



Peer review of Social Impact Assessment and Housing Affordability Studies for 67-73 Lords Road, Leichhardt

Client: Leichhardt Municipal Council

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1 Introduction

1.1 Background and purpose

Leichhardt Council has received a Planning Proposal to rezone a site at 67-73 Lords Road Leichhardt, for medium density housing, including a childcare centre and a food and drink premises. As part of the submission, Council also received a Social Impact Assessment (SIA) (Cred Community Planning 2014) with a specific focus on the availability of schools and childcare, and a Housing Affordability Assessment (HAA) (Housing Action Network, 2014) which examines the demand for, and supply of, lower priced housing in the area and makes a case for use of the site for affordable housing.

Elton Consulting has been appointed by Leichhardt Municipal Council (LMC) to peer review the SIA and Housing Affordability Assessment report and to examine the potential social impacts of a rezoning of the site from industrial to residential uses, as proposed in the Planning Proposal.

The Planning Proposal seeks to rezone the 10,691m² site from IN2 Light Industrial use to R3 Medium Density Residential use and to increase the floor space ratio from 1:1 to 2.4:1. Key features of the proposal include:

- » 315 residential units
- » A 60 place childcare centre
- » A café
- » 4 x apartment buildings ranging in height from 4 to 8 storeys
- » 150-253 car parking spaces
- » 16 affordable housing units to be dedicated to a community housing provider.



View of site (on left) from Lords Road

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The Lords Road site is currently occupied by 21 tenants who together employ approximately 62 people. The light industrial zoning aims to provide for industrial, warehouse and related uses, encourage employment and foster new uses to meet community needs, Certain businesses, offices and industries in the arts, technology, production and design sectors are also targeted within this zoning. For a variety of reasons, Council is under pressure to rezone industrial sites for residential uses. The site, and the wider Leichhardt area more generally, is attracting interest from developers of residential properties, given the relatively high costs of housing in the area, its proximity to

Sydney's CBD and a wide range of facilities and transport options. The Marion Light Rail station, bus routes along Marion Street and Market Place Leichhardt are all within 200 metres of the site.

Within this planning and development context, Council is carefully considering the implications of approving a rezoning to residential use at this site. This peer review aims to articulate and evaluate the case both for and against the rezoning in relation to social objectives within Council's planning policies, particularly:

- » Those aiming to retain (or dealing with a loss of) industrial and employment land (both at this site, and as a cumulative trend)
- » Plans for an Iron Cove Community, Culture and Recreation Precinct along the Hawthorne Canal
- » Those aiming to encourage more affordable housing for to low and moderate income people
- » Other policies which include relevant social sustainability objectives.

In particular, this report considers the social and community impacts of both retaining and not retaining the site as industrial land, and considers whether there is a social (and cultural) basis for change and what it might involve. The report provides recommendations as to how social benefit could be enhanced through the proposal to manage the identified impacts and the process of social change.

1.2 Assessment process

This peer review has been undertaken by Elton Consulting, social planners with extensive experience in social impact assessment and social planning. The process has included:

- » Review of documentation from the Planning Proposal for 67-73 Lords Road supplied by Leichhardt Council
- » Review of documentation from other similar Planning Proposals which have potential implications for rezoning of this site
- » Familiarity with Council's social planning policies
- » Familiarity with the locality and examination of maps and plans
- » Consultations with Leichhardt Council Strategic Planning officers
- » Review of Leichhardt Municipal Council documents including:
 - > Social Impact Assessment Guidelines 2009
 - > Leichhardt 2025+ Community Strategic Plan
 - > Employment Lands Study
 - > Employment and Economic Development Plan (LEEDP)
 - > Community and Cultural Plan
 - > Affordable Housing Strategy 2011
- » Desktop research.

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2 Review of SIA and Affordable Housing reports

In this section, we provide comments on the SIA (Cred Community Planning 2014) and Housing Affordability Assessment (Housing Action Network 2014) which were submitted with the Planning Proposal in support of the site rezoning. The review focusses particularly on gaps identified in either the process or content of these studies.

