

Affordable Housing Viability Report:

Turramurra Village



6 December 2024

This report has been prepared for

Rebel Property Group

by

 **JUDITH STUBBS**
& ASSOCIATES

The Old Post Office
231 Princes Hwy, Bulli NSW 2516

Ph: 02 4283 7300
info@judithstubbs.com.au
www.judithstubbs.com.au

This Report has been prepared by:

Judith Stubbs BSW PhD MPIA

John Storer, BE (Civil), Grad Dip (Econ)

Colleen Lux BA MSc (Environmental Studies)

Disclaimer

© Judith Stubbs & Associates

All Rights Reserved. No part of this document may be reproduced, transmitted, stored in a retrieval system, or translated into any language in any form by any means without the written permission of Judith Stubbs & Associates.

Intellectual Property Rights

All Rights Reserved. All methods, processes, commercial proposals and other contents described in this document are the confidential intellectual property of Judith Stubbs & Associates and may not be used or disclosed to any party without the written permission of Judith Stubbs & Associates.

Table of Contents

1	Background	1
2	Mechanism Options for provision of Affordable Housing.....	2
2.1	Overview.....	2
2.2	Planning Agreement under s 7.4 of the Act	2
2.2.1	Overview	2
2.2.2	Proposed Planning Agreement Inclusions	3
2.3	LEP Clause	5
3	Need for Affordable Housing.....	7
3.1	Selected Demographic Indicators.....	7
3.1.1	Median age	7
3.1.2	SEIFA	8
3.1.3	Household income	8
3.1.4	Household income groups, renters	9
3.1.5	Industry of employment	10
3.1.6	Occupation profile.....	12
3.2	Housing Cost and Affordability	14
3.2.1	Affordable Housing Definition and Benchmarks	14
3.2.2	Housing Affordability.....	15
3.2.3	Housing Stress	17
4	Viability	22
4.1	Turramurra Village	22
4.1.1	Introduction.....	22
4.1.2	Description	22
4.1.3	Current value of land.....	22
4.1.4	Expected sales price of developed land.....	23
4.1.5	Development Cost.....	23
4.1.6	Viability Assessment.....	24
5	Appendix A Geographies used in demographic assessment	25
5.1.1	Postcode 2074	25
5.1.2	Ku-ring-gai Local Government Area.....	25
5.1.3	Greater Sydney	26
6	Letter from Community Housing Provider	27

Figures

Figure 3.1: Median age of 2074 postcode, Ku-ring-gai LGA & Greater Sydney	8
Figure 3.2: Household income groups, all households, 2074 postcode, Ku-ring-gai LGA & Greater Sydney	9
Figure 3.3: Household income groups, rented households, 2074 postcode, Ku-ring-gai LGA & Greater Sydney	9
Figure 3.4: Industry of employment profile of 2074 postcode, Ku-ring-gai LGA & Greater Sydney	10
Figure 3.5: Industry of employment for people who work, live, work & live in Ku-ring-gai LGA	12

Figure 3.6: Occupation profile of 2074 postcode, Ku-ring-gai LGA & Greater Sydney	13
Figure 3.7: Industry of employment for people who work, live, work & live in Ku-ring-gai LGA	14
Figure 3.8: Income band of households in rental stress, 2021 (% of all households in rental stress)	18
Figure 3.9: Household type of households in rental stress, 2021 (% of all households in rental stress)	19
Figure 3.10: Income band of households in purchase stress, 2021 (% of all households in purchase stress)	20
Figure 3.11: Household type of households in purchase stress, 2021 (% of all households in purchase stress)	21
Figure 5.1: Postcode 2074	25
Figure 5.2: Ku-ring-gai Local Government Area	26
Figure 5.3: Greater Sydney – Greater Capital City Statistical Area	26

Tables

Table 2.1: Benchmarks - rental – Greater Sydney - June quarter 2024 (1)	4
Table 3.1: SEIFA score and percentiles for 2074 postcode and Ku-ring-gai LGA	8
Table 3.2: Benchmarks - rental – Greater Sydney - June quarter 2024 (1)	15
Table 3.3: Median rent and affordability assessment, Postcode 2074 (includes Turramurra) and related areas (March quarter 2024)	16
Table 3.4: Benchmarks - purchase – Greater Sydney - June quarter 2024 (1)	16
Table 3.5: Median sales and affordability assessment, Postcode 2074 (includes Turramurra) and related areas (December quarter 2023)	17
Table 3.6: Income band and required dwelling size for households in rental stress, Ku-Ring-Gai LGA, 2021	17
Table 3.7: Income band and household type of households in rental stress, Ku-Ring-Gai LGA, 2021	18
Table 3.8: Income band and required dwelling size for households in purchase stress, Ku-Ring-Gai LGA, 2021	19
Table 3.9: Income band and household type of households in purchase stress, Ku-Ring-Gai LGA, 2021	20
Table 4.1: Recent sales of similar land in and around the precinct	22
Table 4.2: Recent sales of apartments in and around the precinct	23
Table 4.3: Sensitivity Testing of Modelling	24

1 Background

We understand that Rebel Property Group has prepared a Planning Proposal to alter planning controls on land at the Corner of Kissing Point Road and Pacific Highway Turramurra to increase the Floor Space Ratio (FSR) from 2.0:1 to 3.0:1. The Planning Proposal is currently being finalised in consultation with Ku-ring-gai Council, prior to proceeding to a Gateway Determination.

We understand that, as part of that Planning Proposal, the proponent proposes to provide 5% affordable housing in perpetuity, with that affordable housing to be held in private ownership, and rented through a Tier 1 community housing provider. The housing will be affordable rental housing, and will be rented to the statutory target groups, that is, very low, low and moderate income households who pay no more than 30% of gross household income on rent.

We understand that Ku-ring-gai Council has asked the proponent to:

Prepare an affordable housing viability report to clarify the housing affordability rates [including floor space and number of units to be provided in perpetuity] and method of management to confirm and support the offer made by the proponent within the Planning Proposal. The assessment should align with the Greater Sydney Region Plan and North District Plan requirements for new residential floor space to deliver 5-10% affordable housing subject to viability.

This report has been prepared in response to this request.

2 Mechanism Options for provision of Affordable Housing

2.1 Overview

Based on the economic analysis in this report and the assessment of the developer, the proposed provision of **affordable rental housing is 5% of the gross floor area used for residential purposes**, excluding gross floor area used for common circulation, such as hallways and lobbies.

There are two mechanisms for the delivery of affordable housing in perpetuity in association with the proposed development. These are:

1. Through a Planning Agreement under section 7.4 of the Environmental Planning and Assessment Act 1979; or
2. Through incorporation of an appropriate clause in Ku-ring-gai Local Environmental Plan 2015 using a Planning Proposal under sections 3.31 – 3.37 of the Environmental Planning and Assessment Act 1979.

These options are discussed below, noting that negotiations are ongoing with Council. Either option can potentially be implemented, subject to further negotiation with Council regarding the Planning Agreement and /or further progression of the Planning Proposal.

2.2 Planning Agreement under s 7.4 of the Act

2.2.1 Overview

Provision of ‘affordable housing’ for a public purpose is enabled by section 7.4 of the *Environmental Planning and Assessment Act 1979* (NSW), and is a well-developed mechanism for this purpose in NSW.

Provisions related to Planning Agreement are set out at section 7.4 of the Act. This includes the following.

s 7.4 Planning agreements

(1) A planning agreement is a voluntary agreement or other arrangement under this Division between a planning authority (or 2 or more planning authorities) and a person (the developer)—

(a) who has sought a change to an environmental planning instrument, or

(b) who has made, or proposes to make, a development application or application for a complying development certificate, or

(c) who has entered into an agreement with, or is otherwise associated with, a person to whom paragraph (a) or (b) applies,

under which the developer is required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose.

(2) A public purpose includes (without limitation) any of the following—

...

(b) the provision of (or the recoupment of the cost of providing) affordable housing,

...

Further, Ku-ring-gai Council's Planning Agreement Policy lists 'affordable housing' as a public purpose, with an outline of requirements under clause 5.2.5, as set out below.

cl 5.2.5 Affordable housing and planning agreements

A planning agreement may make provision for the development and future management of affordable housing. In such circumstances the planning agreement will include:

- a definition of affordable housing for the purposes of the planning agreement;*
- if not in perpetuity or the life of the construction then the time period over which such housing is to meet the definition of affordable housing;*
- provisions for the future management of the affordable housing;*
- criteria for assessment of future tenants of reference to another policy of the Council which specifies such criteria;*
- the mechanism for ensuring the housing remains available as affordable housing;*
- any other matters relevant to securing the public interest in the achievement of affordable housing.*

As such, there is a well-established legal mechanism to provide for affordable rental housing in perpetuity through a planning agreement, and this is supported by Council policy.

2.2.2 Proposed Planning Agreement Inclusions

Proposed inclusions for the Planning Agreement, if this is the selected mechanism, are set out below. These are based on an evidence-based assessment of housing need, calculations of viability of a contribution rate, discussions with an appropriate local Tier 1 Community Housing Provider (CHP), and our understanding of best practice in the development of such agreements. A letter from an appropriate Tier 1 Provider (Link Wentworth Housing) is provided at Appendix B.

