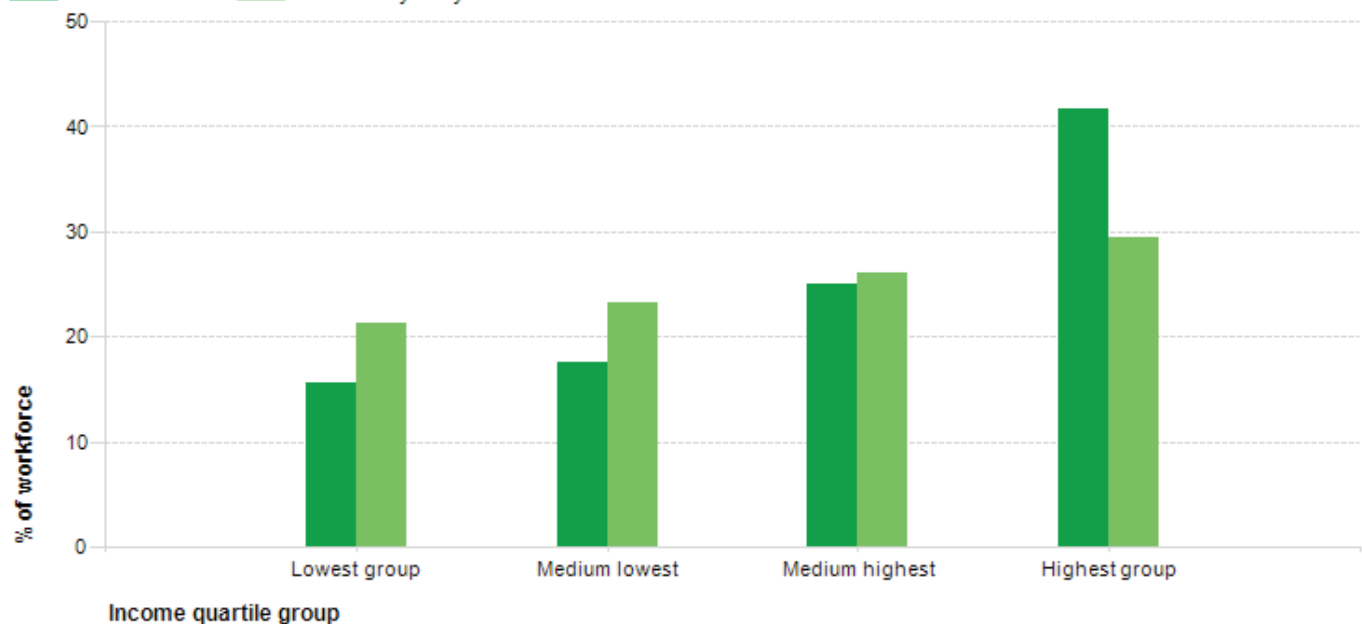
In 2011, about 90,000 people worked in Ryde LGA, with around 44,000 of these people earning incomes that would be classified as 'key worker' income levels. Of these 44,000 workers, around:

- 12,000 earned very low incomes
- 16,000 earned low incomes
- 16,000 earned moderate incomes.

Workforce individual income quartiles, 2011

City of Ryde - All industries

■ All industries ■ Greater Sydney



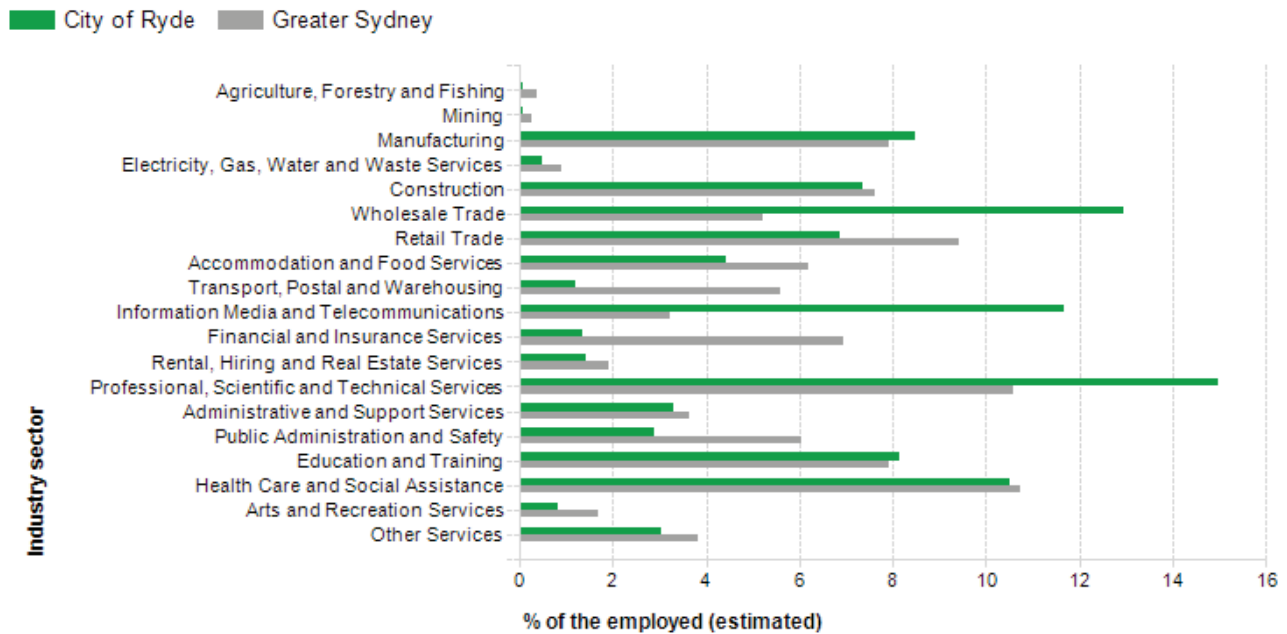
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011
Compiled and presented in economy.id by .id, the population experts.

