

87 Bay Street, Glebe
Affordable Housing Study

Prepared for Chase Property Investments Pty Ltd
November 2011



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INTRODUCTION

This report presents an independent assessment of the level of demand and need for affordable housing at 87 Bay Street in Glebe. Glebe is an inner western suburb of Sydney located within the City of Sydney Local Government Area (LGA).

The report has been prepared in accordance with instructions received from Chase Property Investments Pty Ltd who own a site in Glebe and now propose that the site be developed for residential accommodation. As part of the development, a provision of affordable housing is planned to be provided.

The report is structured and presented in three sections as follows:

- **Section 1** reviews the regional and local context of the Glebe site and provides an overview of the planned development scheme.
- **Section 2** summarises the Glebe and Sydney West Statistical Local Area (SLA) resident and worker populations. An overview of the current and projected population levels over the period to 2026 and a review of the socio-economic profile of the surrounding population is also provided.
- **Section 3** summarises the definitions of affordable housing and outlines the key findings from this assessment of the potential for affordable housing to be provided at the Glebe site. This includes a review of the affordable housing contribution rates for development at other locations including Pyrmont/Ultimo, Green Square Urban Renewal Area, Willoughby, Harold Park and Barangaroo.

EXECUTIVE SUMMARY

The key points of this report, regarding the potential for affordable housing at 87 Bay Street in Glebe, include:

- The suburb of Glebe is situated 3 km by road to the south-west of the Sydney CBD. Glebe is a popular residential location given its proximity to the Sydney CBD, transport links to the broader Sydney region as well as its close location to higher education facilities.
- Chase Property Investments Pty Ltd own a site at 87 Bay Street in Glebe that is situated on the southern side of Wentworth Park Road, to the immediate west of Bay Street. The site is bounded by Wentworth Street to the south and Cowper Street to the west and totals 5,454 sq.m.
- Chase Property Investments Pty Ltd now propose a rezoning of the 87 Bay Street site to allow a mixed use development that would incorporate a provision of residential dwellings and a small retail/commercial component on the ground level.
- As part of the planned development, a provision of affordable housing to provide a public benefit is proposed. The provision of affordable housing at the site will further add to the capacity within the City of Sydney to meet the needs of all residents as well as providing the opportunity for lower income residents to live close to their place of work, particularly those employed in key industries such as health (nurses), education, police and ambulance and fire services.
- The ultimate number of affordable housing units to be provided at the site will depend on the Floor Space Ratio (FSR) that is applicable for the site. The site is currently permitted an FSR of 1.5 : 1 with Chase Property Investments proposing a maximum FSR of 4.5 : 1. A FSR larger than 1.5 : 1 for the site would result in additional affordable housing opportunities. At an FSR of 4.5 : 1, above the FSR of 1.5 : 1 for the site, some 10% of GFA would be provided for affordable housing units, well above the contribution rate of development in other areas of the City of Sydney.

- The socio-economic profile of the Glebe population reflects an inner city population comprising students and professionals who need to live within close proximity of the CBD. Although the Glebe population is generally an affluent population, there is a significant proportion of lower income households, with 59.3% defined as being low or moderate income households. This would indicate demand for affordable housing opportunities to be provided.
- Smaller household sizes are more prevalent in this part of Sydney. More than 53% of households in Glebe comprise a single person or couples without children. For medium and high density developments in the City of Sydney, one bed and two bed units comprise 67% of the total dwelling stock, well above the Sydney Metropolitan average of around 16%. There is a clear preference for smaller units within the inner suburbs of Sydney.
- Data sourced from PriceFinder shows that the median sale price in Glebe was around \$300,000 in 1996 and has increased by 227% to \$975,000, representing an average annual increase of 16% over the period. The significant increase in property prices and the income levels of the population combine to generate a significant need for affordable housing.
- There is a significant focus on increasing housing affordability within the City of Sydney as a result of the housing affordability crisis. A mix of housing to ensure all people across various ethnic backgrounds, employment and income levels can be accommodated within the inner city areas of Sydney is paramount to the success of a vibrant and successful city.
- Research undertaken for the Sustainable Sydney 2030 identified social housing and affordable housing as a key future area of growth. Currently, this type of housing accounts for less than 1% of all dwellings with a target of 7.5% of all dwellings likely to result in greater affordability.
- The proposed provision of affordable housing to be provided as part of the 87 Bay Street Glebe project will be higher than the contribution rate for development across a number of Sydney areas. At a FSR of 4.5 : 1, above the FSR of 1.5 : 1 for the site,

the GFA of affordable housing units at the Glebe site will be around 10%, well above Pyrmont (0.8%), Harold Park (3.8%), Green Square Urban Renewal Area (3%) and Willoughby Council (4%).

- Overall, it is our opinion that a provision of affordable housing would be suitable for the 87 Bay Street site in Glebe. The proposed site fulfills a number of characteristics for affordable housing and is to have future affordable housing developments to the immediate south and east. Reflecting the socio-economic profile of the Glebe and surrounding population, smaller sized studio and one bedroom units would be demanded by the population.

1 SITE LOCATION AND BACKGROUND

This section reviews the regional and local context of the proposed Glebe site and provides an overview of the planned development.

1.1 Regional Context

- i. The City of Sydney Local Government Area (LGA) encompasses approximately 26.72 sq.km including the Sydney Central Business District (CBD) and the inner eastern, southern and western suburbs.
- ii. A total of 32 suburbs make up the City of Sydney LGA, namely:
 - Alexandria
 - Annandale
 - Barangaroo
 - Beaconsfield
 - Camperdown
 - Centennial Park
 - Chippendale
 - Darlinghurst
 - Darlington
 - Dawes Point
 - Elizabeth Bay
 - Erskineville
 - Eveleigh
 - Forest Lodge
 - Glebe
 - Haymarket
 - Millers Point
 - Moore Park
 - Newtown
 - Paddington
 - Potts Point
 - Pyrmont
 - Redfern
 - Rosebery
 - Rushcutters Bay
 - Surry Hills
 - Sydney CBD
 - The Rocks
 - Ultimo
 - Waterloo
 - Zetland
 - Woolloomooloo

- iii. The suburb of Glebe is situated 3 km by road to the south-west of the Sydney CBD. Glebe is bounded to the north by Blackwattle Bay, to the east by Ultimo, to the south by Parramatta Road and to the west by Annandale and Forest Lodge (refer Map 1.1).
- iv. Glebe is an established residential area with some older industrial/commercial properties also provided. Glebe is a popular location given its proximity to the Sydney CBD, transport links to the broader Sydney region as well as its close location to higher education facilities.
- v. Glebe is located within the Sydney – West Statistical Local Area (SLA) which incorporates 5.69 sq.km (refer Map 1.1). This is defined as the broader relevant area to be considered for an assessment of affordable housing in Glebe as undertaken in the following section of this report.

MAP 1.1 – 87 BAY STREET GLEBE



1.2 Local Context

- i. Chase Property Investments Pty Ltd own a site at 87 Bay Street in Glebe that is situated on the southern side of Wentworth Park Road to the immediate west of Bay Street. The site is bounded by Wentworth Street to the south and Cowper Street to the west.
- ii. The site totals 5,454 sq.m and currently accommodates older style low density industrial and commercial uses. Access to the property is provided predominantly via Bay Street and Wentworth Park Road.
- iii. Map 1.2 illustrates the location of the 87 Bay Street site in Glebe, with key points to note including the following:
 - Wentworth Park is provided to the immediate north of the site. This park incorporates the Wentworth Park Greyhound Racing Track and a large public open space.
 - To the immediate south of the site is the New South Wales Department of Housing site that currently includes a provision of social housing units. This site is approved for redevelopment to include new social housing opportunities as well as affordable and private housing.
 - To the east of Bay Street is the Sydney City Council Depot. This site was previously coupled with the New South Wales Department of Housing site for a joint development, however, due to a number of issues that will need to be resolved including flooding and the current site usage, the site is now to be considered for housing as part of a separate future development.
 - The Broadway Shopping Centre is located at the southern end of Bay Street, less than 500 m to the south of the site.
 - A range of higher education facilities are provided to the south-east and south-west of the site, namely UTS and TAFE New South Wales and The University of Sydney.

- The Prince Alfred Hospital is also to the south-west of the site adjoining The University of Sydney.
 - The Blackwattle Bay foreshore is located around 500 m to the north of the site.
- iv. In addition to being easily accessible via private transport, the site is also close to public transport.
- v. Parramatta Road is some 400 m to the south of the site, with a number of bus services travelling along Parramatta Road in both directions on a regular basis (refer Figure 1.1). Buses also travel routes that run along Glebe Point Road, which is approximately 350 metres to the south-west of the site, including bus routes 370, 432, 433, 434 and 470.
- vi. The metro light rail stations are also within less than 1 km of the site. Travel time between Glebe station and Central station is in the order of 20 minutes (refer Figure 1.2).
- vii. Heavy railway stations are provided at Central and Redfern. Central station would be the main station used by Glebe residents and is situated around 1.5 km to the south-east.