1. Definition of 'Affordable Housing'

'Affordable housing' is defined in accordance with the *Environmental Planning and Assessment Act 1979* (NSW), and *State Environmental Planning Policy (Housing) 2021*, this being:

Where very low, low and moderate income households as defined pay no more than 30% of their gross household income on the rent or mortgage repayments. The following table provides relevant benchmarks for very low, low and moderate income renters in Ku-ring-gai LGA as at June Quarter 2024. These benchmarks should be updated at least annually in accordance with CPI and new Census data on median income as it becomes available. For the purposes of this Planning

Agreement, Affordable Housing is further defined as housing rented to and occupied by very low, low and moderate income tenants.

Table 2.1: Benchmarks - rental – Greater Sydney - June quarter 2024 (1)

Indicator	Very low income household	Low income household	Moderate income household
Income benchmark	<50% of Gross Median H/H Income for Greater Sydney	50-80% of Gross Median H/H Income for Greater Sydney	80%-120% of Gross Median H/H Income for Greater Sydney
Income range (2)	<\$1,204 per week	\$1,205-\$1,927 per week	\$1,928-\$2,890 per week
Affordable rental benchmark (3)	<\$361 per week	\$362-\$578 per week	\$579-\$867 per week

Source: JSA 2024; ABS (2021) Census, General Community Profile, G02; ABS (2024) Consumer Price Index, Index Numbers, All Groups CPI, Australia.

TABLE NOTES:

(1) All values reported are in June quarter 2024 dollars

(2) Total weekly household income

(3) Calculated as 30% of total household income

It is further noted that the Greater Sydney Region Plan 2018 identifies low and very low income households (as defined) as the most vulnerable to housing stress, so that these should be prioritised in affordable housing created through such dedications.

1. Affordable Housing

Any development on the land will provide at least 5% of the gross floor area used for residential purposes, excluding gross floor area used for common circulation, such as hallways and lobbies, as affordable housing.

Development consent must not be granted to development on the land unless the consent authority is satisfied that affordable housing will comprise at least 5% of the gross floor area used for residential purposes (excluding gross floor area used for common circulation, such as hallways and lobbies), and the size and configuration of dwellings will be appropriate with regard to the need for affordable rental housing in the locality.

2. Mechanism to ensure Affordable Housing is provided in perpetuity

Affordable housing will be provided in perpetuity.

Prior to the issue of any Occupation Certificate in respect of the Development, a restriction must be registered in accordance with the *Conveyancing Act 1919*, section 88E, against the title of the property relating to the development, to ensure that the affordable housing is used for affordable housing in perpetuity.

2. Management of Affordable Housing

Affordable housing dedicated will be managed in perpetuity by a Tier 1 registered Community Housing Provider (CHP).

Prior to the issue of any Occupation Certificate in respect of the Development, a restriction must be registered in accordance with the *Conveyancing Act 1919*, section 88E, against the title of the property relating to the development, to ensure that the affordable housing is managed in perpetuity by a Tier 1 CHP.

3. Criteria for assessment of future tenants

Affordable housing will be provided as affordable rental housing for very low, low and moderate income renters, as set out in Table 2.1 above.

Allocations will be made in accordance with the allocations policies of the nominated Tier 1 CHP managing the affordable rental housing.

It is preferred that priority be given to **very low and low income renting households** in accordance with assessed local housing need, and the State Government strategic planning priorities.

2.3 LEP Clause

A draft LEP clause is set out below.

XX Development of land at Turramurra Village, Turramurra

- (1) This clause applies to [description of land].
- (2) The objective of this clause is to ensure the provision of affordable rental housing on the subject land in perpetuity.
- (3) Development consent must not be granted to development on land to which this clause applies unless the consent authority is satisfied that:
 - (a) at least 5% of the gross floor area used for residential purposes (excluding gross floor area used for common circulation, such as hallways and lobbies) will be used for affordable rental housing in perpetuity, and
 - (b) the accommodation that is used for affordable rental housing in perpetuity will be managed by a registered Tier 1 community housing provider, who will allocate properties in accordance with their policies, and
 - (c) the size and configuration of dwellings will be appropriate with regard to need for affordable housing in the locality, and
 - (d) before the date of the issue of any occupation certificate, a restriction will be registered against the title of the land in accordance with the *Conveyancing Act 1919*, section 88E that will ensure that the requirements of paragraphs (a) and (b) are met.

(5) In this clause—

affordable rental housing means a dwelling rented for the accommodation of a resident whose household has a gross income within the following ranges in State Environmental Planning Policy (Housing) 2021, section 13 (1)(a)—

- (a) very low income household,

(b) low income household,

(c) moderate income household.

and the resident pays no more than 30% of gross household income in rent.

3 Need for Affordable Housing

There is a clear rationale for the provision of affordable housing, as well as the provision of more diverse dwelling types in the LGA based on preliminary investigation reported below.

At the time of the 2021 Census, there were 4,125 very low, low and moderate income households in housing stress in the LGA, and at risk of after-housing poverty, with around 60% of these renters and 40% purchasers. Of the total, around 60% needed accommodation suited to families with children and 40% needed smaller strata dwellings.

By far the most serious problem was among very low and low income renters, who made up the majority in housing stress, and for whom not even a studio or one bedroom unit was affordable in the locality, although it is possible studio apartments rented through the market could be affordable to some low income households if they were available.

The affordability problem outlined above is also evident in the significant under-representation of very low income households, and of lone person households among local people in housing stress, most likely due to the considerable lack of affordable housing supply in the postcode area and the LGA, and the undersupply of smaller strata dwellings such as studio apartments, with this type of dwelling much lower in cost if not genuinely affordable to very low income smaller households.

The highly constrained local housing market is also evident from the very low rate of very low and low income households more generally living in the LGA, and the particularly low rate of such renters. This indicates an urgent need to provide dedicated affordable rental housing for these groups as the only way most can continue to live in the LGA in the future.

The need for both social and affordable (discount market rental) housing is also evident from the exclusion of these groups from the local area, as well as the difference between those who live and work in the LGA, and those who commute in to work, with the latter far more likely to be working in key worker jobs such as health and aged care. This again indicates a strong need to provide affordable rental housing so that such key workers are able to live closer to where they work, which also provides an economic benefit to the local economy amid growing skill shortages.

3.1 Selected Demographic Indicators

3.1.1 Median age

The median age of people in the postcode area in which the proposed development is located are much older than average, with the LGA also older than Greater Sydney as a whole, as shown below.

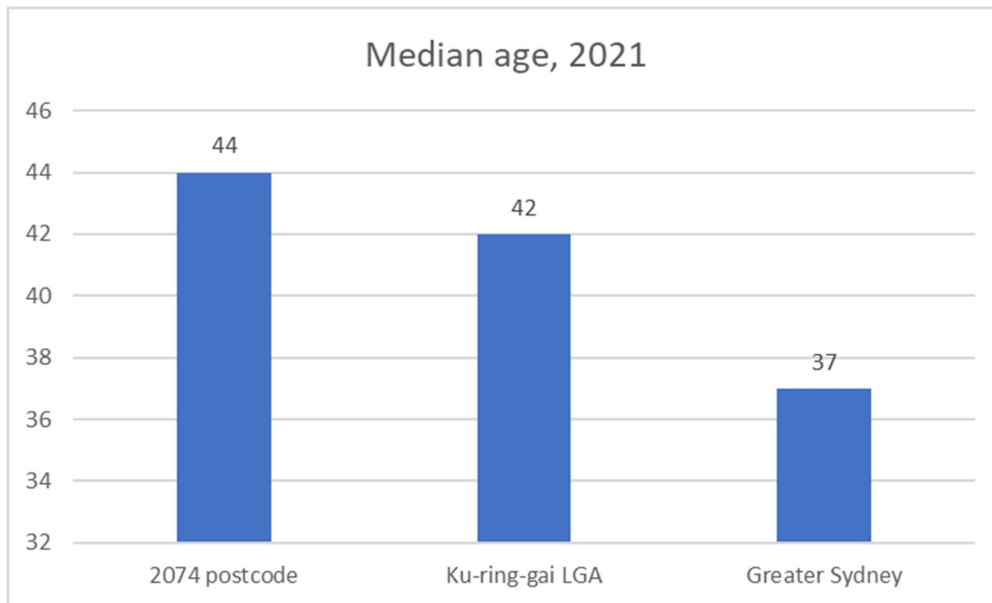


Figure 3.1: Median age of 2074 postcode, Ku-ring-gai LGA & Greater Sydney

Source: ABS 2021

3.1.2 SEIFA

The postcode area and LGA are amongst the most advantaged in Australia (among the least disadvantaged 1% of areas for Australia for overall community disadvantage and educational and occupational status).