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10.1.1 Employment by industry

In 2013/14, the majority of people worked in the industry sectors of 'Professional, Scientific and Technical Services', 'Wholesale Trade' and 'Information, Media and Telecommunications'. Of essential workers, 2,563 worked in Public Administration and Safety, 9,377 in Health Care and Social Assistance, and 7,257 in Education and Training.

Employment (total) by industry 2013/14



Source: National Institute of Economic and Industry Research (NIEIR) ©2015
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10.1.2 Commute to Work

In 2011, around 80% of workers came from outside Ryde LGA every day for work.

Residential location of workers, 2011

City of Ryde - All occupations

- Live and work in the area
- Work in the area, but live outside



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Usual residence data)

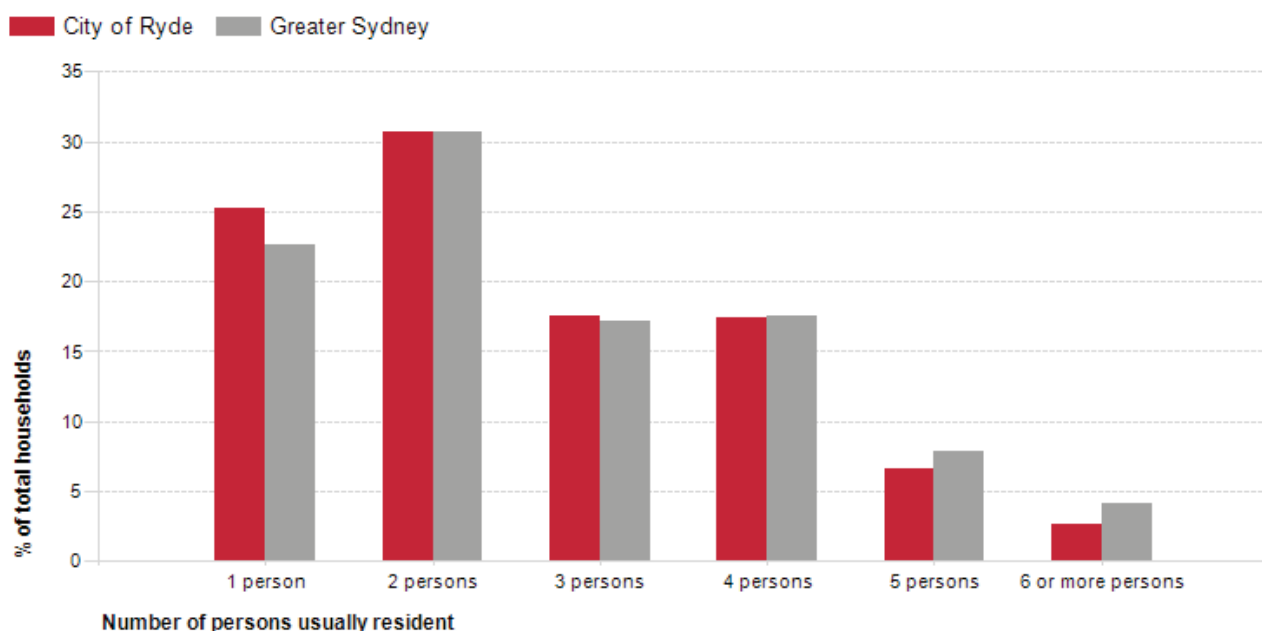
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10.2 Households

10.2.1 Household Size

In 2011, the most dominant household size was two-person households. A quarter of households contained one person and there were less larger-sized households in Ryde LGA than the Greater Sydney average.

Household size, 2011



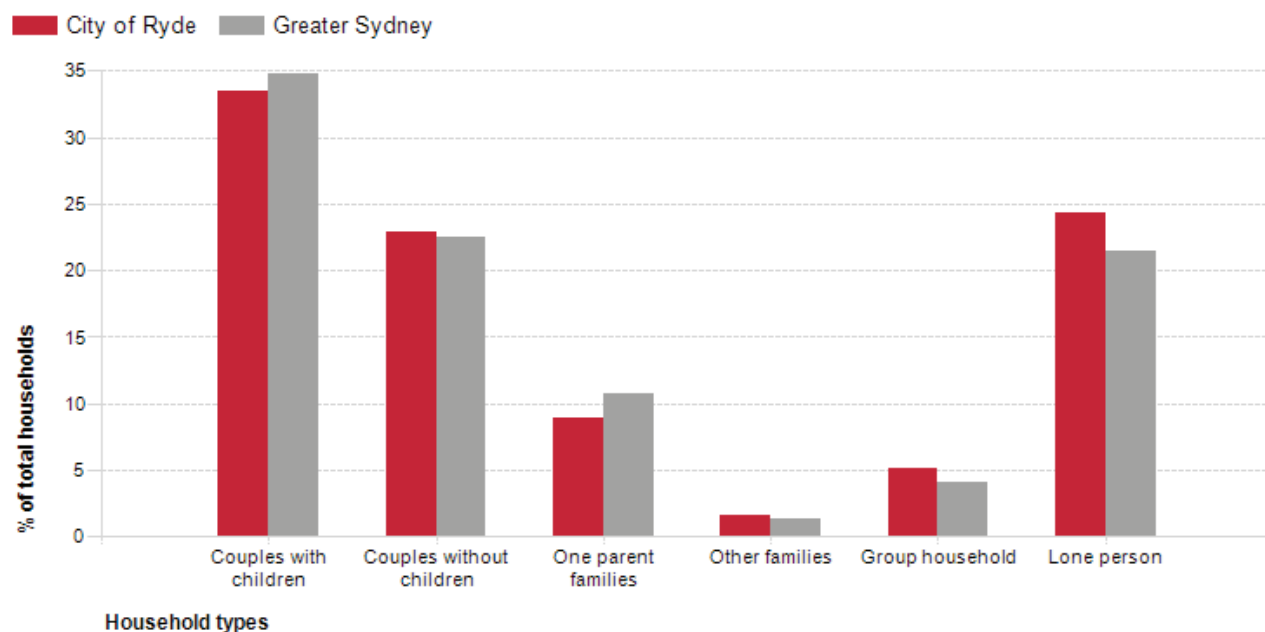
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Enumerated data)
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10.2.2 Household Type

A third of households were made up of couples with children in 2011. There are slightly less couples with children and slightly more lone person households than the Greater Sydney average.