2.1 Comments on the SIA

2.1.1 Content review

The SIA (Cred Community Planning 2014) specifically focusses on the implications of the proposed development for child care and schools in the Leichhardt area. The report uses average household size across the Leichhardt suburb to estimate a total population of around 730 residents, including a maximum of 128 children (p. 7.) as shown in the following table.

Age group	Leichhardt South breakdown	Population of proposed development
0-4 year	8.4%	61
5-11 years	6.0%	44
12-17 years	3.2%	23
Total children expected		128

Table 1 Current children in childcare / school age in Leichhardt South

Cred Community Planning 2014, p. 7

The SIA concludes that the development would contribute to demand for around 25 child care places (p. 17) in a suburb where there is already a high ongoing demand. The SIA provides evidence that there exists a high demand for childcare places for all service types including Long Day Care and Family Day Care in the suburb of Leichhardt. It notes that this demand is expected to continue due to a range of factors including the employment available within the area, its accessibility, its large population and growth in the numbers of young children in recent years. The SIA states that the need for childcare that would be generated through this proposal would be addressed through construction of a 60 place child care centre. The SIA recommends that in order to meet Council's targets, at least 39% of places should be for children aged under 2 years, consistent with an earlier report by Cred Community Planning in relation to childcare needs across the LGA.

In relation to before and after school and vacation care, the SIA demonstrates that nearby facilities for Out of School Hours (OSHC) and Vacation Care appear to have the capacity to absorb the small numbers of additional children who would live at this site.

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The SIA also concludes that there is capacity within the two local primary schools to absorb the increase in the numbers of school aged children expected. Capacity in high schools near Leichhardt is more limited but measures such as boundary changes could ensure local high school students could be accommodated.

The impact of this development on primary and high schools and on before and after school places and vacation care was assessed in the SIA as being neutral.

The report content appears to be authoritative and conclusive with respect to its findings, although there could be seen to be some confusion relating to the actual demands for and availability of childcare places. A boom in the population of children within Leichhardt has contributed to what is described on Council's website as a 'childcare crisis', particularly the shortage of places for primary school student before and after school (OOSH) care. Evidence from the *2013 Review of Early Education and Care Service Delivery for Children under school age* (also prepared by Cred Community Planning and cited in the SIA), states that there are high demands for Long Day Care and Family Day Care within the suburb of Leichhardt, but some capacity in before and after school care (OSHC) facilities. However, at the time of writing this Peer Review, it appears that several childcare centres near the site have some vacancies on some days. Council has advised that several recent approvals for privately operated childcare centres have absorbed some of the demand. The picture is further complicated by the high proportion of children attending on a part-time basis (Cred Community Planning 2014, p.13) and changes within centres as children move between age groups.

As an assessment of the broader social implications of the Planning Proposal and the implications of rezoning this industrial site, the report is limited by the scope of works to investigate only childcare and school place needs and impacts.

2.1.2 Process review

Overall, the methods used to calculate demand for childcare and before and after school place needs appear valid. Cred Community Planning appear to be very familiar with characteristics of Leichhardt's population and childcare facilities and have recent experience in providing advice to Council on their childcare service needs (Cred Community Planning 2013).

Rather than using a suburb wide occupancy rate, a more accurate estimate of the new population size and numbers of children might have been obtained by applying the average size of households that are attracted to new apartments in the LGA, particularly as the development will have 60% of dwellings as studios and one bedroom apartments. Applying a suburb average of 1.73 persons per apartment instead would result in a smaller total population estimate of 544 new residents, and only 95 children. The SIA is therefore conservative in its estimates and, if anything, overestimates the demand for places in the proposed childcare centre from new residents at this site.

The approach used to arrive at the conclusions about the capacity of facilities to absorb school aged and pre-school aged children appears consistent with good practice – Cred has contacted many of the schools (and childcare centres) themselves and the feedback obtained is consistent with information obtained by Council from the Department of Education in response to questions about available capacity and issues relevant to the proposal.

In summary, the SIA and its conclusions regarding demand for childcare of all types and school places has taken a thorough and defensible approach to estimating the need for new places attributable to this proposal and the ability of existing facilities to absorb new enrolments.