Table 3.1: SEIFA score and percentiles for 2074 postcode and Ku-ring-gai LGA

	SEIFA Index	Score	Percentile Australia	Percentile NSW
2074 postcode	Disadvantage	1113	99	99
Ku-ring-gai LGA		1108	99	98
2074 postcode	Education & Occupation	1172	99	95
Ku-ring-gai LGA		1174	99	97

Source: ABS 2021

3.1.3 Household income

There were far less households on very low incomes in the postcode area and LGA, and a much greater than average rate of local people on high incomes, as shown below.

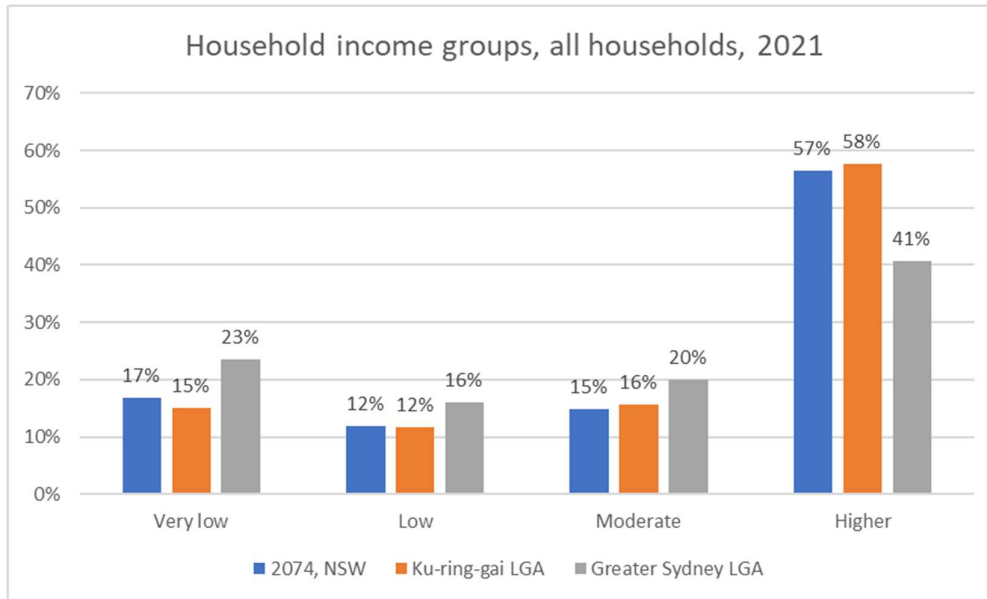


Figure 3.2: Household income groups, all households, 2074 postcode, Ku-ring-gai LGA & Greater Sydney

Source: ABS 2021; JSA 2024

3.1.4 Household income groups, renters

This difference between income groups is even more stark for renters in the local areas, where very low income renters were present at half the average rate, and high income households were around 70% higher than the Greater Sydney rate, as shown below

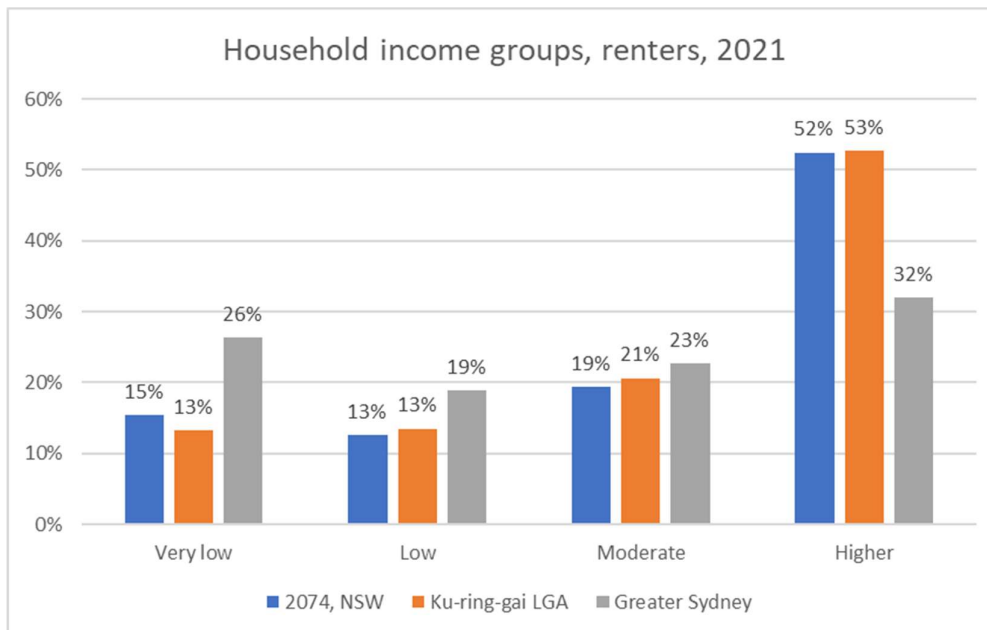


Figure 3.3: Household income groups, rented households, 2074 postcode, Ku-ring-gai LGA & Greater Sydney

Source: ABS 2021; JSA 2024

3.1.5 Industry of employment

Industry of employment profile for residents of the 2074 postcode and Ku-ring-gai LGA is similar to each other, and different to Greater Sydney, with:

- Larger proportions of people employed in professional, scientific and technical services and financial and insurance services; and
- Smaller proportions of people employed in construction, accommodation and food services, transport, postal and warehousing industries.

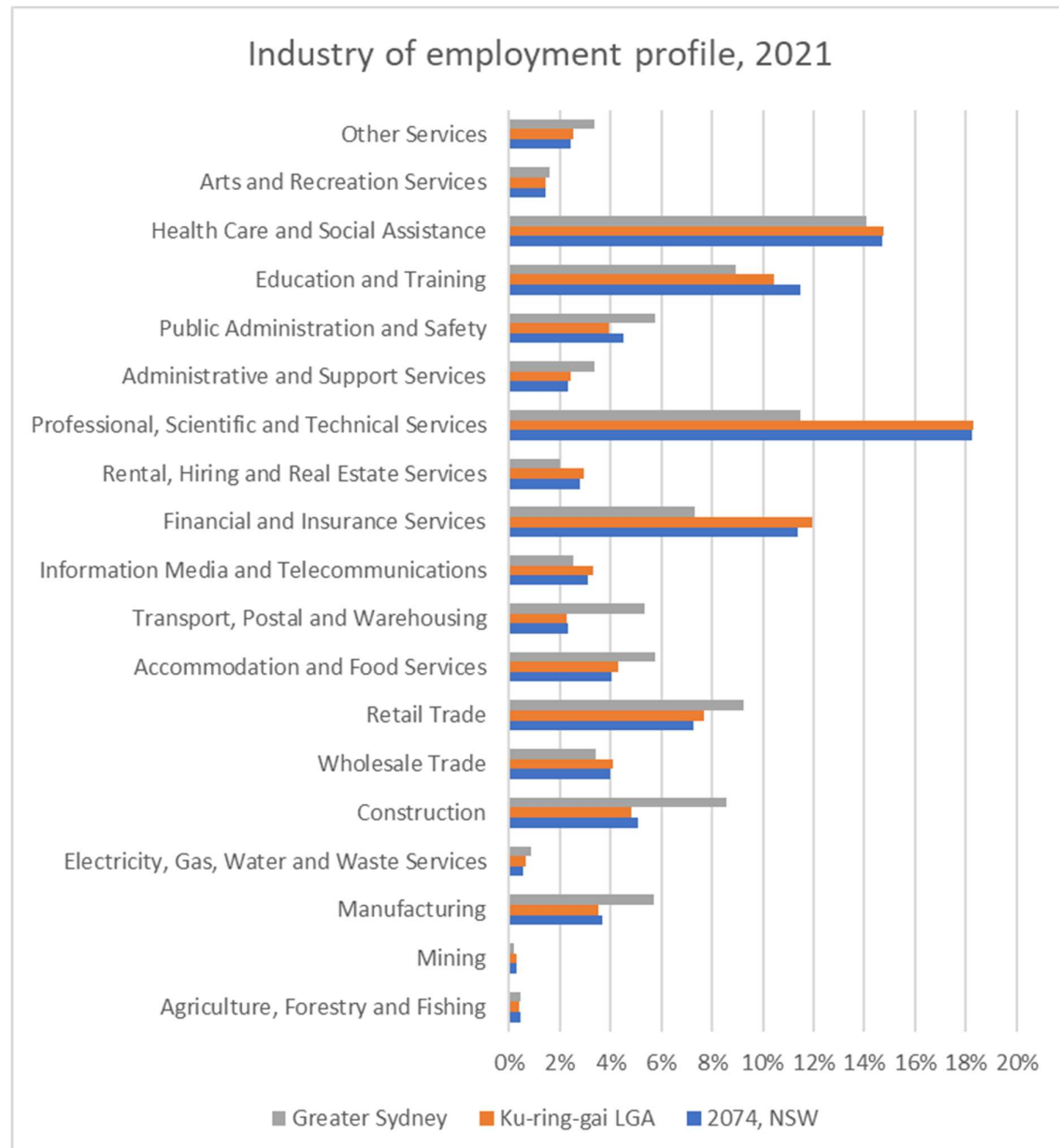


Figure 3.4: Industry of employment profile of 2074 postcode, Ku-ring-gai LGA & Greater Sydney

Source: ABS 2021

Industry of employment of those who work, live, work & live in Ku-ring-gai LGA

At the time of the 2021 Census, in the Ku-ring-gai LGA there were:

- 32,195 employed people who work in the LGA
- 56,154 employed people who live in the LGA
- 14,954 employed people who live and work in the LGA (46% of workers in the LGA, 27% of employed residents of the LGA)

The figure below compares the industry of employment profile of these three groups, which shows some distinct differences. For example, those who work in the LGA are much more likely to be employed in **health care and social assistance** (24%), compared to residents (15%) and residents who live and work in the LGA (15%).