Household type, 2011



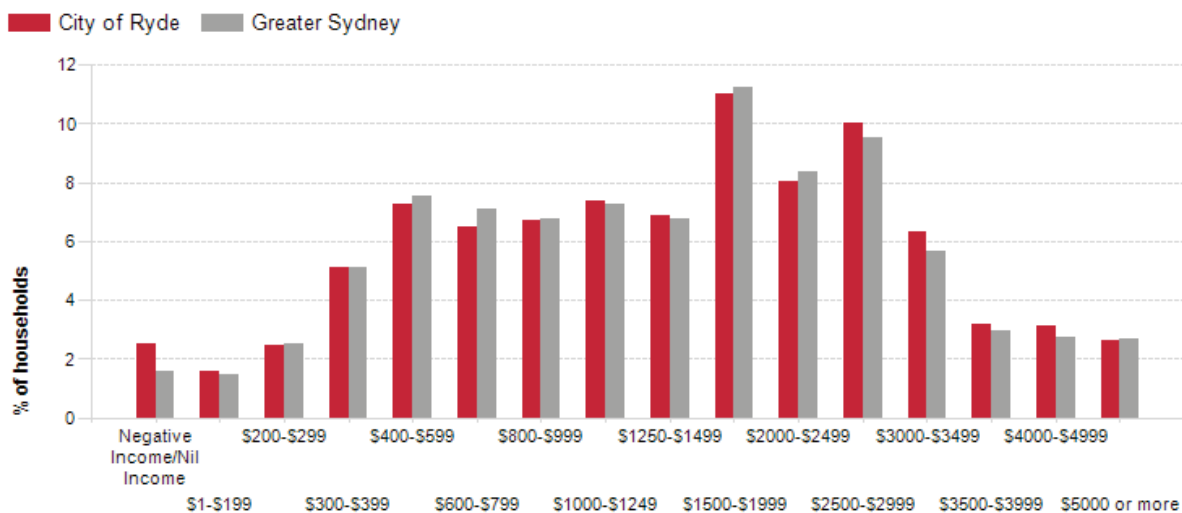
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Enumerated data)
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10.2.3 Household incomes

In 2011, the distribution of household income in Ryde LGA closely resembled that for Greater Sydney, with some over-representation in higher income groups.

Weekly household income, 2011



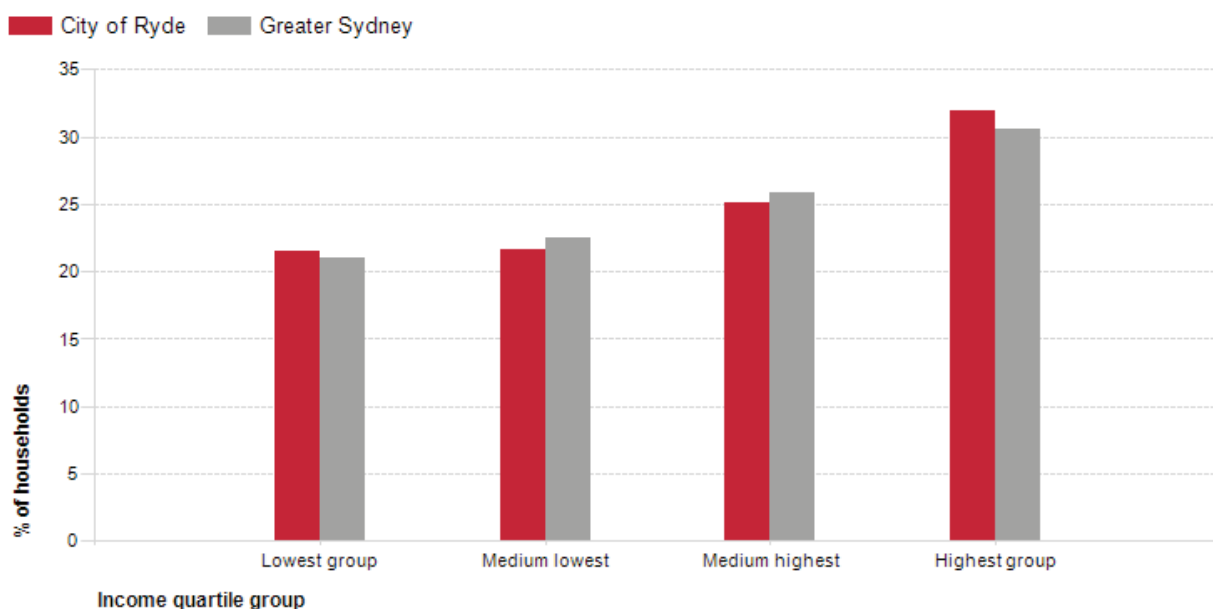
Weekly income

Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Enumerated data)
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In 2011, there were around 15,000 key worker households living in Ryde LGA, spread evenly between the three income brackets of very low, low and moderate.

Household income quartiles, 2011



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Enumerated data)
Compiled and presented in profile.id by .id, the population experts.