MAP 1.2 – 87 BAY STREET GLEBE LOCAL CONTEXT



FIGURE 1.1 – 87 BAY STREET GLEBE, PARRAMATTA ROAD BUS ROUTES

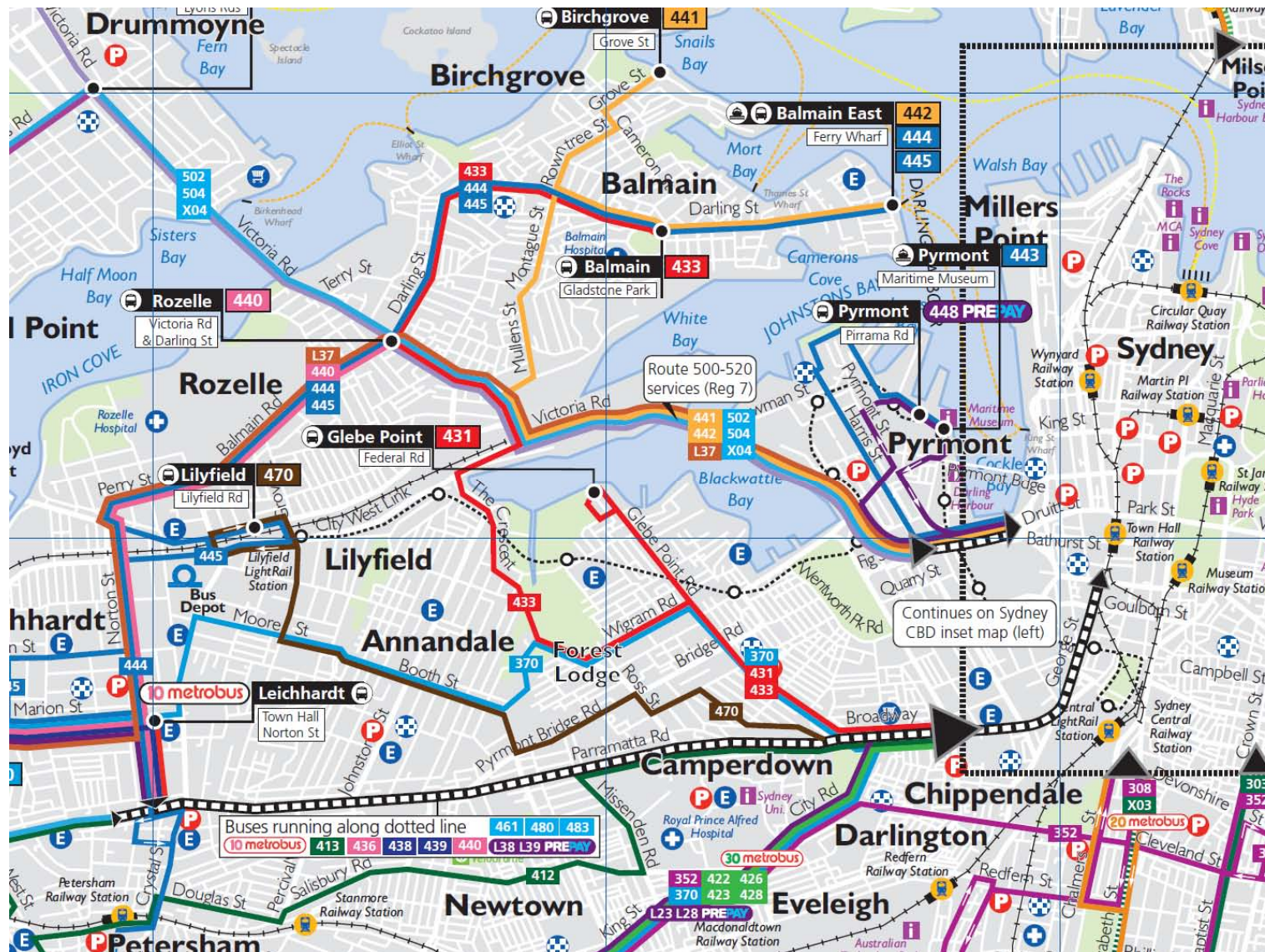
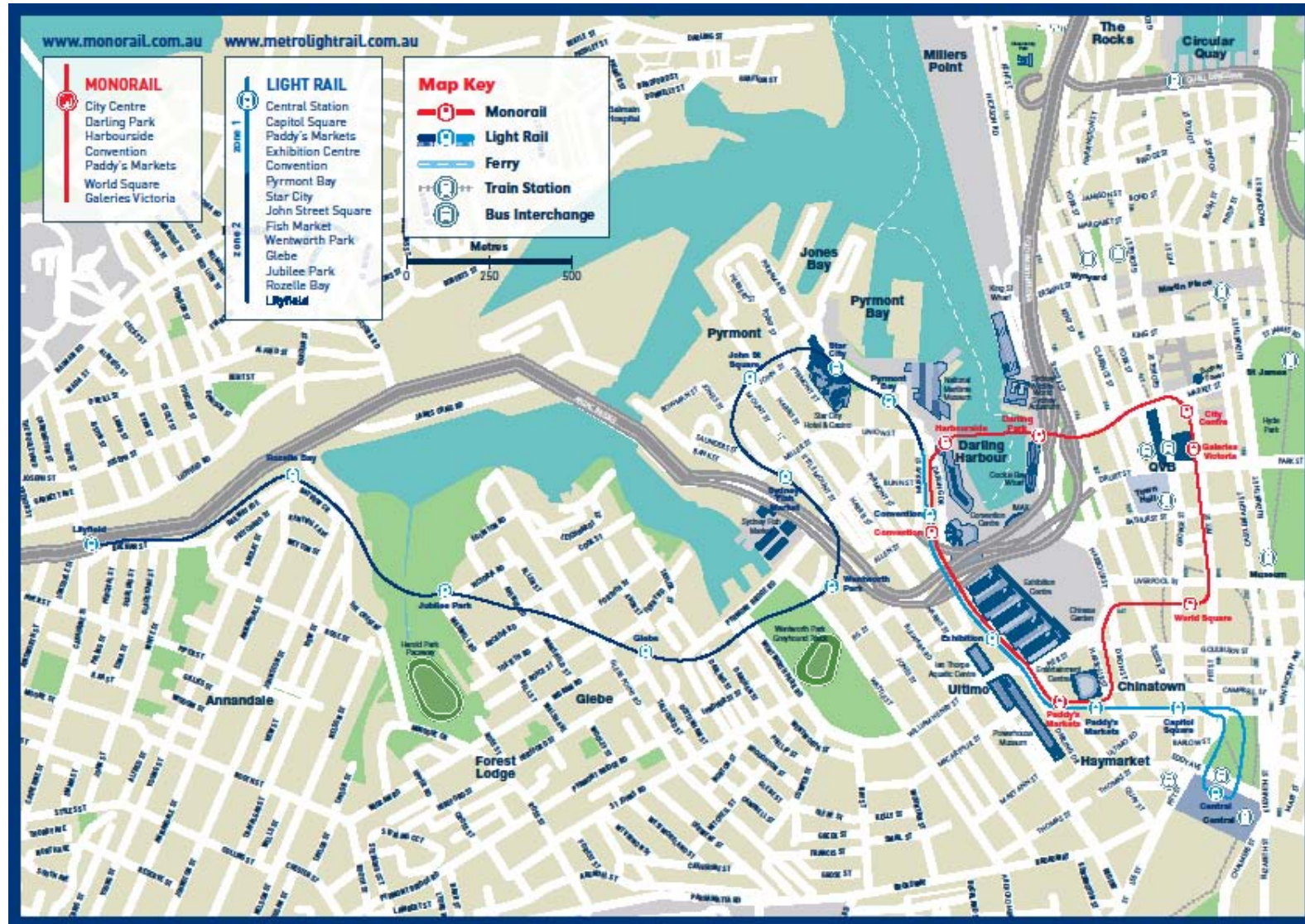


FIGURE 1.2 – 87 BAY STREET GLEBE, LIGHT RAIL ROUTE



1.3 Planned Development

- i. Chase Property Investments Pty Ltd now propose a rezoning of the 87 Bay Street site to allow a mixed use development that would incorporate a provision of residential dwellings and a small retail/commercial component on the ground level.
- ii. The rezoning of the site would be consistent with the surrounding uses in the area, including the boundaries on all sides of the property where residential dwellings are provided or planned with the exception of on the northern side of Wentworth Park Road, which is a public park.
- iii. As part of the planned development, a provision of affordable housing to provide a public benefit is being considered. The provision of affordable housing at the site will further add to the capacity within the City of Sydney to meet the needs of all residents as well as providing the opportunity for lower income residents to live close to their place of work, particularly those employed in key industries such as health (nurses), education, police and ambulance and fire services.
- iv. The ultimate number of affordable housing units to be provided at the site will depend on the Floor Space Ratio (FSR) that is applicable for the site. The site is currently permitted an FSR of 1.5 : 1 with Chase Property Investments proposing a maximum FSR of 4.5 : 1. An FSR of more than 1.5 : 1 for the site would result in additional affordable housing opportunities.
- v. Table 1.1 provides a summary of the composition of affordable housing at the site under the assumptions of the applicable FSR. As shown, at an FSR of 4.5 : 1, above the FSR of 1.5 : 1 for the site, some 10% of GFA would be provided for affordable housing units, well above the contribution rate for development at other areas of the City of Sydney. The provision of affordable housing in other areas of the City of Sydney is reviewed in Section Three of this report.
- vi. An FSR of 4.5 : 1, above the FSR of 1.5 : 1 for the site, would equate to 10% of GFA being provided to affordable housing. The planned composition and size of the units

at the site will result in around 14% of total units to be provided being for affordable housing. This is higher than the share of GFA.