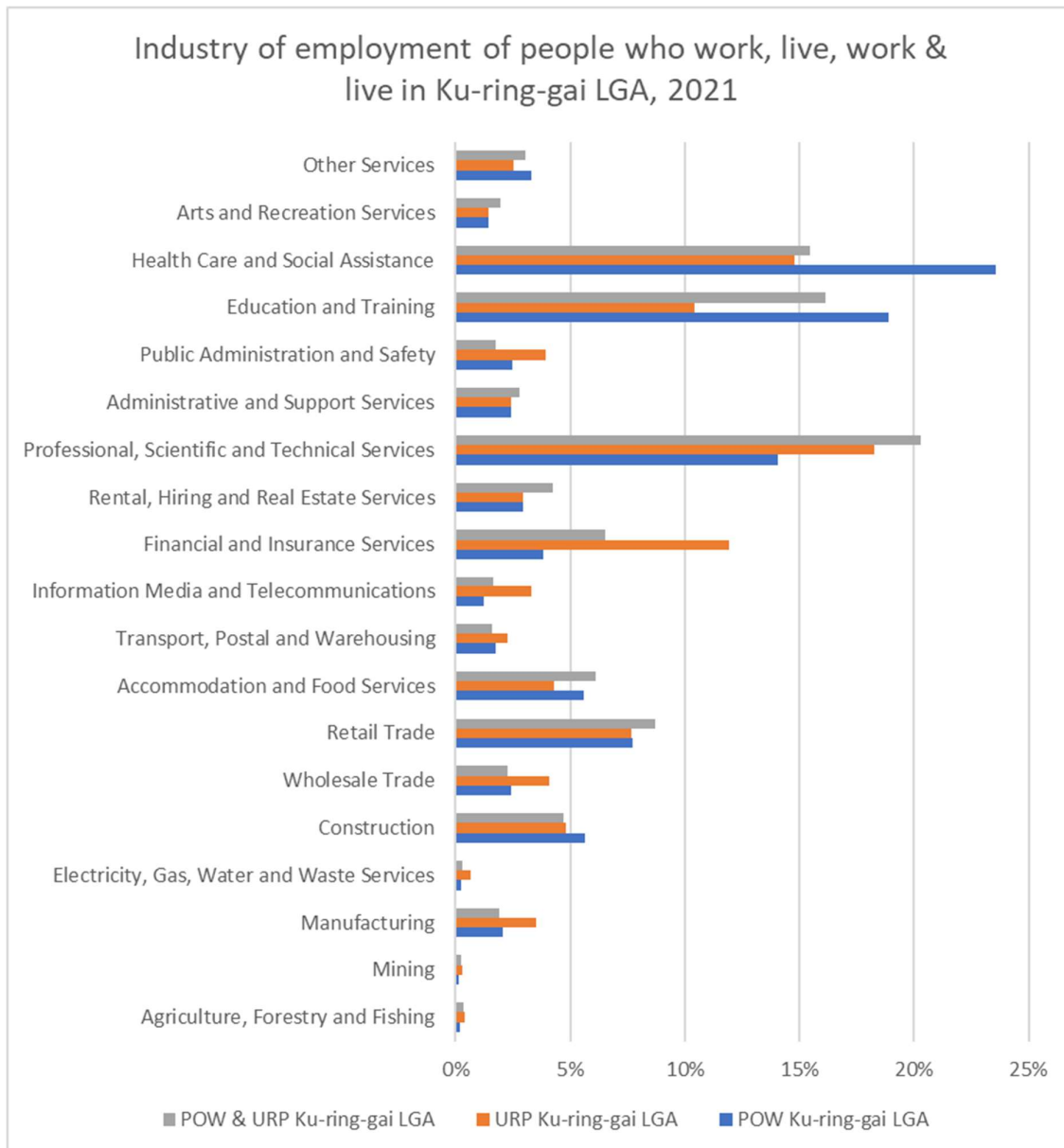


Figure 3.5: Industry of employment for people who work, live, work & live in Ku-ring-gai LGA
Source: ABS 2021

3.1.6 Occupation profile

The occupation profile for residents of the 2074 postcode and Ku-ring-gai LGA is similar to each other, and different to Greater Sydney, with:

- Larger proportions of people employed as professionals and managers; and
- Smaller proportions of people employed as labourers, technicians and trades workers and machinery operators and drivers.

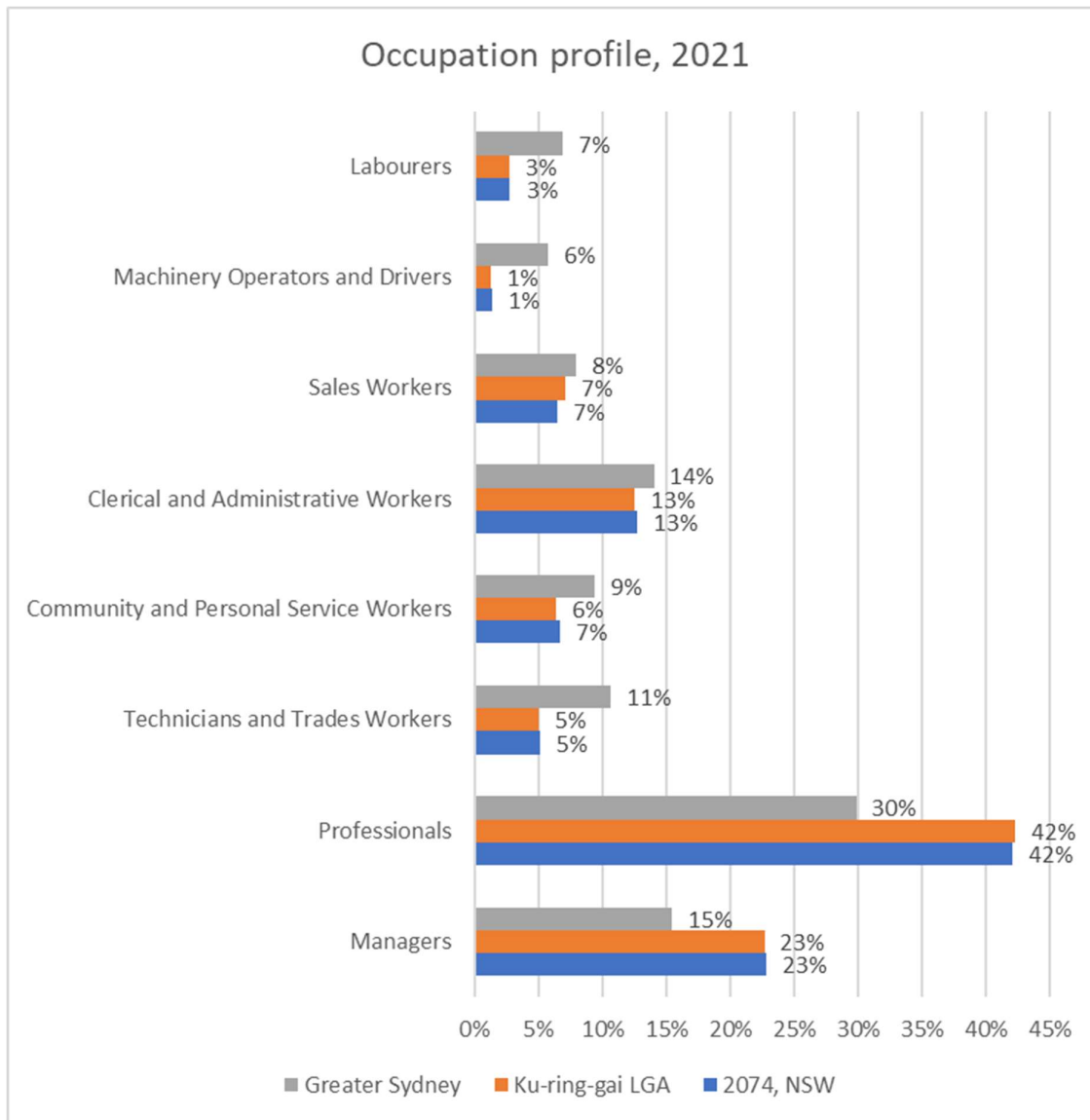


Figure 3.6: Occupation profile of 2074 postcode, Ku-ring-gai LGA & Greater Sydney

Source: ABS 2021

Occupation of those who work, live, work & live in Ku-ring-gai LGA

The figure below compares the occupation profile of those who work, live and both work and live in the Ku-ring-gai LGA. The proportion of those employed as professionals was the highest across the three groups (38%, 42% and 39% respectively).