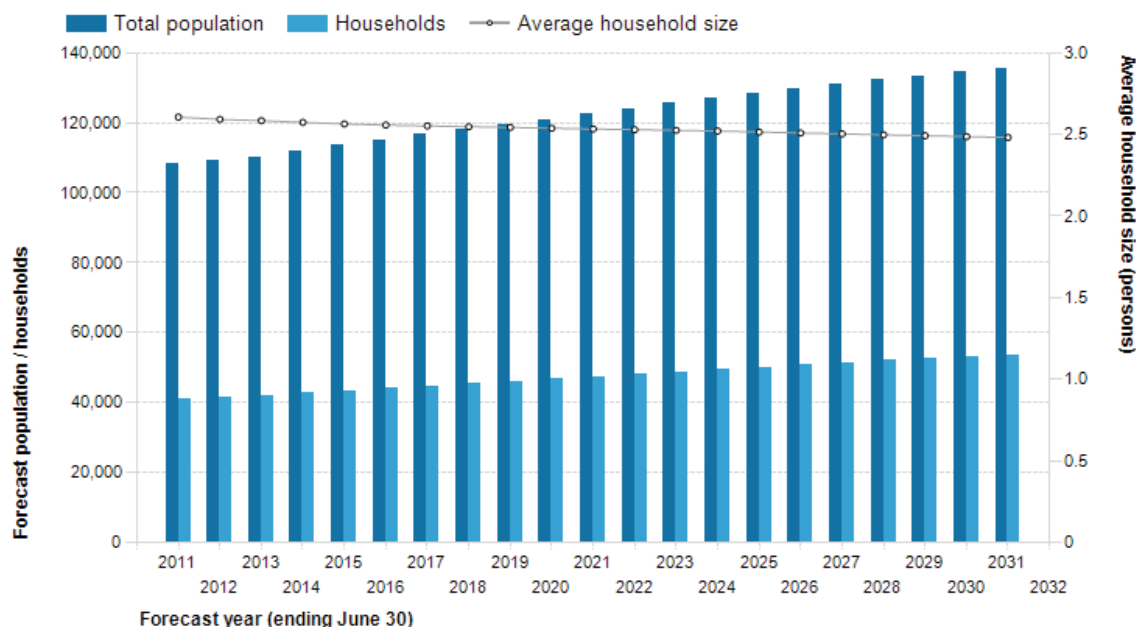
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10.2.4 Forecasts

In 2015, the population of Ryde LGA was estimated at 113,422. This is forecast to grow by 1,472 per year to reach 135,508 by 2031. In 2015 there were approximately 43,289 dwellings in Ryde LGA. This is forecast to grow by 688 dwellings per year to 53,611 in 2031. As the total population and dwelling numbers increase, the average household size is gradually decreasing.

Forecast population, households and average household size

City of Ryde



Population and household forecasts, 2011 to 2031, prepared by .id the population experts, November 2011.

.id
the population experts

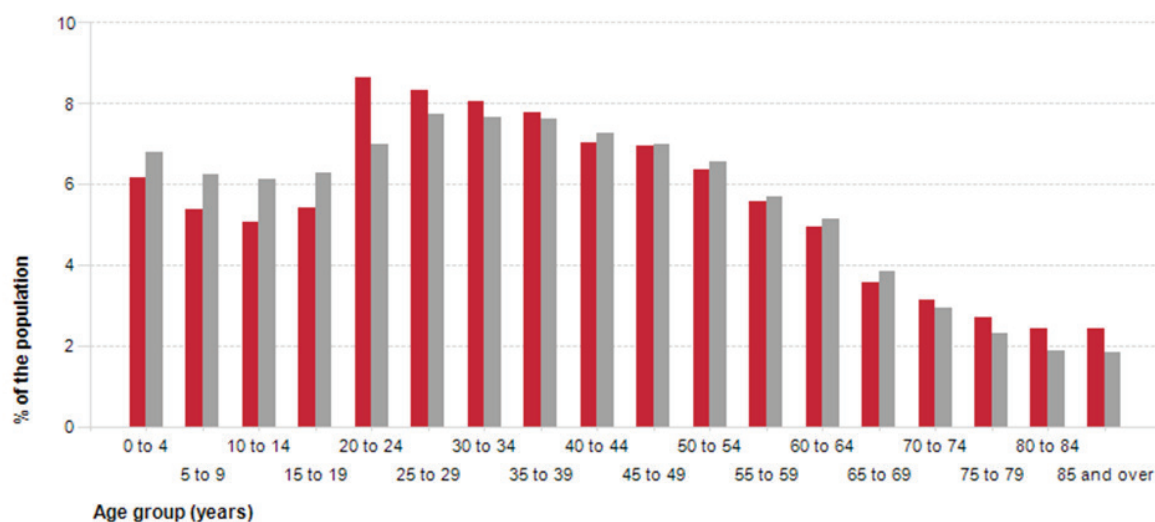
10.2.5 Age Profile

Ryde LGA had a higher proportion of people aged 20-29 and a higher proportion of people aged over 70 in 2011 compared to Greater Sydney, probably due to the location of Macquarie University and more than 20 aged care and retirement villages.

Age structure - five year age groups, 2011

Total persons

City of Ryde Greater Sydney



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Usual residence data)
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10.2.6 Homelessness

The ABS estimated there were 240 homeless people in Ryde-Hunters Hill in 2011. This includes people in improvised dwellings, tents or sleeping out; people in supported accommodation for the homeless; or people staying temporarily with other households, in boarding houses, in other temporary lodgings, or in severely crowded dwellings.

No rough sleepers were counted in Ryde LGA in 2011, and no homeless shelters or boarding houses were counted, suggesting the people counted came from other categories. There is reported to be an increase in homelessness and risk of homelessness by service providers. However, this is difficult to detect from Census data.

10.2.7 Boarding Houses

While no boarding houses were recorded in Ryde LGA in the 2011 Census, seven were registered in Ryde LGA as of 29 June 2015. A proprietor of one of these boarding houses advised that his boarding house had five rooms rented at \$400 per week.

By comparison, a median one-bedroom apartment rent was \$500, suggesting boarding house rentals are likely to be around 80% of median one-bedroom rentals, and typically \$360 per week for Ryde LGA.