- vii. The majority of floorspace in the proposed development below FSR 1.5 : 1 will be used for commercial purposes.
- viii. In total, a provision of some 182 residential units is proposed on the Chase Property Investments Pty Ltd site. In addition, a provision of retail/commercial floorspace is also planned on the ground floor to serve the convenience needs of the local population.

TABLE 1.1 – PROPOSED COMPOSITION OF AFFORDABLE HOUSING UNITS

Total Units for FSR Range				
at 2.5%	61			
at 3.5%	122			
at 4.5%	182			
Site Area	5,427			
Total FSR	24,422			
FSR Above 1.5:1	16,281			
FSR Range	1.5 - 2.5	2.5 - 3.5	3.5 - 4.5	
Affordable Housing % Offered For FSR Range	3.0%	7.0%	20.0%	
Total Additional FSR above 1.5:1 (sq.m)	5,247	5,427	5,427	
Affordable Housing % Of Total	0.7%	1.6%	4.4%	
GFA Contributed per FSR Range (sq.m)	162.81	379.89	1,085.40	
Gross Floor Area Cumulative	162.81	542.70	1,628.10	
% of FSR Offered	1.0%	3.3%	10.0%	
Affordable Housing Units	1.5 - 2.5	2.5 - 3.5	3.5 - 4.5	Total
Studio	2	2	11	15
One Bedroom	1	3	2	6
Two Bedroom	0	1	3	4
Total Affordable Housing Units	3	6	16	25
% of Total Unit Numbers Offered if only FSR range achieved	4.9%	4.9%	8.8%	13.7%
% of Total Unit Numbers Offered if max achieved	1.6%	3.3%	8.7%	13.7%
Source: M&T Management				

- ix. As mentioned previously, the City of Sydney has recently approved a large affordable housing based development scheme to the immediate south of the proposed 87 Bay Street site in Glebe. In total, some 153 new public housing dwellings are proposed in addition to 83 affordable housing units and 250 privately owned dwellings. Around

17% of dwellings (and GFA) in this project will be for affordable housing as reviewed in Section 3. The mix of affordable housing units will be studios (10%), one bed units (45%), two bed units (35%) and three bed units (105).

- x. To the east of Bay Street is the Sydney City Council Depot. This site was previously coupled with the New South Wales Department of Housing site for a joint development, however due to a number of issues that will need to be resolved including flooding and the current site usage, the site is now to be considered for housing as part of a separate future development.
- xi. Map 1.3 illustrates the location of the 87 Bay Street site relative to the Housing New South Wales and the City of Sydney sites. The proposed Chase Property Investments Pty Ltd development would be consistent with future surrounding land uses and would further increase the provision of affordable housing available within the inner city area.

MAP 1.3 – 87 BAY STREET GLEBE SURROUNDING SITE CONTEXT



2 RESIDENT AND WORKER POPULATION TRENDS

This section of the report provides a review of the population and employment trends within the Sydney – West Statistical Local Area (SLA) and the suburb of Glebe. This information is sourced from the Australian Bureau of Statistics (ABS). In general, the findings in this section show the following:

- The socio-economic profile of the Glebe population reflects an inner city population comprising students and professionals who need to live within close proximity of the CBD. Some 42% of the Glebe population is aged 20 – 40 years which is higher than the Sydney average of around 30%.
- The average household size is substantially smaller than the Sydney metropolitan benchmarks at 2 persons as compared with 2.7 persons. Smaller household sizes are more prevalent in this part of Sydney. More than 53% of households in Glebe comprise a single person or couples without children.
- Although the Glebe population is generally an affluent population, there is a significant proportion of lower income households, with 59.3% defined as being low or moderate income households (i.e. household with a gross income that is less than 120 per cent of the median household income).
- The median residential property sale price for Glebe was around \$300,000 in 1996 and has increased by 227% to \$975,000 in 2011, representing an average annual increase of 16% over the period.
- The significant increase in property prices and the income levels of the population combine to generate a significant need for affordable housing.

2.1 Resident Population Trends

- i. Table 2.1 summarises the current and projected population levels for the suburb of Glebe and the Sydney – West SLA over the period from 2006 – 2026. This information is based on the following:

- The 2006 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
 - Population projections prepared by the New South Wales Department of Planning 2010 Release Version 1.0.
 - New dwelling approvals sourced from the ABS over the period from 2007/08 to 2010/11.
 - The Residential Monitor prepared by the City of Sydney.
 - Investigations by this office into new residential developments in the region.
- ii. The suburb of Glebe population is currently estimated at 11,470 with 43,360 in the Sydney –West SLA. The Glebe population is projected to increase by 150 persons each year, or around 1.2%. The Sydney–West SLA population is projected to increase at an average of 560 persons each year over the period to 2026.
- iii. The Draft Sydney City Subregional Strategy targets 55,000 additional residential dwellings over the period to 2031, representing a 15% increase in the current dwelling stock.

TABLE 2.1 – GLEBE AND SYDNEY – WEST SLA POPULATION, 2006 - 2026

Locality	Estimated Resident Population			Forecast Population		
	2006	2010	2013	2016	2021	2026
• Glebe	11,270	11,470	11,620	12,520	13,270	13,770
• Sydney - West SLA	40,360	43,360	45,160	47,410	49,910	51,910
Average Annual Change (No.)						
		2006-2010	2010-2013	2013-2016	2016-2021	2021-2026
• Glebe		50	50	300	150	100
• Sydney - West SLA		750	600	750	500	400
Average Annual Change (%)						
		2006-2010	2010-2013	2013-2016	2016-2021	2021-2026
• Glebe		0.4%	0.4%	2.5%	1.2%	0.7%
• Sydney - West SLA		1.8%	1.4%	1.6%	1.0%	0.8%
<i>*as at June</i> <i>Sources : ABS; City of Sydney; Planning NSW</i>						

2.2 Resident Population Socio-economic Profile

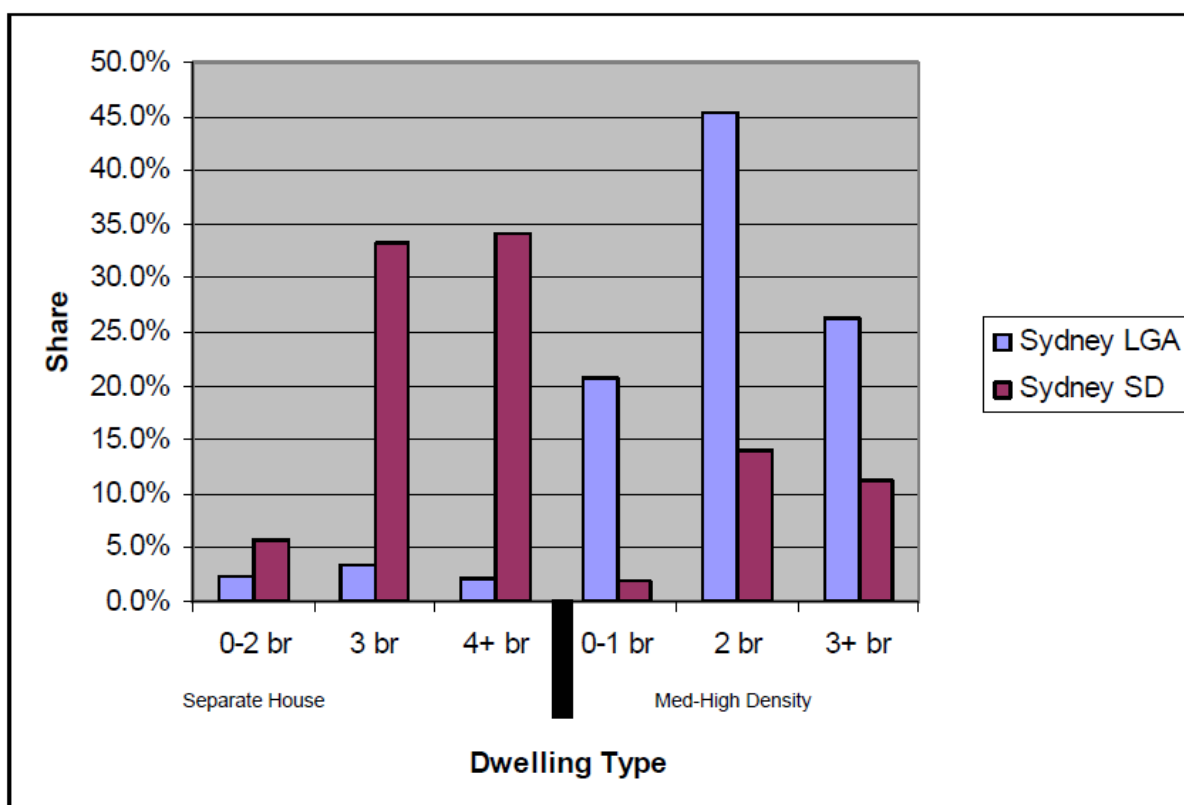
- i. Table 2.2 reviews the socio-economic characteristics of the Glebe and Sydney – West SLA populations compared to the Sydney metropolitan benchmarks. This information is based on the 2006 Census of Population and Housing produced by the Australian Bureau of Statistics (ABS). The results of Census 2011 will be available in around mid-2012 at the earliest.
- ii. Key points to note regarding the population of **Glebe** include:
 - The Glebe population earn average income levels on a per capita and average household basis which are above the Sydney metropolitan benchmark but below the averages for the Sydney – West SLA as a whole.
 - The average household size is substantially smaller than the Sydney metropolitan benchmarks at 2 persons as compared with 2.7 persons.
 - The average age of the Glebe population (38.0 years) is older than the Sydney – West SLA and Sydney metropolitan benchmarks. Some 42% of the Glebe population is aged 20 – 40 years which is higher than the Sydney average of