People who work in the LGA are less likely to be employed as managers and more likely to be employed in **community and personal service worker occupations** (14%), compared to residents (6%) and residents who live and work in the LGA (11%).

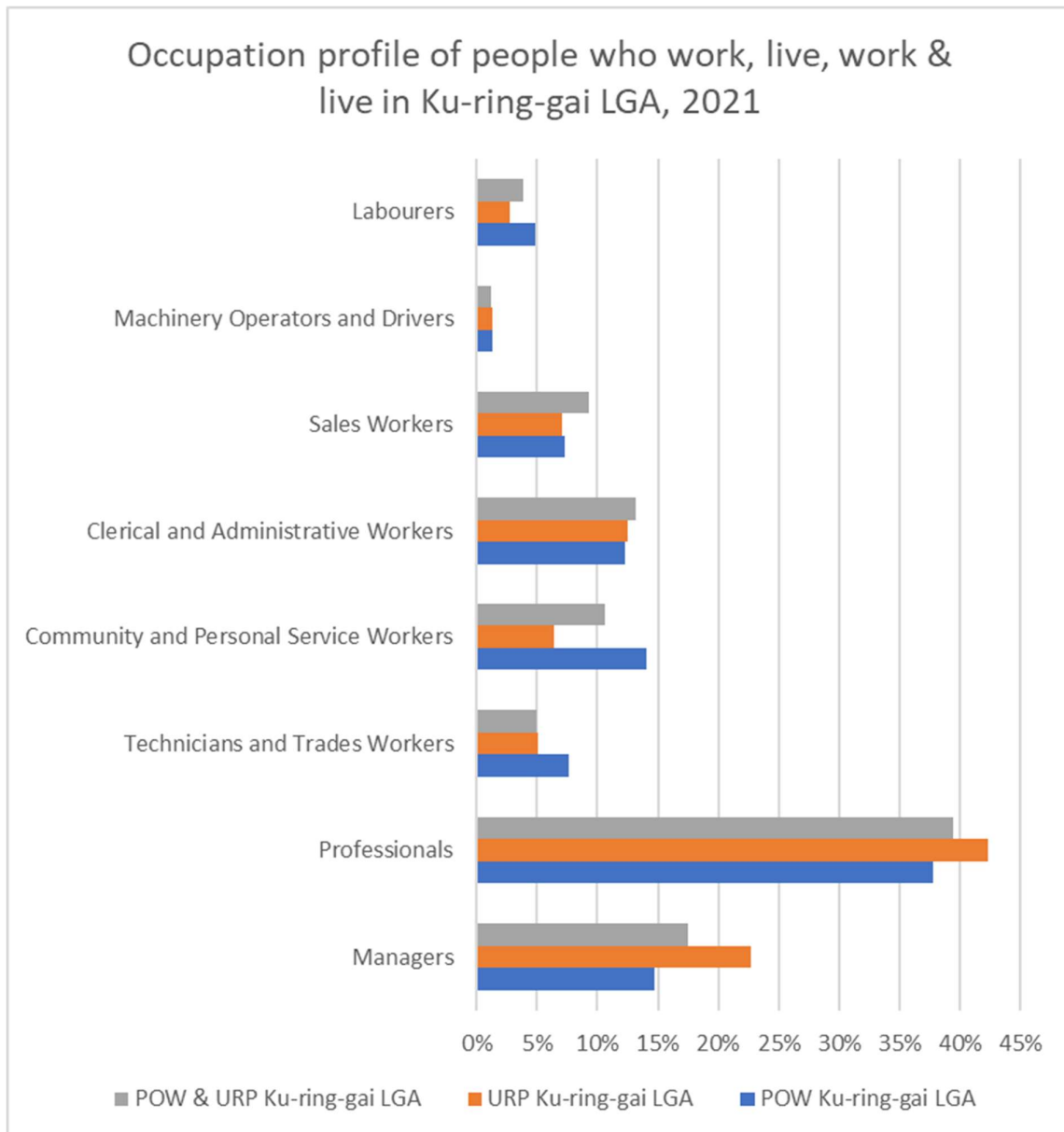


Figure 3.7: Industry of employment for people who work, live, work & live in Ku-ring-gai LGA
Source: ABS 2021

3.2 Housing Cost and Affordability

3.2.1 Affordable Housing Definition and Benchmarks

Housing is generally considered to be ‘affordable’ when very low, low and moderate income households are able to meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care and education. This is generally

accepted to be where such households pay less than 30% of their gross household income on housing costs.

Tables 1.1 and 1.2 below provide relevant benchmarks for ‘affordable housing’. These are consistent with definitions and benchmarks in the *NSW Environmental Planning and Assessment Act 1979 (NSW)* and *State Environmental Planning Policy (Housing) 2021*.

‘Affordable housing’ includes the full range of housing for very low, low and moderate income households as defined. This can include housing that is **subsidised in some way**, from special needs accommodation such as group homes, crisis and transitional accommodation, and social (community and public) rental housing for those most disadvantaged in the housing market; to ‘key worker’ (discount market rent) housing, and assisted or subsidised purchase, such as shared equity, for households who still need some assistance to enter home ownership.

In some areas or housing markets, it also includes housing delivered through the **private market**, typically smaller, lower cost accommodation such as boarding houses, co-living housing, smaller apartments, secondary dwellings and lower cost caravan parks, provided in meets the statutory affordability benchmarks.

3.2.2 Housing Affordability

Renters

The following table shows relevant affordability benchmarks with regard to renters.

Table 3.2: Benchmarks - rental – Greater Sydney - June quarter 2024 (1)

Indicator	Very low income household	Low income household	Moderate income household
Income benchmark	<50% of Gross Median H/H Income for Greater Sydney	50-80% of Gross Median H/H Income for Greater Sydney	80%-120% of Gross Median H/H Income for Greater Sydney
Income range (2)	<\$1,204 per week	\$1,205-\$1,927 per week	\$1,928-\$2,890 per week
Affordable rental benchmark (3)	<\$361 per week	\$362-\$578 per week	\$579-\$867 per week

Source: JSA 2024; ABS (2021) Census, General Community Profile, G02; ABS (2024) Consumer Price Index, Index Numbers, All Groups CPI, Australia.

(1) All values reported are in June quarter 2024 dollars

(2) Total weekly household income

(3) Calculated as 30% of total household income

There are significant supply issues with regard to studio apartments in the 2074 postcode area, which includes Turrumurra suburb and the Ku-Ring-Gai LGA, with insufficient new lettings for data to be reported. This is an important issue, as it is likely that some **low income renters** would likely be able to affordably rent a studio apartment, with no other housing product affordable to this group.

One bedroom and two bedroom apartments showed greater supply, but were **only affordable to moderate income households**, and to no very low or low income renters, who were by far the

largest group in housing stress in the locality. Median two bedroom apartments in the 2074 postcode were affordable to around half of moderate income households.

Median three bedroom apartments are affordable to **higher income households only** in the 2074 postcode, LGA and Greater Sydney.

Table 3.3: Median rent and affordability assessment, Postcode 2074 (includes Turramurra) and related areas (March quarter 2024)

Location	Bedsitter/studio	1 br apartment	2 br apartment	3 br apartment
Postcode 2074	-	\$580	\$710	\$1,000
Affordable to:	-	100% of moderate income hhlds	55% of moderate income hhlds	Higher income hhlds only
Ku-Ring-Gai LGA	-	\$600	\$760	\$1,000
Affordable to:	-	93% of moderate income hhlds	41% of moderate income hhlds	Higher income only
Greater Sydney	\$500	\$650	\$750	\$1,050
Affordable to:	36% of low income h/hs	75% of moderate income hhlds	41% of moderate income hhlds	Higher income only

Source: JSA 2024; ABS (2021) Census, General Community Profile, G02; ABS (2024) Consumer Price Index, Index Numbers, All Groups CPI, Australia; NSW Department of Communities and Justice, Rent and Sales Report, Rent Tables, March quarter 2024 (Issue 147).

Purchasers

The following table shows relevant affordability benchmarks with regard to home purchase.

Table 3.4: Benchmarks - purchase – Greater Sydney - June quarter 2024 (1)

Indicator	Very low income household	Low income household	Moderate income household
Income benchmark	<50% of Gross Median H/H Income for Greater Sydney	50-80% of Gross Median H/H Income for Greater Sydney	80%-120% of Gross Median H/H Income for Greater Sydney
Income range (2)	<\$1,204 per week	\$1,205-\$1,927 per week	\$1,928-\$2,890 per week
Affordable purchase benchmark (3)	<\$287,000	\$287,001-\$459,000	\$459,001-\$689,000

Source: JSA 2024, based on data from ABS (2021) Census and ABS (2024) Consumer Price Index, ANZ online home loan repayment calculator, www.anz.com.au/personal/home-loans/calculators-tools/calculate-repayments/

(1) All values reported are in June quarter 2024 dollars

(2) Total weekly household income

(3) Calculated using ANZ Loan Repayment Calculator, using 20 August 2024 interest rate (7.24%) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

Median sales for strata and non-strata dwellings in the 2074 postcode, Ku-Ring-Gai LGA and Greater Sydney were well above the price required for affordability, and only affordable to high income households.