2.2 Comments on the Housing Affordability Assessment

2.2.1 Content review

The Housing Affordability Assessment (HAA) gives an overview of housing affordability in the local area and the potential contribution of the proposed development to improving access to affordable housing. The report concludes that the development would increase affordability in the Leichhardt area by contributing over 50% of the 315 proposed dwellings either at moderate price-points or as affordable rental housing, in accordance with the National Rental Affordability Scheme (NRAS) (Housing Action Group 2014, p. 16). A comparison with two other development proposals in the LGA signals that this is an improvement on an average yield of affordable housing that is well below Council's notional target of 10% (Housing Action group 2014, p.16-17).

The HAA provides an analysis of demographic change in the area, and the implications this holds for housing. It asserts that changes, including smaller average household sizes, the growth of nearby educational establishments, industrial restructuring and gentrification have led to "a missmatch *(sic)* in the housing markets of inner-west locations such as Leichhardt" (Housing Action Group 2014, p. 6). The mismatch relates to factors such as high demand for property, which has increased housing prices and rents, a generally a poor standard of social housing, a shortage of apartments and a relative over-supply of larger family homes.

While the HAA makes a strong case that more affordable housing is needed in the area and that this proposal could assist in meeting that objective, the report has several shortcomings. Data has been selectively used, some relevant data is not included and the likelihood that the affordable housing will be taken up by its target market is not fully considered (see section 2.2.2 below). In addition, the report does not specifically address the question of how likely it is that the new dwellings for purchase would improve housing affordability, given that no dwellings in the LGA are currently classified as affordable to households on even a moderate income (Table 10, p. 15).

In the context of this Peer Review, the analysis in the HAA does not consider wider issues such as the suitability of the site for housing rather than continued employment uses. The Executive Summary notes that the site is well situated for housing because of the existing neighbourhood services, including employment areas (p. 1), but does not recognise that the employment offered at this site would be lost. It also highlights that affordable housing is often best provided on large consolidated sites, which in this area are often former industrial sites. However, it was not within the study terms of reference to weigh up all issues important to Council in considering the implications of rezoning this industrial site and the loss of employment and businesses from the area.

These wider issues are highlighted in the following sections of this report.

2.2.2 Process review

The HAA includes population forecasts and demographic analysis for the Leichhardt LGA and compares these with the neighbouring Ashfield LGA and NSW averages (see Housing Action Group 2014, p.9-12). There are some inconsistencies in its use data, including static and time-series data, that create a somewhat scattered picture of the LGA's profile. In some instances, the use of single-year data does not adequately capture the dynamic of certain key demographic drivers. Overall, there is no breakdown of the size of households, or a clear picture of the size of the market for small properties as against others in the LGA. There is no mention that single person households make up around 30% of all households at present, which would also support the case for small, affordable dwellings. Nor do comments on the relative sizes of the 0-14 year and 65+ age groups

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into the future draw out the implications of these trends for future household sizes and differing housing needs.

As an example, the HAA downplays the significant growth of young people and young families in the LGA. Between 2001 and 2011, couples with children were the fastest growing household type in the LGA, increasing from 34% to 42% of family households over the period (ABS 2011, p.14). This "baby boom" was highlighted by the *Leichhardt 2025+ Community Strategic Plan*, which stated that:

"...in the last ten years Leichhardt has experienced a growth in the 0-4 age group of 62% compared to a state growth of 9%, and the 5-14 age group has increased by 20% compared to a state decline of 2%" (p. 8).

However, this trend has not been highlighted in the HAA which employed single-year data to indicate that the Leichhardt LGA is home to a higher proportion of couples without children than neighbouring Ashfield LGA and NSW (Housing Action Group 2014, p.10). This approach appears to support the need for smaller dwellings, consistent with the high proportion of studio and one bedroom apartments provided by the proposed development.