10.2.8 Social Housing

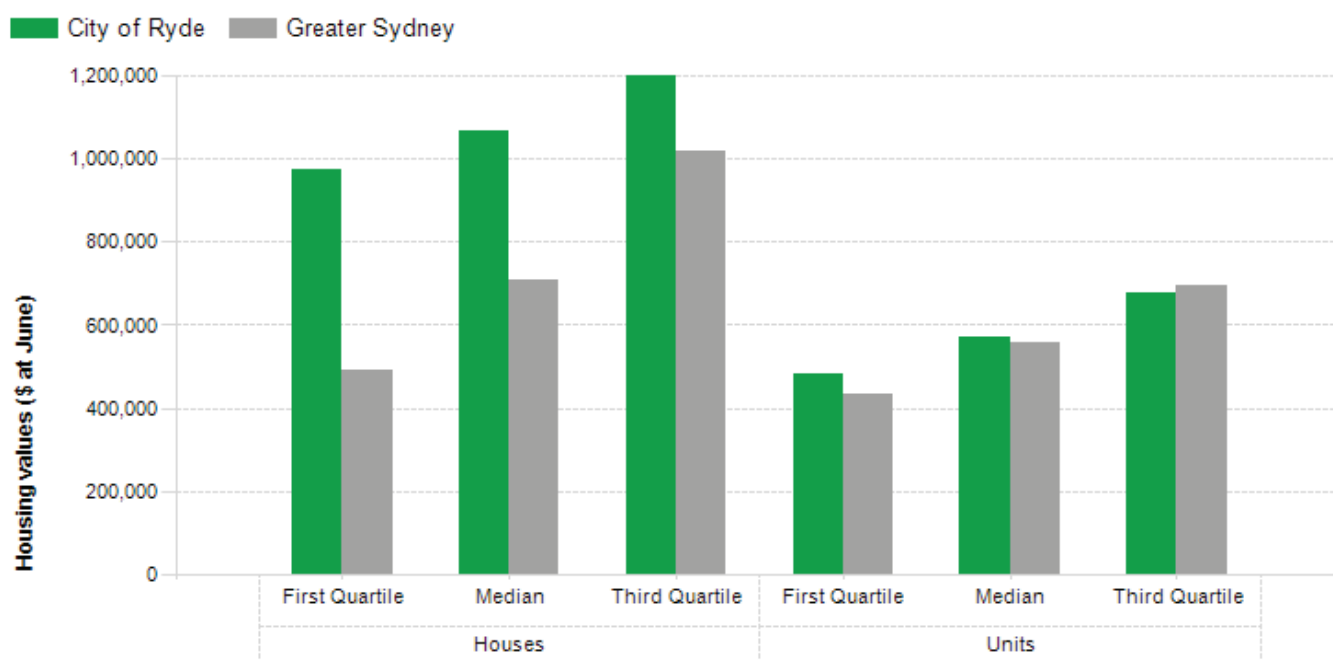
The supply of social housing in Ryde increased from 1,497 dwellings in 2001 to 1,836 dwellings in 2011, a 23% increase. Over the same period the number of dwellings in Ryde increased by 6%, showing real proportional growth in social housing. This represents the first net increase in social housing stock for a number of decades.

10.3 Housing Market

10.3.1 Average Prices 2010-2014

During 2010-2014, a house in Ryde LGA in the lowest quartile price was approximately \$1,000,000, almost double the lowest quartile average for Greater Sydney. The price of a unit in the lowest quartile price range, typically a one bedroom unit, was approximately \$500,000, slightly higher than the Greater Sydney average.

Housing values, 2014



Source: Hometrack 2010-2014, Housing Valuation System

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10.3.2 2015 House Prices

By 2015, non-strata purchase prices in Ryde LGA were greater than those for Greater Sydney while strata dwellings are similarly priced. The median price for all dwellings in Ryde LGA is 34% higher than the Greater Sydney median; the median price for strata dwellings is 3% higher and the median price for standalone housing 60% greater than the Greater Sydney median.

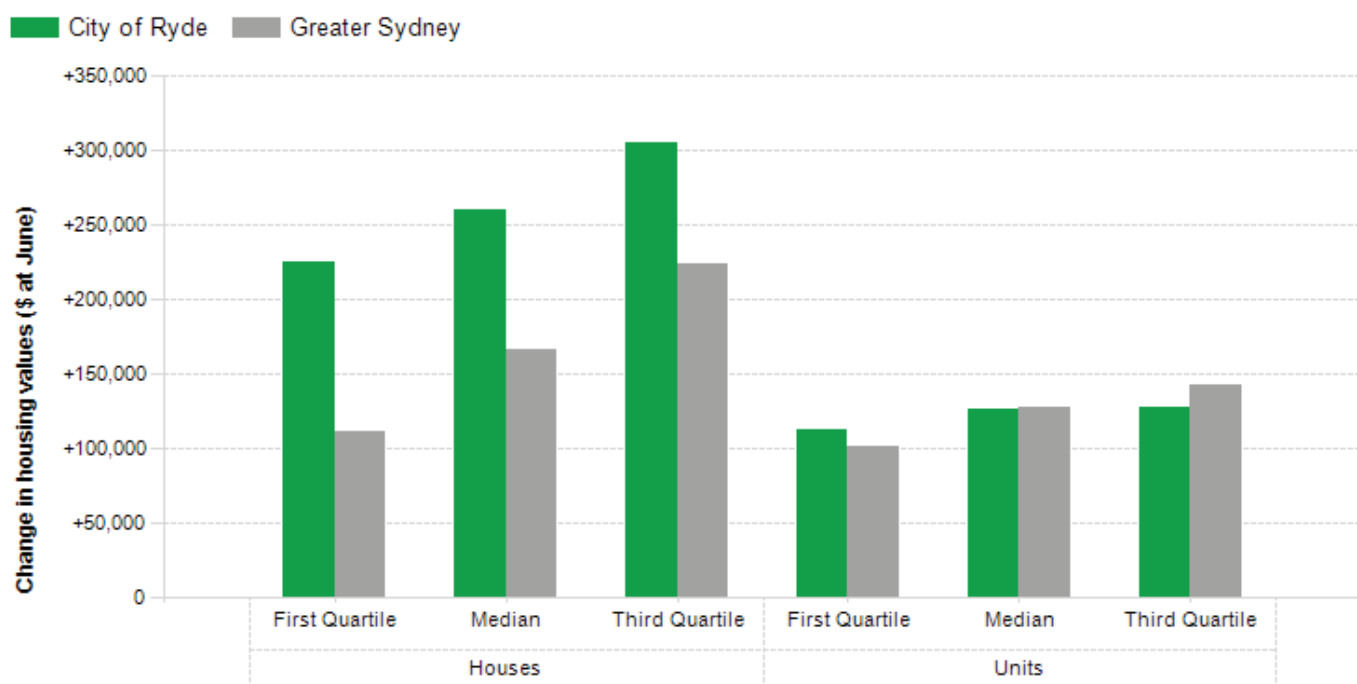
Dwelling Type	Area	1st Quartile	2nd Quartile	3rd Quartile
All Dwellings	Ryde LGA	\$613,000	\$939,000	\$1,300,000
	Greater Sydney	\$520,000	\$700,000	\$1,000,000
Strata Dwellings	Ryde LGA	\$545,000	\$623,000	\$750,000
	Greater Sydney	\$480,000	\$621,000	\$780,000
Non-Strata	Ryde LGA	\$1,163,000	\$1,300,000	\$1,500,000
	Greater Sydney	\$550,000	\$801,000	\$1,200,000