Non-strata dwellings (houses) were well out of reach, particularly in the LGA, with a median priced house in the relevant postcode area around \$2.8 million, as shown below.

Table 3.5: Median sales and affordability assessment, Postcode 2074 (includes Turrumurra) and related areas (December quarter 2023)

Location	Strata	Non-strata
Postcode 2074	\$960,000	\$2,805,000
Affordable to:	Higher income households only	Higher income households only
Ku-Ring-Gai LGA	\$975,000	\$3,200,000
Affordable to:	Higher income households only	Higher income households only
Greater Sydney	\$790,000	\$1,420,000
Affordable to:	Higher income households only	Higher income households only

Source: JSA 2024; ABS (2021) Census, General Community Profile, G02; ABS (2024) Consumer Price Index, Index Numbers, All Groups CPI, Australia; RBA (2024) Housing Lending Rates, new loans, owner occupied, LVR less than 81%; NSW Department of Communities and Justice, Rent and Sales Report, Sales Tables, December quarter 2023 (Issue 147).

3.2.3 Housing Stress

Overview

At the time of the 2021 Census, there was a total of 4,125 very low, low and moderate income households in housing stress, or at risk of after-housing poverty, with around **60% of these renters** and 40% purchasers. Of the total, around 60% needed accommodation suited to families with children and 40% needed smaller strata dwellings.

The affordability problem outlined above is also evident in the significant under-representation of very low income households, and of lone person households among local people in housing stress, most likely due to the considerable lack of affordable housing supply in the postcode area and the LGA, and the undersupply of smaller strata dwellings such as studio apartments, with this type of dwelling much lower in cost if not genuinely affordable to very low income smaller households.

Housing Stress among Renters

Overview of Ku-Ring-Gai LGA

In 2021, there were 3,506 very low, low, and moderate income renting households in Ku-Ring-Gai LGA for which the ABS had rental affordability data. Of these households, 2,313 (66%) were paying more than 30% of their household income in rental costs.

Table 3.6: Income band and required dwelling size for households in rental stress, Ku-Ring-Gai LGA, 2021

Income band	Smaller dwellings	Larger dwellings	Total
Very low	564 (24%)	343 (15%)	906 (39%)
Low	366 (16%)	446 (19%)	813 (35%)
Moderate	158 (7%)	436 (19%)	594 (26%)
Total	1,088 (47%)	1,225 (53%)	2,313 (100%)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Rental Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income.

Table 3.7: Income band and household type of households in rental stress, Ku-Ring-Gai LGA, 2021

Income band	Lone person	Couple only	Couple with children	One parent family	Other family*	Group household	Total
Very low	456 (20%)	108 (5%)	123 (5%)	195 (8%)	11 (0%)	17 (1%)	906 (39%)
Low	245 (11%)	122 (5%)	202 (9%)	196 (8%)	18 (1%)	28 (1%)	813 (35%)
Moderate	70 (3%)	88 (4%)	251 (11%)	159 (7%)	19 (1%)	9 (0%)	594 (26%)
Total	770 (33%)	319 (25%)	577 (25%)	549 (24%)	48 (2%)	55 (2%)	2,313 (100%)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Rental Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income. *Includes other family and all multi-family households.

Household income

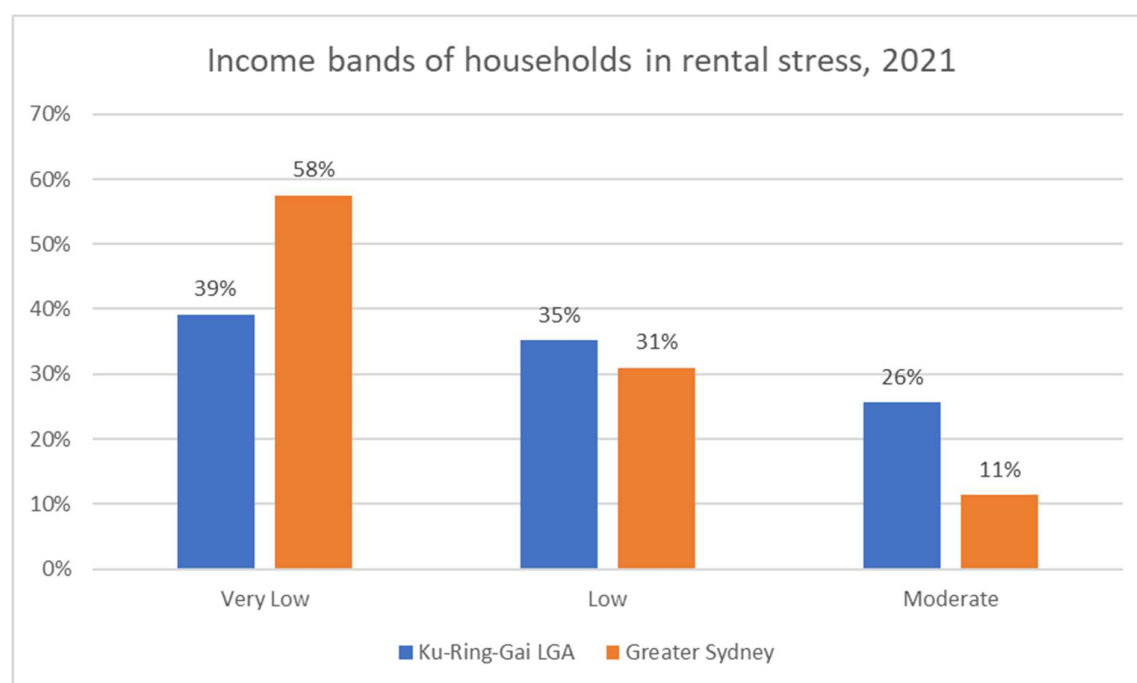


Figure 3.8: Income band of households in rental stress, 2021 (% of all households in rental stress)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Rental Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income.

Family household composition

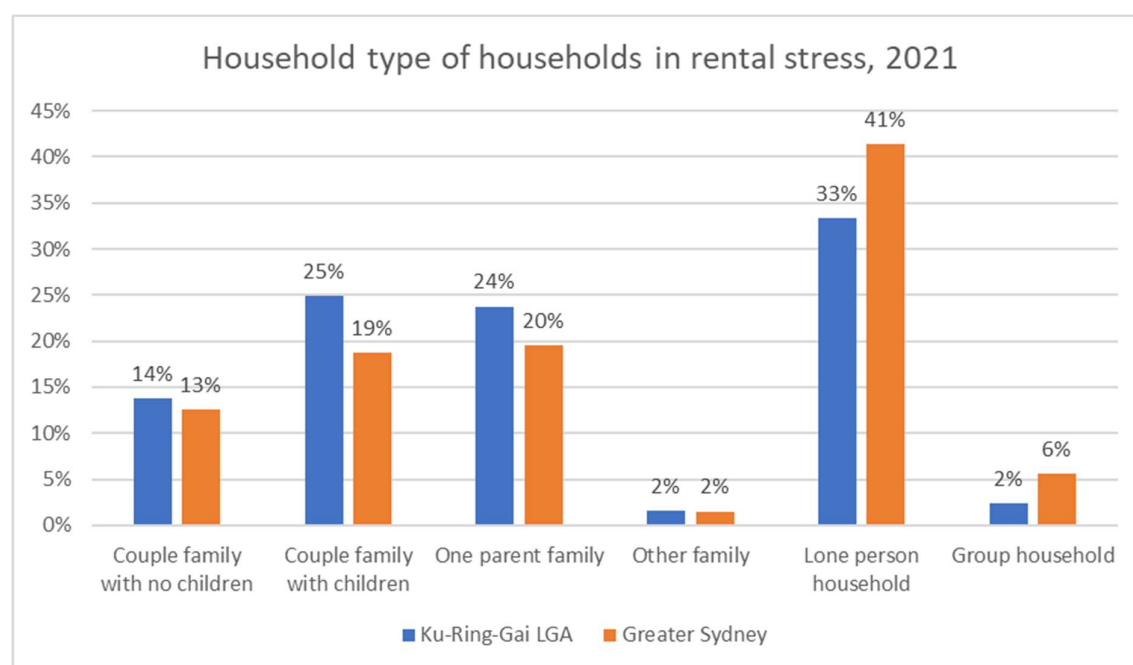


Figure 3.9: Household type of households in rental stress, 2021 (% of all households in rental stress)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Rental Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income.

Housing Stress among Purchasers

Overview of Ku-Ring-Gai LGA

In 2021, there were 3,192 very low, low, and moderate income purchasing households in Ku-Ring-Gai LGA for which the ABS had purchase affordability data. Of these households, 1,811 (57%) were paying more than 30% of their household income in purchase costs.

Table 3.8: Income band and required dwelling size for households in purchase stress, Ku-Ring-Gai LGA, 2021

Income band	Smaller dwellings	Larger dwellings	Total
Very low	206 (11%)	337 (19%)	544 (30%)
Low	178 (10%)	370 (20%)	548 (30%)
Moderate	177 (10%)	542 (30%)	719 (40%)
Total	561 (31%)	1,249 (69%)	1,811 (100%)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Mortgage Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income.