- around 30%. In the Sydney – West SLA, some 55% of the population are aged 20 – 40 years.
- Rental levels are well above the Sydney metropolitan benchmarks, with 66% of households in Glebe being rented.
 - A review of the household structure of the Glebe population indicates a very high proportion of households consisting of couples without children and a lone person, similar to the profile for the Sydney – West SLA as a whole.
- iii. The socio-economic profile of the Glebe population reflects an inner city population comprising a large number of students and professionals who need to live within close proximity of the CBD. The average household size is well below the Sydney average and some 42% of the Glebe population is aged 20 – 40 years. There is also an established, elderly population accommodated in the suburb.
- iv. It is important to provide a range of housing opportunities for the population to meet the diverse housing needs, including a provision of affordable housing. More than 53% of households in Glebe comprise a single person or couples without children. There is a clear need and demand for smaller dwellings in this inner part of Sydney, namely studio and one bedroom units.
- v. A review of the number of single person dwellings within the Sydney - West SLA over the Census period from 1996 to 2006 indicates that the percentage of the population accommodated within this type of dwelling structure decreased from almost 39% to 36.6%. This is still well above the Sydney metropolitan average of around 23%, slightly higher than the 1996 figure of 22%. In 2006, some 40% of households in the suburb of Alexandria consisted of a single person only. This would indicate a preference for studio and one bedroom units in the area.
- vi. Figure 2.1 illustrates the share of dwelling type within the City of Sydney and the Sydney Metropolitan area as sourced from the City of Sydney Affordable Housing Research Paper – September 2008. As shown, for medium and high density

developments in the City of Sydney, one bed and two bed units comprise 67% of the total dwelling stock, well above the Sydney Metropolitan average of around 16%.

TABLE 2.2 – GLEBE AND SYDNEY – WEST SLA SOCIO-ECONOMIC PROFILE, 2006 CENSUS

Characteristics	Locality		Syd Metro Average
	Glebe	Sydney - West SLA	
Average Per Capita Income	\$42,012	\$44,717	\$30,938
Per Capita Income Variation	35.8%	44.5%	n.a.
Average Household Income	\$84,268	\$90,340	\$82,316
Household Income Variation	2.4%	9.7%	n.a.
Average Household Size	2.0	2.0	2.7
Age Distribution (% of Pop'n)			
Aged 0-14	9.0%	7.1%	18.2%
Aged 15-19	6.4%	6.1%	7.9%
Aged 20-29	23.1%	33.9%	14.6%
Aged 30-39	19.1%	21.8%	15.6%
Aged 40-49	13.3%	11.5%	14.7%
Aged 50-59	13.7%	9.9%	12.2%
Aged 60+	15.3%	9.8%	16.7%
Average Age	38.0	34.4	36.6
Housing Status (% of H'holds)			
Owner/Purchaser	34.1%	33.8%	67.5%
Renter	65.9%	66.2%	32.5%
Birthplace (% of Pop'n)			
Australian Born	65.5%	54.3%	65.6%
Overseas Born	34.5%	45.7%	34.4%
• Asia	11.2%	23.1%	13.0%
• Europe	13.3%	12.7%	11.6%
• Other	10.0%	10.0%	9.8%
Family Type (% of Pop'n)			
Couple with dep't children	23.2%	21.3%	47.9%
Couple with non-dep't child.	4.2%	3.6%	9.5%
Couple without children	28.7%	36.0%	19.7%
Single with dep't child.	11.4%	7.4%	8.5%
Single with non-dep't child.	4.8%	3.3%	3.7%
Other family	2.9%	4.1%	1.2%
Lone person	24.7%	24.4%	9.4%
Sources : ABS Census of Population and Housing 2006			

FIGURE 2.1 – SHARE OF DWELLING TYPE, 2006 CENSUS

Note: Medium to High Density Dwellings includes semi-detached, row or terrace houses as well as flats, units and apartments

2.3 Resident Population Income Analysis

- i. Based on the ABS 2006 Census results, Table 2.3 provides a summary of the weekly per capita and weekly household income levels for the Glebe, Sydney – West SLA and the Sydney metropolitan populations.
- ii. As shown, the Glebe population earn higher median gross individual and household income levels compared with the Sydney metropolitan averages at \$592 and \$1,068 per week, respectively. This reflects the high number of people in the workforce at Glebe and the prevalence of young households.
- iii. The New South Wales Government State Environmental Planning Policy (Affordable Rental Housing) 2009 defines a household as being very low incomes, low income or moderate income if the household has a gross income that is less than 120 per cent

of the median household income for the time being for the Sydney Statistical Division (according to the Australian Bureau of Statistics).

- iv. Taking the above definition into account, as at 2006, 120% of the median household income for the Sydney Statistical Division was \$1,385 per week (i.e. \$1,154 per week multiplied by 120%). Some 59.3% of the Glebe households fall into this category (i.e. 2,404 households out of 4,056 households in Glebe).
- v. Although the Glebe population is generally an affluent population, there is a significant proportion of lower income households, with 59.3% defined as being low or moderate income households. This would indicate demand for affordable housing opportunities to be provided.
- vi. For the Sydney-West SLA, some 53.0% of households fall below the 120% of the median household income for the Sydney Statistical Division. Affordable housing needs to be provided for this population.
- vii. As shown in Table 2.4, the proportion of households in higher income brackets has increased substantially in the past 10 years. Gross household incomes throughout Sydney-West SLA have increased by 60% over the ten year period, or an average of 6% per annum. This is likely to have resulted in significant upwards pressure on house prices and rent in the area. The proportion of households with a gross weekly income of more than \$1,700 has increased from 8.3% in 1996 to 29.4% in 2006.
- viii. Figure 2.2 illustrates the median sales price for residential dwellings in the suburb of Glebe over the period from 1996 to 2011. This data is sourced from PriceFinder. As shown, the median sale price was around \$300,000 in 1996 and has increased by 227% to \$975,000, representing an average annual increase of 16% over the period.