Similar gaps can be seen in the discussion of local housing costs and affordable housing delivery (see Housing Action Group 2014, p. 11-12; 16-17). In order to establish the recent history of sharp increases in housing costs in the LGA, the HAA includes data on median property sales prices for Leichhardt LGA with comparisons to Ashfield LGA and NSW. From this analysis, we can see that the median property sales price has risen from around \$400,000 in 2000 to \$953,000 in 2013, and is considerably higher than the median Ashfield and NSW price (Housing Action Group 2014, p. 11-12). Similarly, the discussion of rental housing costs shows the median rental price for properties in the Leichhardt LGA increased from around \$350/week in 2000 to around \$620/week in 2013 (Housing Action group 2014, p. 12).

These numbers establish a basis for understanding housing prices in the area, from which the discussion of affordable housing delivery is built. These figures, however, are for *all properties* in the Leichhardt LGA and, as such, include separate houses, attached dwellings, and apartments. The HAA does not include any specific housing prices for apartments. Considering that separate houses and attached dwellings represent over 70% of the dwellings in the LGA (ABS 2011), this figure is considerably higher than if it were to specifically take apartments in to account. Housing NSW's Rent and Sales Report no. 105 (2013) indicates that for the June Quarter 2013, median prices for Strata dwellings (i.e. incl. townhouses, terraces/villas, flats/units (multi-unit dwellings) within Leichhardt LGA was \$710,000. More detailed sales price data is available on <u>www.realestate.com.au</u> which lists median prices according to the number of bedrooms. The median unit prices for Leichhardt suburb were listed at \$509,000 for one bedroom, \$700,000 for two bedrooms and \$942,000 for three bedrooms, with an average median price of \$675,000 (realestate.com.au 2014).

Considering this more specific unit sales price data, the price-points for the proposed apartments (\$350,000 for studios, \$450,000 for 1 bedroom units and \$700,000 for 2 bedroom units) are not that different from median market prices. This implies that this dwelling mix in this location does not appear to offer significant affordability benefits for the local housing market. The claim that the proposed development keeps the price-points for apartments moderate enough "such that many homes will be affordable to local people on moderate incomes" (Housing Action Group 2014, p. 16) may not be realised when dwellings are brought on to the market.

More importantly, the HAA does not discuss an apparent mismatch between the size of the affordable dwellings and their suitability for the targeted groups (young people, key workers and older people on low incomes). By definition, the majority of affordable units for sale or rent will be small (studios or 1 bedrooms). However, calculations included in Appendix A indicate that none of these properties (even studios) would be considered to be 'affordable' to individuals on a median

income. Studios and 1 bedroom units would be affordable to median income households and all median income families. However, studio and 1 bedroom apartments are not likely to be appropriate for most family households (especially for couples with children, single parents with children or other family types). Properties with two or more bedrooms are at the higher range of affordability for this group.

In summary, while there are clearly strong arguments for an increase in small and affordable apartments to augment the supply of dwellings within the LGA, the sale properties to be included within this development are not likely to be affordable to the target market considered in the HAA report, such as the key workers and others for whom there is the greatest need.

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3 Key social plans and policies

3.1 SIA Policy and Guidelines

Leichhardt's SIA Policy supports Council's commitment to achieving the vision within the Strategic Plan for a sustainable and liveable community by:

- » Making Leichhardt the place where the community wants to live, work, play and visit
- » Valuing democratic and responsible government
- » Developing commitment, systems and practices for Leichhardt to be a role model in social, environmental and economic sustainability.

Consideration of the social impacts of development proposals is required, where relevant, under the Environmental Planning and Assessment Act. A large project involving rezoning of land would typically require a Social Impact Statement.

Council's *Social Impact Assessment Guidelines for Development Applicants* provide the practical guidance for preparing the social assessments. The *Guidelines* outline the type of assessment required for a range of developments.

Where relevant, consultation should be undertaken with communities affected by the proposed development. Council has prepared a Community Engagement Framework which outlines objectives, the purpose and methods for community engagement. The Framework notes that for site specific developments, such as DAs, community engagement is discretionary until the Public Exhibition is held.

3.2 Other plans and policies

A number of other key policies and plans contain social, cultural, economic and social sustainability objectives that aim to support housing, employment and liveable communities, but have contributed to the pressures to rezone industrial properties for residential uses within the LGA.