Table 3.9: Income band and household type of households in purchase stress, Ku-Ring-Gai LGA, 2021

Income band	Lone person	Couple only	Couple with children	One parent family	Other family*	Group household	Total
Very low	110 (6%)	97 (5%)	164 (9%)	140 (8%)	19 (0%)	1 (0%)	544 (30%)
Low	96 (5%)	82 (5%)	244 (13%)	91 (5%)	16 (1%)	8 (0%)	548 (30%)
Moderate	95 (5%)	82 (5%)	411 (23%)	96 (5%)	19 (1%)	9 (1%)	719 (40%)
Total	301 (17%)	261 (14%)	818 (45%)	327 (18%)	54 (2%)	18 (1%)	1,811 (100%)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Mortgage Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income. *Includes other family and all multi-family households.

Household income

The income profile of purchasers in housing stress is quite different to that of renters, with a greater proportion of purchasers in stress in the moderate income band.

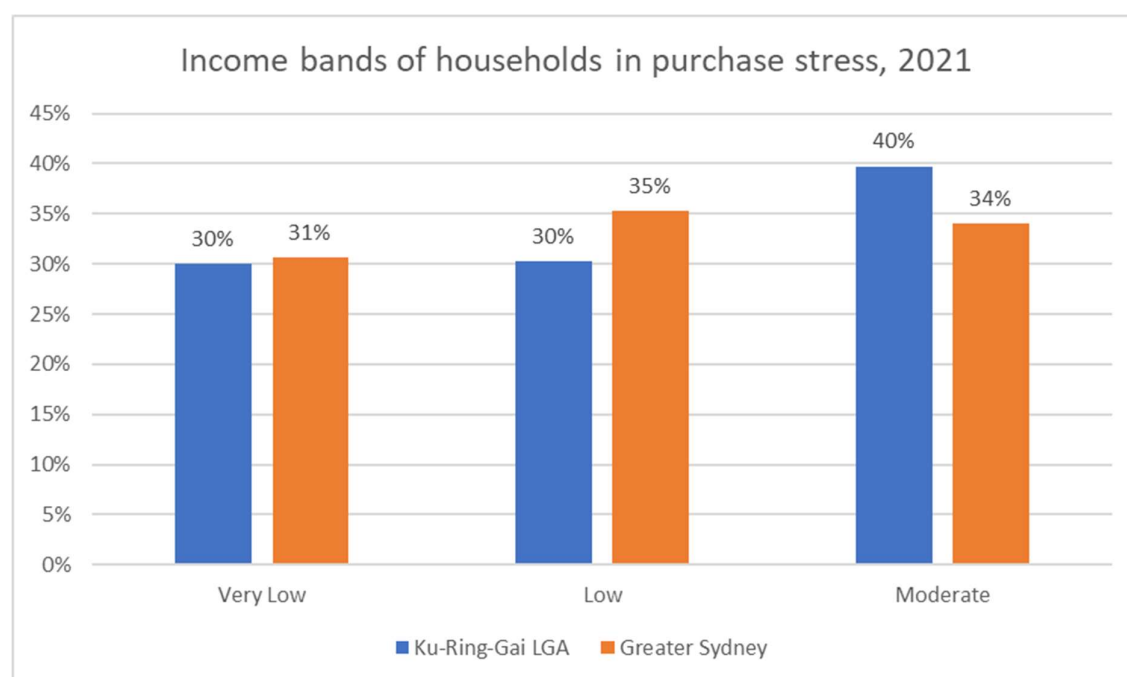


Figure 3.10: Income band of households in purchase stress, 2021 (% of all households in purchase stress)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Mortgage Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income.

Household type

The largest single group in purchase stress in the Ku-Ring-Gai LGA was couple family with children households, at nearly half (45%) of households in purchase stress compared to 19% for the Greater Sydney average. This contrasts sharply with Greater Sydney where lone person households

are the largest group in stress. Apart from higher income households, other lone person households (e.g. single income households) unlikely to be able to purchase in Ku-Ring-Gai LGA due to the high cost of housing.

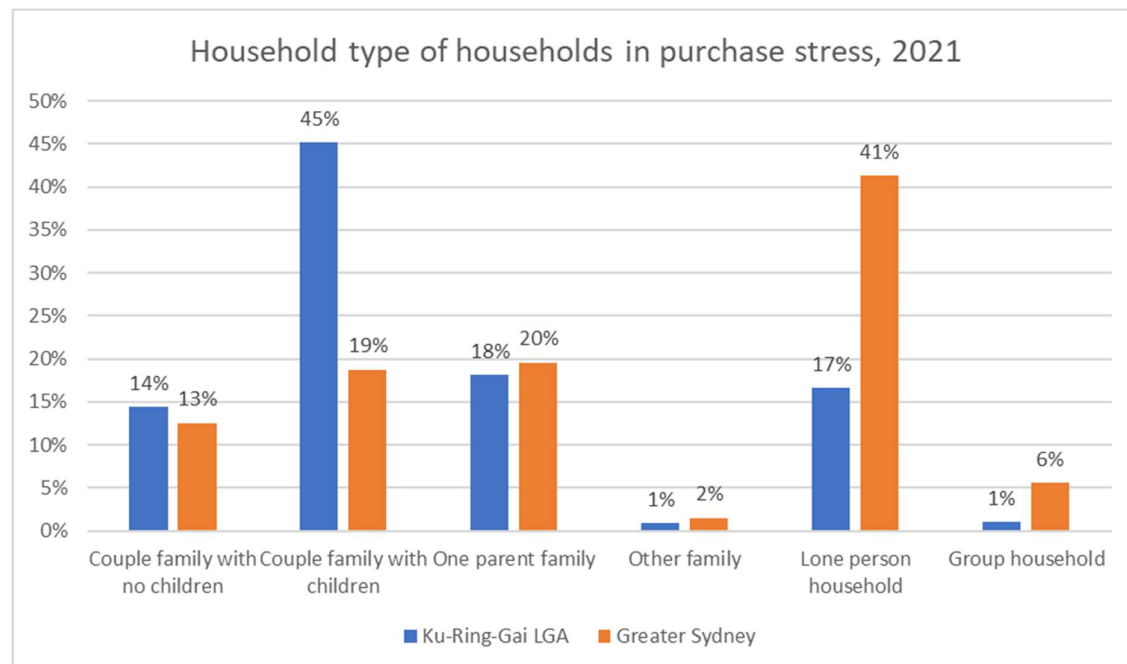


Figure 3.11: Household type of households in purchase stress, 2021 (% of all households in purchase stress)

Source: JSA 2024; ABS (2021) Census, TableBuilder Pro, counting dwellings, place of enumeration, by Mortgage Affordability Indicator, by 2-digit level Family Household Composition, by Total Household Income.

4 Viability

4.1 Turramurra Village

4.1.1 Introduction

We understand that the proponent has offered 5% affordable housing, based on his financial modelling of the project. We are advised that there are significant public benefits to be delivered by the proposal including a new community park, a new road, Kissing Point Rd upgrades, pavement upgrades, land dedication for upgrades along pacific highway, fence upgrades along pacific highway, new through site link and public plaza, Stonex lane upgrade, street tree planting, upgraded bus stop, and street furniture (street lighting and bicycle racks). This limits the ability of the project to provide affordable housing.

We have carried out an independent assessment of the viability of the project using publicly available data (set out below) and using the Affordable Housing Viability Tool prepared by the NSW Department of Planning, Industry and Environment and dated 19 October 2020.

4.1.2 Description

The site is located at 1364-1396 Pacific Highway and 1, 1a, 3 and 3a Kissing Point Road, Turramurra.

The site comprises 12 separate allotments (Lot 1 DP 656233; Lot 2 DP 502388; Lot 1 DP 500761; Lot 2 DP 500761; Lot B DP 435272; Lot 1 DP 500077; Lot 2 DP 500077; Lot A DP 391538; Lot 101 DP 714988; Lot 1 DP 629520; Lot 1 DP 550866; Lot 2 DP 16463) with a combined total area of 8,345m².

4.1.3 Current value of land

Details of recent sales of commercial land in and around the precinct are shown in the table below.

Table 4.1: Recent sales of similar land in and around the precinct

Description	Sales Date	Area	Sales Price	Index (1)	Price per m ²	Indexed Price per m ²
35 Rohini Street Turramurra (Lot 3 DP 6494)	4 July 2023	298.7 m ²	\$2,500,000	0.97	\$8,370	\$8,119

Source: RP Data data base accessed 28 August 2024, JSA calculation

Table Notes:

- (1) Sales prices have been indexed to most recent values using DOJ median non strata sales data for each quarter for Ku-ring-gai LGA

4.1.4 Expected sales price of developed land

Commercial

The commercial sale shown above has been used to estimate the sales value of commercial floor space.

35 Rohini Street is two stories and occupies around 50% of the site,¹ giving a commercial floor area of 298.7 m².² This is equivalent to an indexed sales price of \$8,119.³

Residential

We are advised by the proponent that the development will be a premium product in a premium location and consequently have adopted recent sales data from the top end of sales for new apartments. Details are set out in the table below.