Housing prices in Ryde LGA have grown over the past five years, with even the cheapest housing increasing by approximately \$220,000. This far exceeds the Greater Sydney average of just over \$100,000 for house prices in the lowest quartile.

Likewise, units have also experienced price increases over the past five years. Units in the lowest quartile (i.e. typically the cheapest one-bedroom apartments) have increased by over \$100,000.

Change in housing values, 2010 to 2014

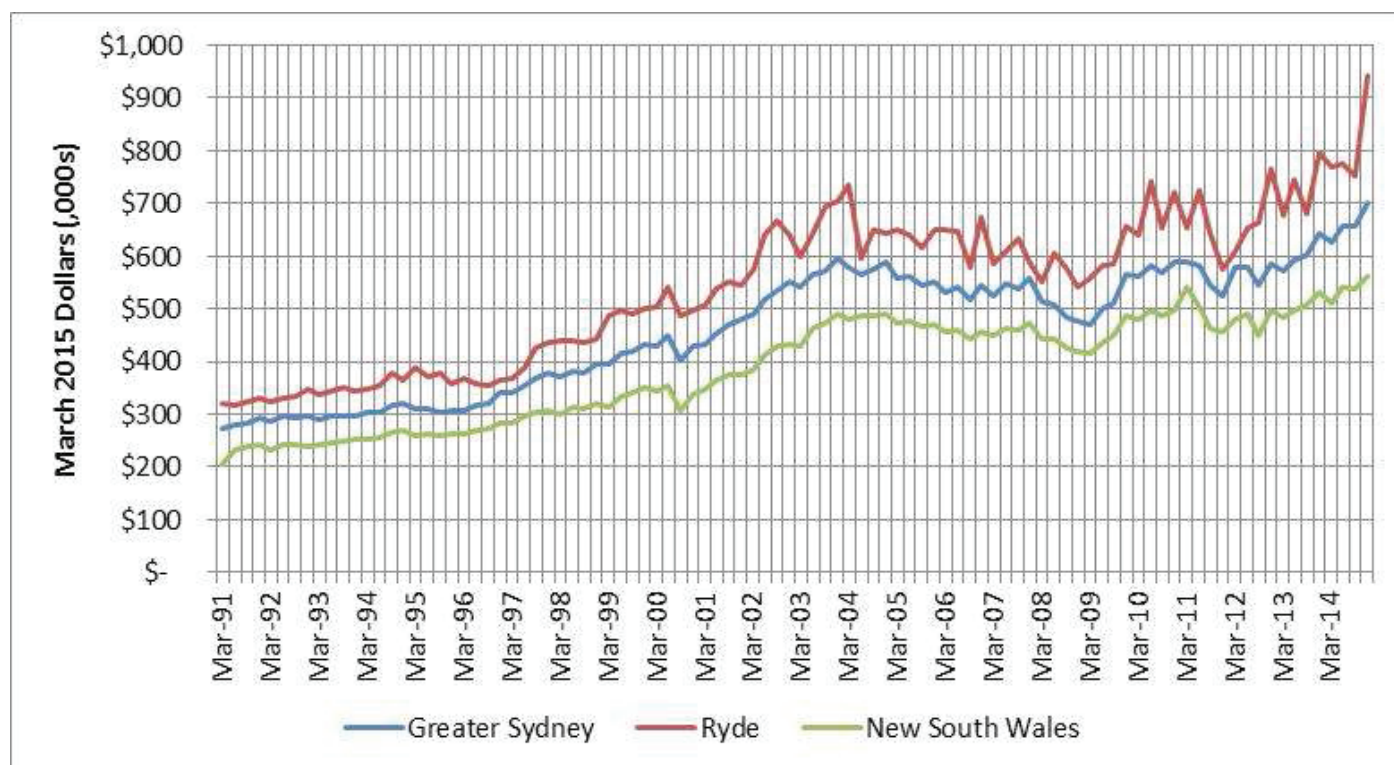


Source: Hometrack 2010-2014, Housing Valuation System

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Median Purchase Price, All Dwellings, Selected Areas, March Quarter 1991 to December Quarter 2014, adjusted for Inflation (to March Quarter 2015 Dollars)