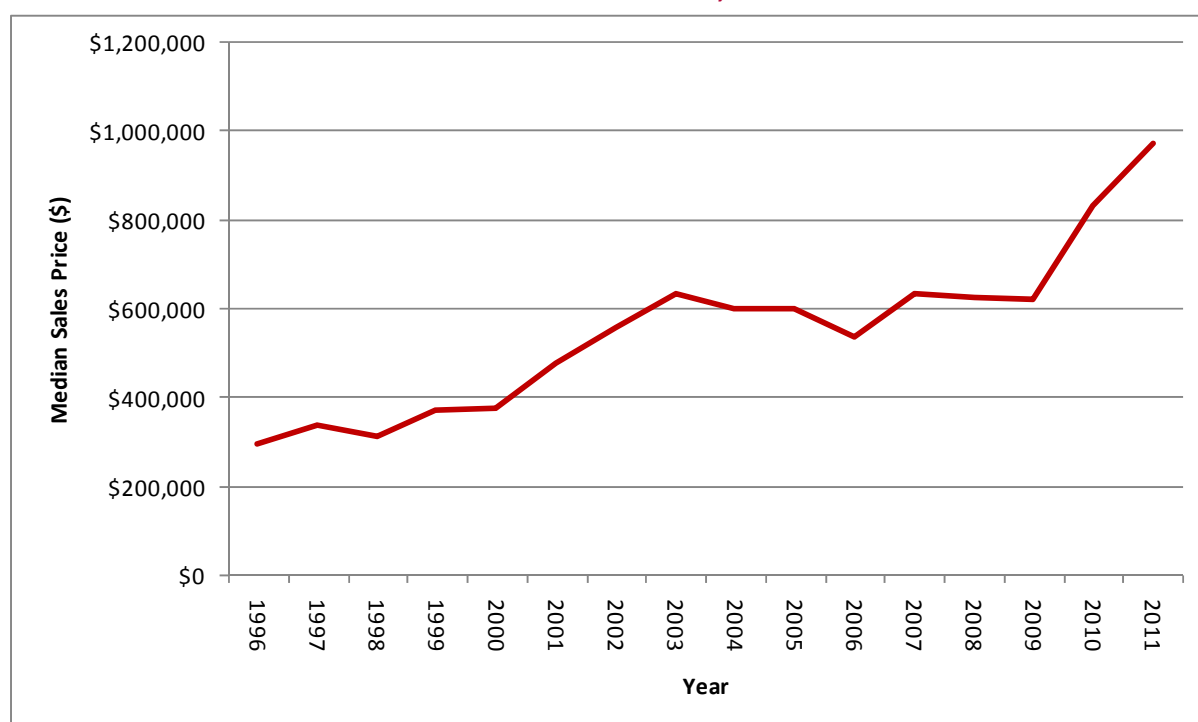
TABLE 2.3 – GROSS INDIVIDUAL AND GROSS HOUSEHOLD INCOMES, 2006 CENSUS

	Glebe	Sydney West SLA	Metro. Sydney
<u>Gross Individual Income (\$/Weekly)</u>			
Negative/Nil income	6.7%	10.4%	9.6%
\$1-\$149	6.1%	5.6%	7.2%
\$150-\$249	15.0%	11.1%	13.3%
\$250-\$399	12.0%	9.7%	12.0%
\$400-\$599	10.5%	9.8%	13.3%
\$600-\$799	9.6%	9.9%	11.3%
\$800-\$999	8.4%	9.3%	9.0%
\$1,000-\$1,299	10.1%	10.8%	9.1%
\$1,300-\$1,599	6.6%	7.6%	5.7%
\$1,600-\$1,999	4.5%	5.5%	3.6%
\$2,000 or more	10.4%	10.4%	5.9%
Median Gross Individual Income	\$592	\$667	\$518
<u>Gross Household Incomes (\$/Weekly)</u>			
Negative/Nil income	1.5%	4.2%	1.5%
\$1-\$149	2.2%	2.1%	1.6%
\$150-\$249	10.0%	6.3%	4.9%
\$250-\$349	8.5%	5.8%	6.4%
\$350-\$499	3.8%	2.4%	4.4%
\$500-\$649	8.2%	7.0%	9.4%
\$650-\$799	6.2%	5.6%	6.3%
\$800-\$999	6.3%	6.5%	7.1%
\$1,000-\$1,199	9.3%	9.4%	10.8%
\$1,200-\$1,399	3.2%	3.6%	5.6%
\$1,400-\$1,699	6.6%	7.8%	8.6%
\$1,700-\$1,999	6.0%	7.3%	7.4%
\$2,000-\$2,499	5.6%	7.1%	7.9%
\$2,500-\$2,999	10.0%	11.8%	8.7%
\$3,000 or more	12.5%	13.2%	9.3%
Median Gross Household Income	\$1,068	\$1,237	\$1,154
Source: ABS Cat. No. 2001.0			

TABLE 2.4 – GROSS HOUSEHOLD INCOMES BY CENSUS YEAR

	Census Year		
	1996	2001	2006
<u>Gross Household Incomes (\$/Weekly)</u>			
Negative/Nil income	2.6%	2.4%	4.6%
\$1-\$149	5.4%	0.7%	2.1%
\$150-\$249	14.8%	13.0%	7.0%
\$250-\$349	2.9%	4.6%	6.1%
\$350-\$499	12.9%	6.5%	2.7%
\$500-\$649	10.4%	5.0%	7.0%
\$650-\$799	8.1%	7.9%	5.4%
\$800-\$999	7.6%	7.5%	6.1%
\$1,000-\$1,199	8.0%	8.3%	8.8%
\$1,200-\$1,399	3.4%	3.4%	3.6%
\$1,400-\$1,699	5.8%	6.5%	6.6%
\$1,700-\$1,999	4.3%	9.2%	6.1%
\$2,000-\$2,499	2.8%	6.3%	6.6%
\$2,500-\$2,999	1.2%	4.5%	8.5%
\$3,000 or more	1.0%	2.8%	8.0%
Median Gross Household Income	\$671	\$1,039	\$1,237

Source: ABS Cat. No. 2001.0

FIGURE 2.2 – GLEBE RESIDENTIAL MEDIAN SALE PRICE, 1996 – 2011

2.4 Rent and Mortgage Repayment Analysis

- i. Based on the results of the 2006 Census of Population and Housing undertaken by the ABS (i.e. data is for the year 2006), Table 2.5 provides a summary of the weekly rent for the suburb of Glebe compared with the Sydney – West SLA and Sydney metropolitan averages. Key points to note include:
 - Only 70.4% of the Glebe population pay less than \$350 per week in rent compared to the Sydney metropolitan average of 77.2%.
 - Some 29.6% of the Glebe population pay more than \$350 per week in rent which is significantly higher than the Sydney metropolitan average (22.8%).
- ii. It is also important to note that the average household size in Glebe is smaller than the Sydney metropolitan average and so renters in the area are paying a lot more for less space.
- iii. Table 2.6 details the change in the average weekly rent for the Sydney – West SLA over the period from 1996 – 2006. This data is not available at the Glebe suburb level. As shown, the median rent over this period has increased by around 65%, or an average of 6.5% per annum.
- iv. The proportion of persons with a median rent less than \$350 per week has decreased from 85.3% in 1996 to 52.3% in 2006 which has created significant housing affordability stress in the area.
- v. A review of housing loan repayments (refer Table 2.7) shows that the median monthly housing loan repayment for Glebe is \$2,178, some 0.5% higher than the comparable figure for the Sydney – West SLA and 21.0% higher than the figure for Sydney.

TABLE 2.5 – WEEKLY RENT BY LOCATION, 2006 CENSUS

Weekly Rent (\$)	Glebe	Sydney West SLA	Metro. Sydney
\$0-\$49	2.9%	2.4%	3.2%
\$50-\$99	18.7%	10.3%	8.6%
\$100-\$139	8.7%	4.3%	5.7%
\$140-\$179	6.6%	3.8%	7.6%
\$180-\$224	10.7%	6.4%	16.0%
\$225-\$274	10.0%	8.3%	18.3%
\$275-\$349	12.9%	18.5%	17.8%
\$350-\$449	14.2%	24.1%	12.6%
\$450-\$549	6.5%	11.7%	5.0%
\$550 and over	8.8%	10.3%	5.2%
Median Rent	\$230	\$330	\$250

Source: ABS Cat. No. 2001.0


TABLE 2.6 – SYDNEY – WEST SLA WEEKLY RENT, 1996 - 2006 CENSUS

Weekly Rent (\$)	Census Year		
	1996	2001	2006
\$0-\$49	14.1%	9.9%	2.4%
\$50-\$99	11.3%	8.6%	9.8%
\$100-\$139	8.4%	4.1%	4.1%
\$140-\$179	8.9%	5.1%	3.7%
\$180-\$224	10.9%	7.2%	6.2%
\$225-\$274	15.9%	8.2%	8.3%
\$275-\$349	15.9%	19.0%	17.8%
\$350-\$449	8.7%	19.9%	23.4%
\$450-\$549	2.1%	8.4%	11.2%
\$550 and over	1.0%	5.6%	10.2%
Median Rent	\$200	\$300	\$330

Source: ABS Cat. No. 2001.0



TABLE 2.7 – MONTHLY HOUSING LOAN REPAYMENT BY LOCATION, 2006 CENSUS

Monthly (\$)	Glebe	Sydney West SLA	Metro. Sydney
\$1-\$249	1.1%	1.1%	1.7%
\$250-\$399	1.5%	0.9%	1.5%
\$400-\$549	1.7%	1.9%	3.1%
\$550-\$749	2.4%	2.0%	4.1%
\$750-\$949	4.4%	3.5%	5.8%
\$950-\$1,199	9.9%	6.5%	8.8%
\$1,200-\$1,399	5.5%	5.3%	8.4%
\$1,400-\$1,599	5.8%	6.4%	7.7%
\$1,600-\$1,999	9.3%	13.6%	15.2%
\$2,000-\$2,999	24.0%	30.0%	26.6%
\$3,000 and over	34.3%	28.8%	17.0%
Median Repayment	\$2,178	\$2,167	\$1,800

Source: ABS Cat. No. 2001.0



2.5 Worker Trends

- i. Figure 2.3 illustrates the industry of employment for residents of the Sydney – West SLA and the Sydney metropolitan area based on information sourced from the 1996 - 2006 Census.
- ii. As shown, residents are mainly employed within the professional, scientific and technical services; accommodation and food services; education and training and health care and social assistance industries. Around 42% of the Sydney – West SLA population is employed within these industries, compared with the Sydney metropolitan average of around 32%. Many of these industries are low paying white collar employment.
- iii. Table 2.8 details the occupation of residents of the suburb of Glebe as compared to the Sydney – West SLA and the Sydney metropolitan area. This information is sourced from the 2006 Census. Key results include:
 - 85.3% of the Glebe population are employed within white collar jobs which is similar to the Sydney – West SLA average and higher than the Sydney (71.2%) average.