Table 4.2: Recent sales of apartments in and around the precinct

Description	Sales Date	Area (2)	Sales Price	Index (1)	Price per m ²	Indexed Price per m ²
4/60 Cowan Road St Ives (Lot 69 SP 103169)	5 June 2023	134 m ²	\$2,150,000	0.93	\$16,045	\$14,922
6/60 Cowan Road St Ives (Lot 69 SP 103169)	14 March 2023	130 m ²	\$3,250,000	0.99	\$25,000	\$24,750
69/381 Bobbin Head Road North Turrumurra (Lot 69 SP 58265)	25 January 2024	130 m ²	\$1,800,000	1.00	\$13,846	\$13,846

Source: RP Data data base accessed 28 August 2024, JSA calculation

Table Notes:

- (1) Sales prices have been indexed to most recent values using DOJ median non strata sales data for each quarter for Ku-ring-gai LGA
- (2) Area has been taken from advertised floor plans and is based on GFA (excludes parking, balconies and common circulation areas).

4.1.5 Development Cost

Assumptions

Development costs have been based on various assumptions set out in the Affordable Housing Viability Tool, however construction rates in the tool are outdated. Current construction rates from Rawlinsons *The Handbook* have been used. The rates for apartments have common circulation areas built in, however the tool uses GFA, consequently rates have been discounted by 20% to allow for common circulation areas. The source of other data is set out in the spreadsheet.

¹ Estimated from Google Maps.

² 298.7 m² * 0.5 * 2 = 298.7 m².

³ \$2,500,000 / 298.7 m² * 0.97 = \$8,119 / m².

4.1.6 Viability Assessment

Viability for the provision of affordable housing has been assessed using the *SEPP 70 Affordable Housing Viability Tool*.

Details are shown within Excel spreadsheets provided in electronic form.

Using the various assumptions set out in the Affordable Housing Viability Tool, development of the site is viable with an affordable housing contribution of 5% of residential gross floor area, and not viable with an affordable housing contribution of 5.1%, supporting the proponent's offer of an affordable housing contribution of 5% of residential gross floor area.

The analysis is quite sensitive to inputs around the sale price of apartments and the cost of purchase of the land. Sensitivity testing around these values is shown in the table below.

Table 4.3: Sensitivity Testing of Modelling

Scenario	Land Purchase rate	Apartment Sales rate	Affordable housing Contribution (% of residential GFA)
As modelled	\$8,119/m ²	\$17,810/m ²	5.0%
Sales price less 5%, purchase price plus 5%	\$8,525/m ²	\$16,920/m ²	1.7%
Sales price plus 5%, purchase price less 5%	\$7,732/m ²	\$18,701/m ²	7.8%

Source: JSA calculation

The calculations are supportive of the proponent's offer of a 5% affordable housing contribution.

5 Appendix A Geographies used in demographic assessment

5.1.1 Postcode 2074

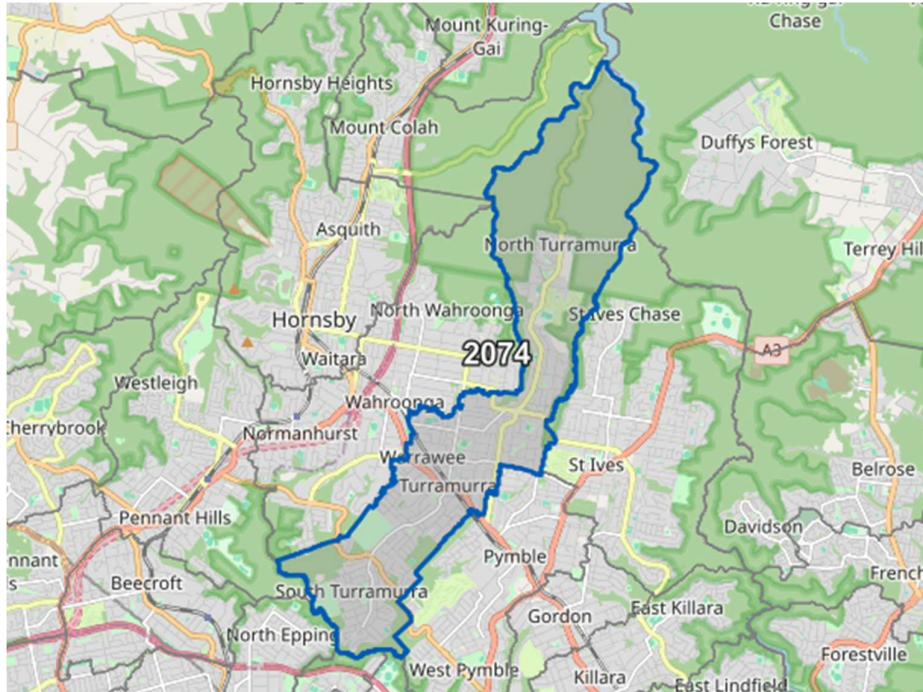


Figure 5.1: Postcode 2074

Source: ABS 2021

5.1.2 Ku-ring-gai Local Government Area

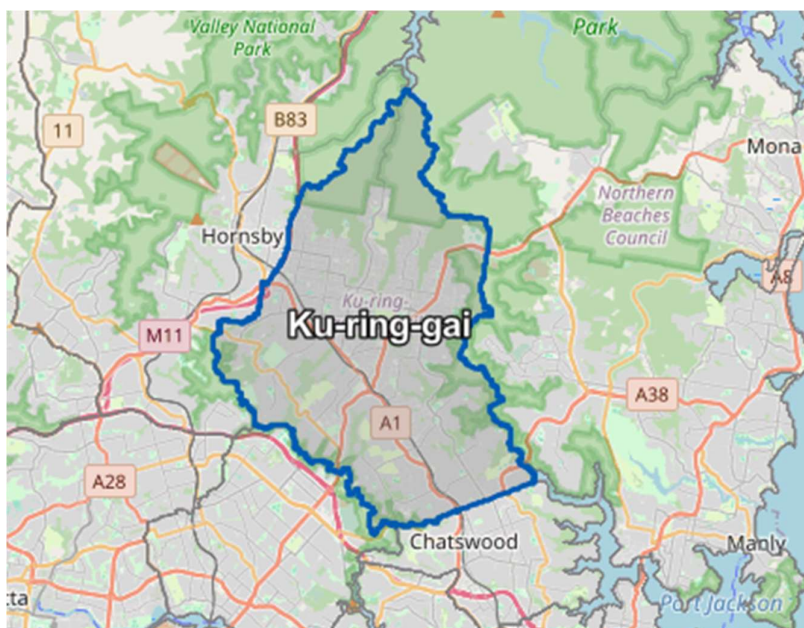


Figure 5.2: Ku-ring-gai Local Government Area

Source: ABS 2021

5.1.3 Greater Sydney



Figure 5.3: Greater Sydney – Greater Capital City Statistical Area

Source: ABS 2021

6 Letter from Community Housing Provider



**Link
Wentworth**

Providing homes, building futures.

ABN 62 003 084 928

Chatswood

Level 10
67 Albert Avenue
Chatswood
NSW 2067

PO Box 5124
Chatswood West
NSW 2067

T 13 14 21

F 02 9412 2779

Penrith

Borec House
Level 1
Suite 1002
29-57 Station Street
Penrith
NSW 2750

PO Box 4303
Penrith Westfield
NSW 2750

T 13 14 21

F 02 4777 8099

enquiries@
linkwentworth.org.au

John Fitzgerald

Senior Development Manager

Rebel Property Group

Suite 4, Level 8,

14 Martin Place, Sydney NSW 2000

Tuesday 20 November 2024

Dear John

RE: Planning Proposal - Turramurra Village 1364-1396 Pacific Highway and 1, 1a, 3 and 3a Kissing Point Road Turramurra NSW 2074

Link Wentworth is a registered Tier 1 Community Housing Provider and one of New South Wales's largest, with over six offices and 200 staff serving 10,000 residents in 6,400 homes. Link Wentworth has the capability to deliver more social and affordable homes and enhanced services for current and future tenants.

Link Wentworth believes everyone has a right to a safe and secure home where they can grow, connect with the community, and build a brighter future.

We are committed to providing affordable housing to the local community and providing comprehensive tenancy wrap-around support service. We are well-placed to assist in meeting the significant demand for and managing affordable housing in the Ku ring gai locality. A mixture of apartments would be ideal to support essential workers, young families and mature singles. Enabling support for those with minimal resources to stay in place, connected to family and community

We would welcome the opportunity to secure additional housing stock to support this demand and especially well-located housing and ideally with Link Wentworth having title to the asset. This allows the CHP to continue to grow and leverage its assets to support this housing need.

This letter confirms our interest in managing affordable housing at Turramurra Village. Please do not hesitate to contact me if I can further assist.

Yours sincerely

Matthew Jackson

Chatswood

Katoomba
Lithgow
Penrith
West Ryde
Windsor



Affordable, Growth and Innovation Lead