The most relevant policies and plans include:

- » The *Draft Metropolitan Strategy for Sydney 2031,* the *Metropolitan Plan for Sydney 2036* and the *Draft Inner West Subregional Strategy*
- » 2025+ Community Strategic Plan
- » Employment Lands Study

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- » Employment and Economic Development Plan
- » Community and Cultural Plan
- » Affordable Housing Strategy 2011.

These policies and plans specify a range of social, cultural, housing, employment, sustainability and other objectives, most of which have been detailed within many reports dealing with the future of the 67-73 Lords Road site and the wider region. In essence, objectives seek to provide for adequate additional housing within the LGA to meet State government housing targets, while also endeavouring to retain existing employment uses so that local residents have opportunities to work

in the area. The site, being an isolated and fragmented industrial site, has been determined, in several studies, to be past its useful economic life and hence a site worthy for rezoning. A separate *Economic Impact Assessment* review is also underway in parallel with this report.

Other recent plans, policies and projects with relevance to future uses of the site and retention or redevelopment of industrial sites include recent Planning Proposals for the Kolotex and Allen Street industrial sites, State government plans for the Parramatta Road corridor and Westconnex project, recently announced plans for redevelopment of the Bays Precinct and plans for revisions to, amongst other factors, the housing targets within the Sydney Inner West Sub-regional Strategy. A full list of plans and policies considered in preparing this Peer Review is provided in the References section of this report.

From these many documents, we have identified a number of issues, or tensions, which have contributed to the pressures for the change to zoning on this site. These include:

- » Objectives within State government and Council plans aim to achieve both employment and housing outcomes, and these can be selectively used as the basis of development proposals and applications for rezoning
- » Relatively low housing targets for Leichhardt LGA within State government plans conflict with a need for more affordable housing. Council can effectively meet existing targets with little need to rezone former industrial sites
- Comments within the LEEDP that this site (and others) is small, fragmented and suitable for rezoning, while at the same time listing potential future industrial uses for the site. The Plan notes the need for a more focused market analysis with respect to their suitability for a range of employment generating uses and in the context of the LGA's broader economic trends and needs (p. 54-55). However, it also proposes several suitable industrial uses, including those that are 'Light and Green', logistics and wholesale, such as panel beaters, printers, cabinet makers, timber supplies and auto repairs. The SGS *Review of the Planning Proposal for the Lords Road Industrial Precinct* (August 2014) notes that the site is fully occupied, attracts relatively high rental returns, and some of the businesses fall within these identified categories. Others could be better described as either indoor recreation or community uses. The longer term viability of this site for industrial uses and/or its ability to attract uses compatible with plans for the Iron Cove Community, Culture and Recreation Precinct are important considerations that would require a more detailed understanding of the types of community and cultural uses envisaged for this Precinct and, more importantly, a demonstrated interest from the landowner, businesses and organisations themselves to move into the site
- Recognition within the Affordable Housing Strategy that there is a need for more affordable dwellings for purchase within new developments and that Council can play a role in encouraging this mix through its planning and development control policies. Smaller units will remain relatively more affordable over time and hence could be expected to benefit people on lower or moderate incomes (eg young people, key workers and older people). However, it will be a challenge for Council to effectively implement this policy and actions where even these small dwellings will be priced at levels beyond what is considered to be 'affordable' for individuals and many households on median incomes
- Contradictions between statements on Council's website and within the SIA (Cred Community Planning 2014) about the high needs for childcare (see Section 2.1.1 above), and evidence (eg on <u>www.mychild.gov.au</u> that there are some vacancies in some childcare centres in this area. These are several possible explanations for this. Childcare demands are complex (being dependent many factors including age of the child, days required) and supply changes frequently (with the opening or approval of new centres, places becoming available in other centres and so on). As noted in Section 2.1.1, it appears that a number of new childcare

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centres have recently been approved and these may have absorbed some of the excess demand discussed in Cred 2014

- » Uncertainty about the viability and longevity of existing uses and jobs at the Lords Road site needs to be weighed against the benefits of providing new dwellings and employment through redevelopment and the childcare / café uses proposed
- » Development to meet housing objectives, especially affordable housing objectives on large sites, has the potential to contribute to over-development, so that the uplift in value can be used to partly finance the cost of these dwellings
- » Plans to include the Lords Road site within a regional Recreation and Cultural Precinct, despite it not being identified as a hub, hotspot or cultural precinct itself

These internal contradictions also highlight the difficulties in weighing up the benefits and impacts of rezoning for local residents and the wider community.