- 12.7% of the Glebe population are employed within blue collar jobs less than half the Sydney (26.7%) average.
 - Of the blue collar employers, the majority are technicians and trades people who operate small scale industrial facilities such as auto-repairs, painting etc and not large warehousing facilities.
- iv. Table 2.9 confirms the decreasing trend in blue collar employment within the Sydney-West SLA and an increased number of persons employed in white collar jobs. Consequently, the need for industrial land in the Sydney-West SLA to provide blue collar jobs locally is becoming less important overtime with the need to provide a range of housing for white collar workers becoming more and more prevalent.
- v. Taking the above into account, together with the increasing rental rates in the area, a provision of affordable housing is important to ensure a diverse range of persons can be accommodated within the area, particularly those in key workforce positions who earn lower income levels.

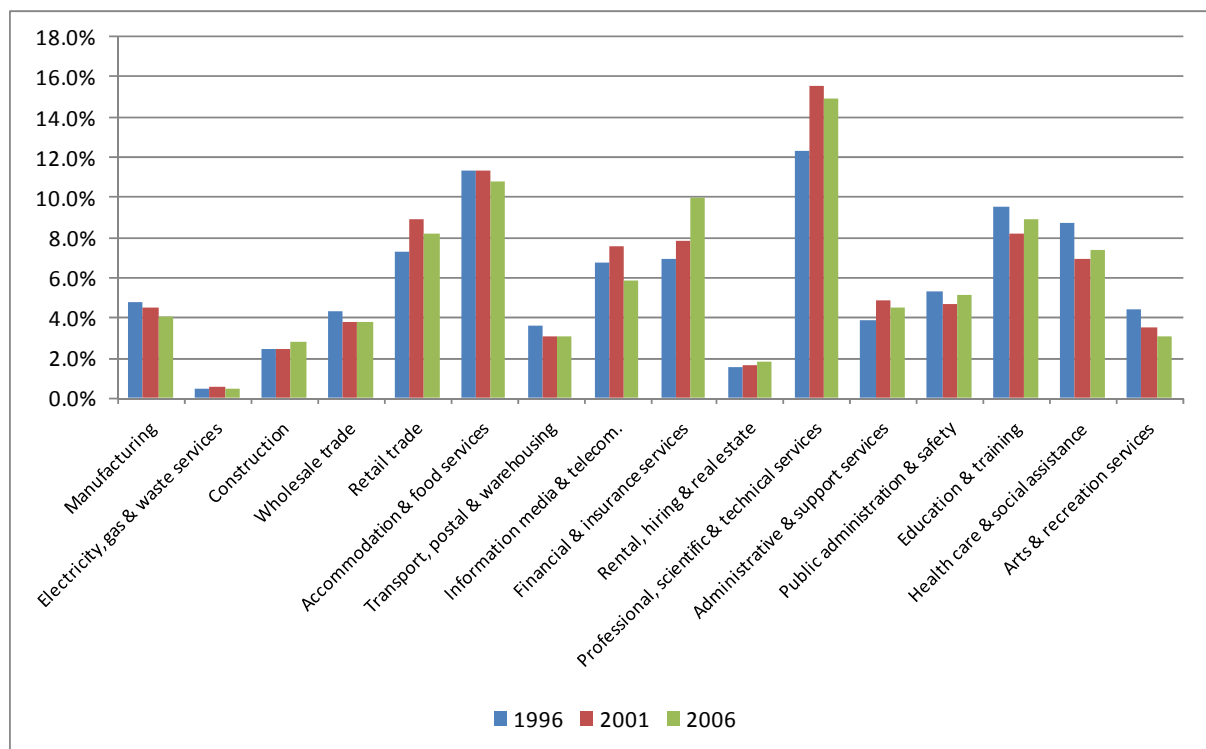
FIGURE 2.3 – SYDNEY – WEST SLA INDUSTRY OF EMPLOYMENT, 1996 – 2006

TABLE 2.8 – OCCUPATION BY LOCAL, 2006 CENSUS

Occupation	Glebe	Sydney West SLA	Metro. Sydney
White Collar			
Managers	14.4%	15.6%	13.2%
Professionals	39.5%	38.0%	23.8%
Community & Personal Service	8.1%	9.2%	8.0%
Clerical & Administrative	15.3%	14.7%	16.7%
Sales	<u>8.1%</u>	<u>8.5%</u>	<u>9.5%</u>
Total White Collar	85.3%	86.1%	71.2%
Blue Collar			
Technicians & Trades	6.5%	6.6%	12.7%
Machinery Operators	2.0%	1.6%	6.0%
Labourers	<u>4.1%</u>	<u>3.9%</u>	<u>8.1%</u>
Total Blue Collar	12.7%	12.1%	26.7%
n.a.	2.1%	1.9%	2.1%
Total	100.0%	100.0%	100.0%
Source: ABS Cat. No. 2001.0			

TABLE 2.9 – SYDNEY – WEST SLA OCCUPATION BY CENSUS YEAR, 1996 - 2006

Occupation	1996	Census Year 2001	2006
White Collar			
Managers	13.5%	14.6%	15.6%
Professionals	32.4%	35.1%	38.0%
Community & Personal Service	11.0%	9.9%	9.2%
Clerical & Administrative	15.5%	15.2%	14.7%
Sales	<u>8.2%</u>	<u>9.4%</u>	<u>8.5%</u>
Total White Collar	80.6%	84.1%	86.1%
Blue Collar			
Technicians & Trades	8.4%	7.8%	6.6%
Machinery Operators	2.8%	2.4%	1.6%
Labourers	<u>6.2%</u>	<u>4.2%</u>	<u>3.9%</u>
Total Blue Collar	17.4%	14.4%	12.1%
n.a.	2.0%	1.5%	1.9%
Total	100.0%	100.0%	100.0%
Source: ABS Cat. No. 2003.0			

2.6 Summary

- i. In summary, there has been a significant increase in the resident population within the inner suburbs of Sydney. This has been a result of the significant investment in inner city developments and particularly the rezoning of former industrial lands to allow for residential projects.
- ii. The socio-economic profile of the Glebe population reflects an inner city population comprising students and professionals who need to live within close proximity of the CBD. The average household size is well below the Sydney average and some 42% of the Glebe population is aged 20 – 40 years. An established elderly population is also accommodated in the suburb.
- iii. Gross household incomes throughout Sydney-West SLA have increased by 60% over the ten year period, or an average of 6% per annum. This is likely to have resulted in significant upwards pressure on house prices and rent in the area.
- iv. Data sourced from PriceFinder shows that the median sale price in Glebe was around \$300,000 in 1996 and has increased by 227% to \$975,000, representing an average annual increase of 16% over the period.
- v. For medium and high density developments in the City of Sydney, one bed and two bed units comprise 67% of the total dwelling stock, well above the Sydney Metropolitan average of around 16%. There is a clear preference for smaller units within the inner suburbs of Sydney.
- vii. It is important to provide a range of housing opportunities for the population to meet the diverse housing needs, including a provision of affordable housing. A review of the number of single person dwellings within the Sydney - West SLA over the Census period from 1996 to 2006 indicates that the percentage of the population accommodated within this type of dwelling structure decreased from almost 39% to 36.6%. This is still well above the Sydney metropolitan average of around 23%, slightly higher than the 1996 figure of 22%.

- viii. In 2006, some 53% of households in the suburb of Glebe consisted of a single person only or couples without children who would require smaller studio or single bedroom units.

3 AFFORDABLE HOUSING ANALYSIS

This section of the report reviews the potential to provide affordable housing at the Bay Street site in Glebe which would ultimately benefit the public.

3.1 Affordable Housing Definition

- i. Affordable housing is defined by the Australian Housing and Urban Research Institute (AHURI) Sydney Research Centre as

housing that is adequate and appropriate for low and moderate income households and priced within their capacity to pay (so that they are not forced to go without other basic necessities).

- ii. Affordable housing is primarily targeted at increasing the supply of housing for low and moderate income households. Low and moderate income households are defined by the Australian Bureau of Statistics as *the proportion of households in the bottom two income quintiles*. Households in rental stress are defined as those households spending more than 30% of household income on rent.
- iii. Affordable housing is subsidised to meet the needs of individuals and families on low and moderate incomes including essential workers such as nurses, police, cleaners and retail staff who work shift hours and therefore need to live near their work.
- iv. Housing affordability is on the national agenda as a major policy concern. Industry associations together with public and private housing providers have proclaimed a national housing affordability and supply crisis as follows:
 - The Commonwealth of Australian Governments (COAG) has identified housing affordability as a *“pressing issue for Australians.”*
 - The *New South Wales State Plan – Investing in a Better Future for New South Wales (Priority Item E6)* outlines the State’s response to Housing Affordability. *The New South Wales Government is focused on improving housing affordability for low and moderate income households and for vulnerable households.* The Plan recognises that one of the key elements affecting affordability is housing supply.