10.3.3 Increases in Housing Values

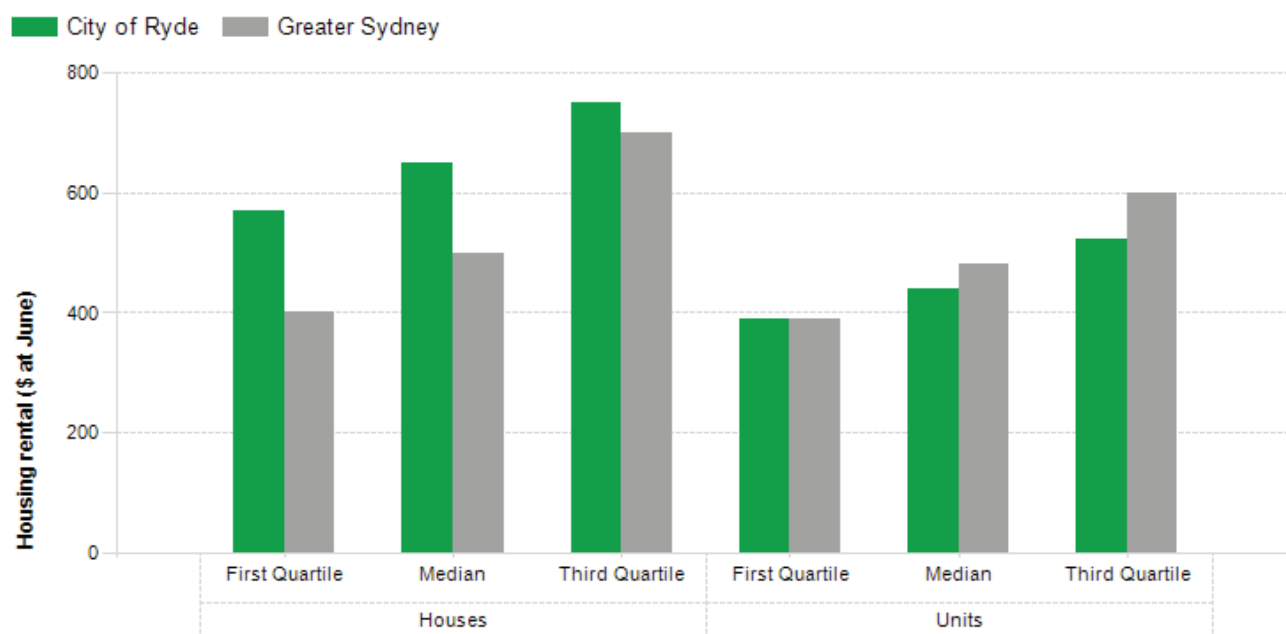


Source: JSA 2015, using data from Housing NSW Rent and Sales Report Issue 111 (Sales Price Trend) and ABS Consumer Price Index, All Groups, Australia

10.3.4 Rental Prices

In 2014, the lowest price for renting for a house in Ryde LGA was approximately \$580 per week, \$180 more than the Greater Sydney average for the lowest quartile housing rental. The lowest price for renting a unit (typically one-bedroom) in Ryde LGA was just below \$400 per week.

Rental listings, 2014



Source: Hometrack 2012-2014, Automated Valuation System

10.3.5 Rental Price by Size of Dwelling

The table below shows more current rental prices for Ryde LGA compared to Sydney. The figures have been further broken down into the number of rooms in the dwelling.

Usually a family will prefer a three-bedroom house rather than a one or two-bedroom unit. The figures below make it even more apparent how housing affordability adversely affects young families with rental for a three-bedroom house in Ryde LGA costing at least \$575 per week.

Dwelling Type	Areas	First Quartile	Second Quartile	Third Quartile
One-bedroom flat/unit	Ryde LGA	\$360	\$470	\$515
	Greater Sydney	\$400	\$479	\$540
Two-bedroom flat/unit	Ryde LGA	\$410	\$450	\$545
	Greater Sydney	\$415	\$520	\$640
Two-bedroom separate house	Ryde LGA	\$480	\$500	\$550
	Greater Sydney	\$350	\$420	\$560
Three-bedroom separate house	Ryde LGA	\$575	\$650	\$700
	Greater Sydney	\$400	\$450	\$580

Ryde LGA and Greater Sydney Rental Prices. Source: JSA 2015, based on data from Housing NSW Rent and Sales Report Issue 111 (March Quarter 2015)

10.3.6 Rental by Location

A snapshot of rental advertisements from 3 June 2015 provided further evidence that Ryde LGA is not affordable for most families requiring a three-bedroom dwelling. Of the 350 properties available for rent:

- None were affordable to 'very low' income households
- 7% (23 dwellings) were affordable to 'low' income households of which most (19) of which were one-bedroom apartments

- 56% (197 dwellings) were affordable to 'moderate' income households, including only nine three-bedroom dwellings.

The lowest medians were in the suburbs of West Ryde and Meadowbank and North Ryde and Gladesville were the most expensive areas.

Suburb	No.	1st Quartile	2nd Quartile	3rd Quartile
Chatswood	1	-	-	-
Denistone	5	-	-	-
East Ryde	2	-	-	-
Eastwood	45	\$430	\$500	\$680
Gladesville	64	\$430	\$565	\$650
Macquarie Park	19	\$440	\$530	\$565 (s)
Marsfield	26	\$480	\$540	\$727.50 (s)
Meadowbank	47	\$420	\$470	\$600
Melrose Park	3	-	-	-
North Ryde	11	\$550	\$670	\$800 (s)
Putney	5	-	-	-
Ryde	82	\$438.75	\$547.50	\$642.50
West Ryde	40	\$398.75	\$455	\$593.75