4 Social issues arising from the rezoning

In this section of the report we consider the broad range of social impacts that would be expected to arise should the rezoning take place, together with the stakeholders that might be impacted or benefit.

4.1 Social benefits and impacts of the proposal

From a review of the Planning Proposal, Council's SIA Guidelines, our familiarity with the LGA and its facilities and experience on other projects, we would expect that the types of social benefits and impacts that would arise as a result of this type of a development (following rezoning) would include:

Potential benefits

- » 315 new dwellings, which could house around 545-720 residents
- » 16 affordable housing units to be dedicated to a community housing provider
- » A childcare centre with 60 places, which could be available for new and existing residents
- » A new café
- » Improvements to the local streetscape and accessibility improvements to footpaths and cycleway
- » Employment during construction and some ongoing employment when complete.

Potential impacts

- » Loss of existing employment (62 jobs) and employment lands, or relocation to elsewhere within or outside the LGA
- » Potential issues with size and scale of the development, which could contribute to a loss of privacy and overlooking of yards and shading of existing dwellings
- » Increase in local traffic and potential impacts on road safety near the school
- » Lighting and noise impacts associated with Lambert Park
- » Change to the character of the local area
- » Community dissatisfaction or concerns about development and change
- » Dedication of open space to Council would involve ongoing costs.

4.2 Evaluation of evidence

The following table summarises the key issues that need to be considered in an evaluation of the social benefits and impacts of rezoning the site. The evaluation draws on information from the Planning Proposal and other documents, as well as the social, cultural, housing and employment objectives of key policies and plans.

Table 2Social impacts display table

Rezone industrial land for housing				
Social benefits	Issues and comments			
Excellent location for housing in relation to other services and facilities including transport, access to schools, shops, services,	Would provide additional housing including 5% affordable rental housing and other apartments for sale, including 162 smaller units that would be affordable to small households on moderate incomes. This rate of affordable rental housing appears relatively generous compared with other local developments which have incorporated at most only 3.7% of dwellings as affordable rental housing (HAA). 51% of dwellings would be considered to meet affordability criteria compared with Council's notional target of 10% in new developments (HAA, p. 18)			
employment areas and recreational activities	 Estimated new population of 545 – 720 depending on occupancy rate applied 			
	 Additional population is not large enough to support new community facilities, but would contribute to demand for a range of services including childcare, medical services, open space and recreational facilities, libraries, activities in community centres etc 			
	Statements in HAA that there is high demand for small dwellings is consistent with Council's Affordable Housing Policy but does not directly correspond with Census data, other Council reports and Cred Community Planning 2014, that show the proportion of households with young children has increased in recent years			
	» Affordable rental housing will comprise studios and 1 bedroom dwellings only			
	Smaller dwellings for sale on the private market are not likely to be affordable to singles on median incomes although they would be affordable to households and families on a median income (see Appendix A). This represents a likely mismatch and risks not meeting objectives to increase affordable housing as stated.			
	 » Location would support access and sustainability objectives in State and Council policies (including Leichhardt 2025+ and LMC 2010) to encourage walking, cycling and public transport access, housing near schools, services and employment 			
	Accessible location and inclusion of affordable housing component could support a higher FSR than currently permissible, although the scale and bulk should not create adverse social impacts for existing residents and neighbourhoods. Social impacts can be minimised through a design that allows for integration with the finer grain of local neighbourhoods (eg through paths and accessways) and should avoid overlooking of yards, loss of privacy for existing residents, shading, noise and traffic impacts. Other design features that would minimise adverse social impacts include high quality public and private open spaces (with access to areas of sun and shade), set-backs from boundaries and quality finishes to avoid adverse impacts on the amenity of residents and the character of the existing neighbourhood.			