Further, it is identified that there is a need to ensure there is competitive tension in the supply of land so that there is a continuing flow of new properties onto the market.

- A report published by the Urban Development Institute of Australia (UDIA) titled *An Industry report into affordable home ownership in Australia*, reviews the change in housing affordability of 70 designated population centres in Australia from 2001 to 2006. The review found that in 2001 96% of the centres were considered affordable with the comparable figure in 2006 being only 39% of centres.

- v. In the UDIA report, it is stated that

Sydney has the unenviable status as Australia's least affordable city with mortgage repayments 40 per cent higher than the national median and rents 31 per cent more, while incomes in the city are only 12 per cent higher than the national median.

- vi. The New South Wales State Environmental Planning Policy (Affordable Rental Housing) 2009, or AHSEPP, was introduced on 31 July 2009 to increase the supply and diversity of affordable rental and social housing in New South Wales.

- vii. Clause 6 of AHSEPP defines affordable housing as follows:

affordable housing means housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.

(1) In this Policy, a household is taken to be a very low income household, low income household or moderate income household if the household:

(a) has a gross income that is less than 120 per cent of the median household income for the time being for the Sydney Statistical Division

(according to the Australian Bureau of Statistics) and pays no more than 30 per cent of that gross income in rent, or

(b) is eligible to occupy rental accommodation under the National Rental Affordability Scheme and pays no more rent than that which would be charged if the household were to occupy rental accommodation under that scheme.

(2) In this Policy, residential development is taken to be for the purposes of affordable housing if the development is on land owned by the Land and Housing Corporation.

3.2 Affordable Housing Contribution Rates for Development Review

- i. A review of the affordable housing contribution rates for development throughout key areas of Sydney is provided in this sub-section. Table 3.1 provides an overall summary of the projects reviewed, the contribution mechanism and the percentage of Gross Floor Area (GFA) and the in lieu monetary contribution where applicable.
- ii. It should be noted that only three areas in Sydney have been enabled by State Environmental Planning Policy No. 70: Affordable Housing (Revised Schemes) (SEPP 70) and the relevant LEP's to enable contributions to be made.

This SEPP identifies a need for affordable housing in a limited number of local government areas (Willoughby, and parts of the City of Sydney) and amends relevant local and regional environmental planning instruments to enable levying of development contributions to provide for affordable housing. If these provisions were to be extended to other areas of New South Wales, an amendment to the SEPP would be required.

- iii. The three identified areas are Pyrmont/Ultimo, the Green Square Urban Renewal Area and Willoughby Local Government Area.

TABLE 3.1 – AFFORDABLE HOUSING CONTRIBUTION RATES

Area/Development	Contribution/Mechanism	Contribution Rates for Development*	
		GFA (%)	Monetary (\$ per sq.m)
Pymont/Ultimo	Sydney LEP 2005 Chapter 3 Part 8	0.8%	\$30.0
Green Square Urban Renewal Project	South Sydney LEP 1998 Part 4 Division 3 Clause 27P	3.0%	\$138.4
Willoughby	Draft WLEP 2011 & Affordable Housing Program	4.0%	Refer Note 1
Glebe	City of Sydney Glebe Affordable Housing Project LEP & DCP 2011.	18.3%	Refer Note 2
Harold Park	Voluntary Planning Agreement	3.8%	n.a.
Green Square Town Centre	Zoning deferred pending agreement on infrastructure requirement. South Sydney LEP 1998 Part 4 Division 3 Clause 27P will apply when un-deferred.	Refer Note 3	Refer Note 3
Barangaroo	Barangaroo Delivery Act 2009 & Australian Affordable Housing Partnership	2.3%	Refer Note 4
* Based on a residential development. Non-residential based developments have different contribution rates. Note 1: The contribution amount payable is calculated as follows: 4% multiplied by the number of dwellings multiplied by the median price as in the NSW Rent and Sales Report (latest version). Note 2: The GFA contribution is indicative only based on 90 units at an average of 77.61 sq.m (the overall average unit size for the proposal). Note 3: The South Sydney LEP 1998 Part 4 Division 3 Clause 27P will apply once undeferred. Note 4: City of Sydney submission is for 10% GFA to apply.			

Pymont/Ultimo

- The redevelopment of the Pymont/Ultimo peninsula from an important port and industrial precinct to an increasingly popular residential and commercial location has allowed for the development of a significant provision of affordable housing units.
- The relevant affordable housing contributions mechanism for the Pymont/Ultimo peninsula is the Sydney LEP 2005 Chapter 3 Part 8.
- The City West Affordable Housing Program has the aim to ensure that households with low to moderate income continue to live and work in Ultimo-Pymont.
- The Revised City West Affordable Housing Program (June 2010) states the following:

Affordable housing may be provided within each proposed development. However, alternative arrangements may be made, where an in lieu monetary contribution may be provided so that affordable housing can be provided elsewhere within the City of Sydney. The amount of the in lieu contribution is calculated as equivalent to the total floor area that would otherwise be required to be dedicated for use for affordable housing.

1.1% of residential or business floorspace within the Ultimo-Pymont area should be made of affordable housing.

*To further encourage residential development within the area, the contribution towards affordable housing from residential development is discounted by 30%. This provides that **0.8%** of every residential development should be made of affordable housing.*

- The in lieu contribution by residential development for the provision of affordable housing is indexed annually and is currently approximately **\$30 per sq.m.**

- The provision of affordable housing in Pyrmont/Ultimo as a percentage of GFA at 0.8% is well below the provision of affordable housing planned for the Glebe site at around 10%, assuming an FSR of 4.5 : 1.
- It is anticipated that the total number of dwellings new (private market, affordable and public housing) within the precinct over the project life will be in the order of 7,500 - 9,000. City West target 600 units of affordable housing units, representing approximately 6-7% of total stock.
- As taken from the City West annual report, as at June 2010, the company had completed some 446 affordable housing units, or almost 75% of the targeted 600 units.

Green Square Urban Renewal Project

- For the wider Green Square Urban Redevelopment Area, **3% of GFA** is to be provided for affordable housing dwellings as defined in the South Sydney LEP 1998 Part 4 Division 3 Clause 27P.
- The in lieu monetary contribution is currently **\$138.40 per sq.m**, with this value indexed on an annual basis.
- The Green Square Affordable Housing Scheme aims to provide some 330 affordable housing rental units for low to moderate income households over the 15-20 year period of the project. The Green Square Affordable Housing DCP 2002 establishes requirements for the provision of Affordable Housing throughout Green Square.
- City West Housing recently announced the opening of 57 affordable housing dwellings at a site in Zetland with the same company having acquired part of the former South Sydney Hospital site also in Zetland for the future development of 100 new affordable housing units.
- According to information sourced from City West Housing, the company has targeted some 216 affordable housing units within the Green Square precinct

over the longer term. Currently, 102 units have been completed, or 47.2% of the target.

Willoughby

- On the North Shore of Sydney, the Willoughby Council is seeking State Government approval to apply its Willoughby Local Housing provisions for affordable housing to land being rezoned for residential purposes or to a higher residential density by Draft WLEP 2011.
 - The Willoughby Local Housing provisions will require **4% of GFA** of new developments to be provided as affordable housing.
 - Discussions with Council indicate that the calculation of the **in lieu monetary contribution is 4%** of the value of the total number of dwellings (one bedroom, two bedroom, three bedroom etc) based on the prevailing median price as reported in the New South Wales Rent and Sales Report (latest version). This condition is in accordance with the Affordable Housing Program.
- iv. The following projects/areas are not enabled by SEPP70 for affordable housing contribution rates for development. A provision of affordable housing is to be provided/is planned for each project.

Glebe Affordable Housing Project

- The City of Sydney has recently approved a major residential project immediately to the south of the Bay Street site in Glebe (refer Map 1.3). The project will include new social and affordable housing.
- The Glebe Affordable Housing Project is a joint initiative with the City of Sydney Sustainable Sydney 2030. After consultation with the City of Sydney and the Department of Planning, a standalone LEP and DCP which removes the site from the Leichhardt LEP 2000 was introduced.
- The City of Sydney Glebe Affordable Housing Project LEP and DCP have been designed so that they can be integrated into Council's City Plan. This site specific

LEP was exhibited by Council between 15 November 2010 and 13 December 2010 and was gazetted on 1 July 2011.