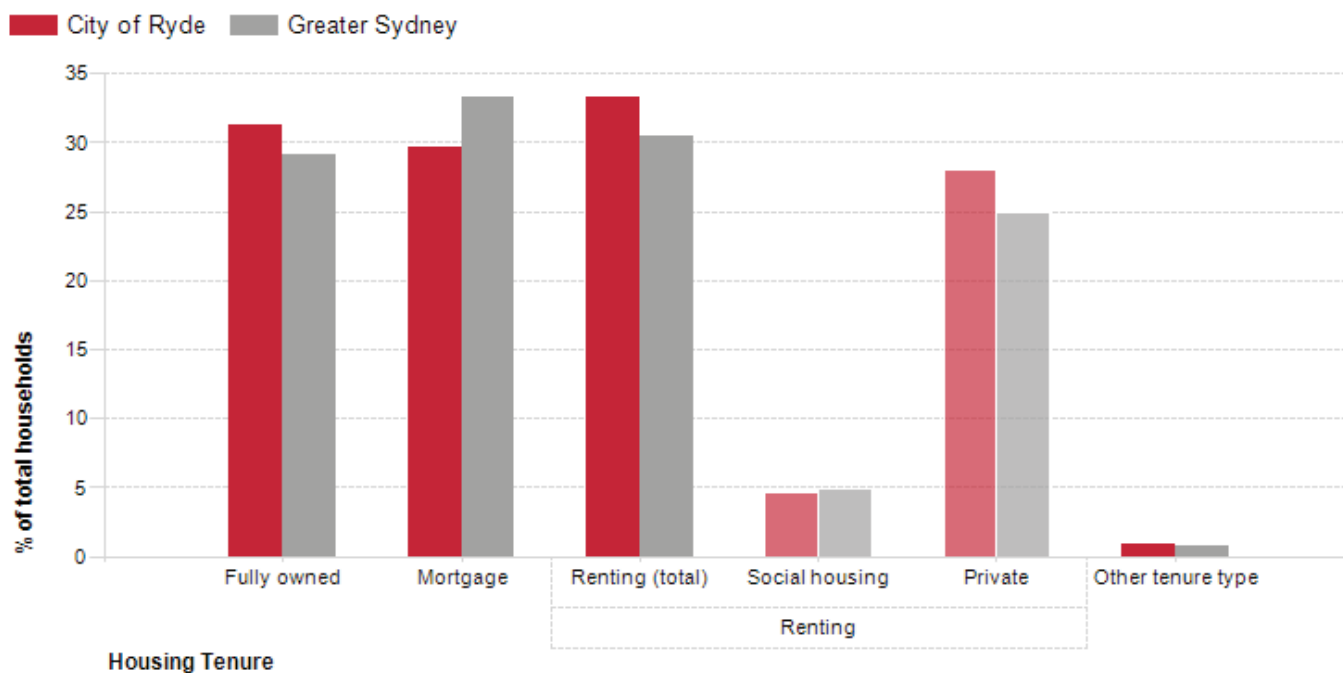
s = small sample size (10-30)

Rental Costs by Suburb in Ryde LGA. Source: JSA 2015, based on data from www.realestate.com.au on 3 June 2015.

10.3.7 House Tenure

In 2011, over 95% of housing stock was privately owned. 4.7% of housing in Ryde LGA was social housing either owned by the government or a not-for-profit community housing provider. This was slightly below the Greater Sydney average of 5%.

Housing tenure, 2011



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Enumerated data)
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11.0 Appendix B

Affordable housing statutory provisions:

11.1 EP&A Act 1979

- **Section 5(a)(viii)** provides an objective of the “maintenance and provision of affordable housing”.
- **Section 79C(1)(b)** states it is a requirement of the consent authority to take into account “social and economic impacts” of a development application. This has been applied to development applications that result in the loss of affordable or low cost housing, such as low cost flats and boarding houses.
- **Section 94F & 94G** were introduced to provide consent authorities with express power to impose such conditions “if a State Environmental Planning Policy (SEPP) identifies that there is a need for affordable housing within an area” and certain other conditions are met. This allows for the inclusion of mandatory contributions of affordable housing if the SEPP has identified the area as being in need of affordable housing (of which Ryde LGA is identified).
- **Section 93F** allows for voluntary planning agreements in relation to proposed amendment to a planning instrument or development application. Under such an agreement, the developer is required to dedicate land, make a financial contribution or provide a material public benefit (or combination thereof) towards a public purpose. Affordable housing is listed as one of the public purposes.
- **Section 94f(5)** makes it clear that “nothing in this section prevents the imposition on a development consent of other conditions relating to the provision, maintenance and retention of affordable housing.” (For example through targets and diversity planning in master plans or DCPs and requiring social impact statements).

11.2 SEPPs

- **SEPP 70 Affordable Housing (Revised Schemes)** amends local and regional planning instruments to enable the levying of development contributions to provide for affordable housing. SEPP 70 provides guidance regarding assessing housing need, setting contribution levels, apportionment, administration and accountability, and specifies relevant income and rental criteria.
- **SEPP (Affordable Rental Housing) 2009 (AHSEPP)** provides a consistent planning regime to increase the supply and diversity of affordable rental housing to different groups. The intention was that through liberalising zoning it would provide increased affordable housing close to places of work. The AHSEPP covers villas, townhouses and apartments that contain an affordable rental housing component, along with secondary dwellings (granny flats), new generation boarding houses, group homes, social housing and supportive accommodation. The aims of this policy are:
 - a) To provide a consistent planning regime for the provision of affordable rental housing
 - b) To facilitate the effective delivery of new affordable rental housing by providing incentives by way of expanded zoning permissibility, floor space ratio bonuses and non-discretionary development standards
 - c) To facilitate the retention and mitigate the loss of existing affordable rental housing
 - d) To employ a balanced approach between obligations for retaining and mitigating the loss of existing affordable rental housing, and incentives for the development of new affordable rental housing
 - e) To facilitate an expanded role for not-for-profit-providers of affordable rental housing
 - f) To support local business centres by providing affordable rental housing for workers close to places of work
 - g) To facilitate the development of housing for the homeless and other disadvantaged people who may require support services, including group homes and supportive accommodation.

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