- The existing 134 older style public housing units will be redeveloped into 153 new public housing dwellings, 83 affordable housing units and some 250 privately owned dwellings. It is understood that the new public housing units are almost all one-bedrooms, while the existing stock was mostly two to three bedrooms.
- The whole development will comprise of the following four unit blocks:
 - o Block A – comprises buildings A1 and A2 (116 private housing), A3 (23 Affordable housing) and 113 sq.m of ground level retail and 55 basement car parking spaces.
 - o Block B – comprises buildings B1 and B2 (97 private housing), B3 (37 affordable housing) and 216 sq.m retail and 73 basement car parking spaces.
 - o Block C – comprises buildings C1 (23 affordable housing) and C2 (93 social housing) and 50 sq.m community facilities with building C2, and
 - o Block D – comprises buildings D1 (60 social housing and 101 sq.m community facilities) and D2 (37 private housing and 175 sq.m retail space) and 16 basement car parking spaces.
- The mix of affordable housing units will be studios (10%), one bed units (45%), two bed units (35%) and three bed units (105).
- The proposed development at the site has an indicated Gross Floor Area (GFA) of 38,260 sq.m, based on a total of 493 apartments. Assuming 83 affordable housing units are provided at the site with an approximate GFA for each unit of around 80 sq.m (the average dwelling size across the entire development taking into account the proposed mix), this would indicate that the contribution of affordable housing as part of the project will be in the order of **17.5% of GFA**. It

should be noted that this site is specifically designated to provide social and affordable housing units with the provision of privately owned dwellings to help fund the development of the remainder of the site. On this basis, the higher contribution rate for affordable housing would be expected to apply for this project.

- The Glebe Affordable Housing has been identified as one of the 10 major project ideas in the City of Sydney Sustainable Sydney 2030 vision. The City of Sydney vision also targets to achieve 80% of city workers commuting on public transport and 80% of work trips by city residents in non private vehicles. The reduced parking provision for the development will align with this philosophy.
- There is clearly an emphasis on providing additional affordable housing opportunities in the immediate Glebe precinct as evidenced by the significant undertaking by the State Government and the Local Government to provide new opportunities at the indicated sites.
- At the City of Sydney Council Depot site to the east of the Bay Street site in Glebe, planning is also underway for this site to provide a provision of residential dwellings. This site was to be developed together with the New South Wales Department of Housing site, however, a number of issues including flooding and the existing site usages have delayed the planning process.
- The proposed Chase Property Investments Pty Ltd development will complement the recently approved Glebe developments.

Harold Park

- The last ever harness race at Harold Park occurred in late 2010. A major redevelopment project is now proposed of this land which would provide an indicative total of 1,200 residential dwellings with at least 50 affordable housing units (or 4.2% of the total dwellings).
- The affordable housing contribution is in place as a result of a Voluntary Planning Agreement (VPA). In total, some 50 affordable housing units encompassing a GFA

of approximately 5,000 sq.m will be provided as per the VPA. This would account for **3.8% of the 132,900 sq.m (GFA)** of the Planning Proposal which includes heritage items. The provision of affordable housing at the Bay Street site in Glebe would be higher than this proposal.

- Some 35% of the site would be designated open space and parklands.
- Commercial and retail floorspace will possibly also be provided. Development plans are currently on exhibition with this project potentially to start in 2012 and be completed over five or more years.

Green Square Town Centre

- The Green Square Town Centre forms a key component of the larger Green Square Urban Renewal Project. In total, the Green Square Town Centre is expected to accommodate some 5,500 future residents and in-excess of 7,000 workers.
- The zoning for the Green Square Town Centre has been deferred pending agreement on infrastructure requirements. South Sydney LEP 1998 Part 4 Division 3 Clause 27P will apply when un-deferred which provides a contribution of **3.0% of GFA** and an **in lieu monetary contribution of \$138.40**.
- Mirvac and Leighton Properties have recently submitted the planning proposal for the Green Square Town Centre. As part of their proposal, affordable housing is identified. The Town Centre LEP permitted some 1,630 residential dwellings on the site. The current Planning Proposals seeks to increase this target to around 1,855 dwellings.
- As part of the planning for the Town Centre, a provision of affordable housing will be provided. A formal statement of the future number of affordable housing opportunities in the Green Square Town Centre is not specifically mentioned in the Planning Proposal.

- It is stated that a commitment is made by the developers to provide future affordable housing opportunities. The target of 7.5% of all housing for social/affordable housing has been identified, which would indicate in the order of 135 units being provided across the total development.

Barangaroo

- The Barangaroo site is located to the north-west of the Sydney CBD city centre and incorporates some 22 hectares in total. The site will progressively be redeveloped to include commercial, retail and residential floorspace.
- The Barangaroo Delivery Authority has the role of managing the city waterfront development at Barangaroo and to deliver world class benchmarks in urban design, public domain and sustainability.
- The developer agreement with Lend Lease has allocated funding for key worker / affordable housing fixed at **2.3% of residential GFA** within Barangaroo South. Lend Lease propose to deliver accommodation for essential and key workers for sale and rent via the Australian Affordable Housing Partnership (AAHP), between Lend Lease and the public, private and community sectors.
- Based on a residential GFA of 99,763 sq.m, the Lend Lease plan will deliver some 775 – 800 units as part of Stage One (Barangaroo South). Based on the commitment of 'up to' 2.3% of residential GFA, this would translate to approximately 18 units.
- The City of Sydney has provided a submission to the Minister for Planning as response to the planned development scheme for Barangaroo. The City of Sydney seeks to achieve a greater contribution to affordable housing from the redevelopment of 22 hectare site, to encourage diversity and opportunity. The City of Sydney would like to achieve a target of at least 10% of the residential component to be affordable housing dwellings with a preference for 20%.

Summary

- There is a significant focus on increasing housing affordability within the City of Sydney as a result of the housing affordability crisis.
- A mix of housing to ensure all people across various ethnic backgrounds, employment and income levels can be accommodated within the inner city areas of Sydney is paramount to the success of a vibrant and successful city.
- Research undertaken for the Sustainable Sydney 2030 identified social housing and affordable housing as a key future area of growth. Currently, this type of housing accounts for less than 1% of all dwellings with a target of 7.5% of all dwellings likely to result in greater affordability.
- A number of projects are already underway to increase the provision of affordable housing dwellings within the inner Sydney urban area and the proposed 87 Bay Street Glebe project will further provide impetus for affordable housing in the region.
- The proposed provision of affordable housing to be provided as part of the 87 Bay Street Glebe project will be higher than the contribution rate for development across a number of Sydney areas. At a maximum of 4.5 : 1 for the Bay Street site in Glebe, the GFA of affordable housing units will be around 10%, well above the affordable housing contribution rate for development of Pyrmont (0.8%), Harold Park (3.8%), Green Square (3%) and Willoughby Council (4%).

3.3 Affordable Housing Potential

- i. The City of Sydney Affordable Rental Housing Strategy indicates that some 8,000 new affordable homes for key workers and social housing, comprising 15% all City dwellings are needed to meet future demand.
- ii. Taking all of the above into account, the potential for affordable housing at the 87 Bay Street site in Glebe includes:

- The site is surrounded by existing residential uses. The proposal would be consistent with surrounding uses including the redevelopment of the Housing New South Wales site and the City of Sydney site as well as the further afield sites of Harold Park and Green Square.
- The socio-economic profile of the Glebe population reflects an inner city population comprising students and professionals who need to live within close proximity of the CBD. Some 42% of the Glebe population is aged 20 – 40 years which is higher than the Sydney average of around 30%.
- The average household size is substantially smaller than the Sydney metropolitan benchmarks at 2 persons as compared with 2.7 persons. Smaller household sizes are more prevalent in this part of Sydney. More than 53% of households in Glebe comprise a single person or couples without children.
- For medium and high density developments in the City of Sydney, one bed and two bed units comprise 67% of the total dwelling stock, well above the Sydney Metropolitan average of around 16%. There is a clear preference for smaller units within the inner suburbs of Sydney.
- Although the Glebe population is generally an affluent population, there is a significant proportion of lower income households, with 59.3% defined as being low or moderate income households (i.e. household with a gross income that is less than 120 per cent of the median household income).
- The median residential property sale price for Glebe was around \$300,000 in 1996 and has increased by 227% to \$975,000 in 2011, representing an average annual increase of 16% over the period.
- The significant increase in property prices and the income levels of the population combine to generate a significant need for affordable housing.
- In terms of employment, future residents will demand affordable housing within close proximity of their place of work, particularly those in key service jobs including nurses, police and the like.

- Affordable housing at the site would fulfill a growing community requirement and allow a diverse mix of residents to remain within close proximity of the city.
 - Glebe has been identified as an area of high demand for affordable housing with many people on low to moderate incomes being priced out of the local private rental market.
 - The proposed site is easily accessible by private and public transport with a number of bus routes and the light rail within relatively close proximity.
 - A number of key employment industries are also provided in the immediate proximity, including higher education, retail and service industries.
- iii. Overall, it is our opinion that a provision of affordable housing would be suitable for the 87 Bay Street site in Glebe. The proposed site fulfills a number of characteristics for affordable housing and is to have future affordable housing developments to the immediate south and east. Reflecting the socio-economic profile of the Glebe and surrounding population, smaller sized studio and one bedroom units would be demanded by the population.

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