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Rezone industrial land for housing				
Childcare centre could meet demands from incoming residents and	» A 60 place childcare centre would create places for incoming residents and leave additional places for other users. SI has assumed 25 places for incoming residents to the development, leaving another 35 for others. This may overestimate needs of these new residents			
have excess capacity for other children	This would meet some of the demand for places in existing facilities as evidenced by long waiting lists (Cred Community Planning 2014) and calls for more childcare within the LGA (Council website), although there is some evidence that childcare shortage is not critical in this part of the LGA			
	» Impact of proposal on Council's plans for three new childcare centres needs to be considered. A number of recent approvals for privately operated childcare centres appears to have gone some way to addressing a shortfall in places			
	» Traffic impact of pick ups and drop offs will add to traffic from residents - marginal change in traffic over current levels and timing of trips are key issues			
Café	» Would contribute to local employment, enliven the area and provide a local meeting place			
Quality of design	» A high standard of design for new residential buildings could improve aesthetic appearance of the neighbourhood in comparison with older industrial style buildings and has the potential to enhance the streetscape through plantings, landscaping and access paths around the site to enhance local environment			
	» Appearance and visual quality are subjective matters and the existing industrial character and uses may appeal to some more than others			
	The proposed scale and bulk of design will affect perceptions of design quality and change from current use. It is noted that Council has evaluated the design merits of the Planning Proposal and consider it to be "unsatisfactory in respect of the proposed bulk and scale, inadequate common open space, traffic, parking and access". As a result, the "amenity impacts on surrounding properties and future residents at the site is unacceptable." (Draft Leichhardt Council Report undated)			
Reduced noise levels	» Potential for reduction in noise from industrial uses and heavy vehicle movements			
Open space	» Council open space planning staff have indicated that there is a shortage of open space in this area. The adjacent sportsground at Lambert Park is leased to a club and not available for public use. A smaller neighbourhood park is available for community recreation			
	The design should provide suitable areas of private open space for residents, through balconies and communal areas within the site. A central park area as shown in the concept design would meet some needs, although design issues including shading, lighting, seating and the need for passive surveillance will require careful planning			

Rezone industrial land for housing						
	» Dedication to Council will involve ongoing costs and the area may be too small to be of interest					
	» VPA offer to upgrade adjacent open space cannot be delivered as this is not Council land					
	Incorporation of open space in the design would do little to address pre-existing shortfalls across the LGA, even with the dedication of a central park within the site.					
Access and connectivity	» Proposed upgrades to improve the quality of walkways and cycle links is a social benefit that should encourage active transport and informal meeting for residents					
	» Plans for access through the site to the light rail station and internal open space will need to take a range of factors into account including safety, security and crime prevention (CPTED) for residents, privacy, the delineation of areas of private and public open space, lighting, seating and materials					
	 Dedication of through site pathways to Council will involve ongoing costs. 					
Social impacts	Issues and comments					
Loss of existing uses and industrial land	 » Loss of 62 existing jobs and 21 businesses from the site would be offset to some degree by new employment generated through construction and ongoing needs associated with the proposed rezoning (estimated at around 25+jobs) 					
	» Existing businesses and activities operating from the site would need to relocate to other industrial areas or community spaces, which may adversely impact on their viability or may result in a loss to the local area					
	» As a proportion of industrial land in the LGA, loss of this site has been assessed as being very small. In addition, this site is not suitable for some light industrial uses as it is not on road transport routes and is located in a residential area					
	» Incremental loss of industrial lands and employment will be further affected if other industrial lands within the Bays Precinct are rezoned for other uses. Retention of this site's industrial zoning would contribute in a small way to the preservation of industrial land and local jobs, but due to its small size, retention would be unlikely to fully offset the loss of other industrial lands					
	Analysis of <u>economy.com.au/leichhardt</u> employment data indicates that local residents are unlikely to seek local industrial jobs. 70% of residents of South Leichhardt are employed as professionals, managers and clerical workers. Only 17% of local residents work in Leichhardt LGA and more than 40% of Leichhardt residents work in the City of Sydney LGA (<u>http://economy.id.com.au/leichhardt/residents-place-of-work-industry</u>).					
Change in character of the local area	» Residential buildings of 4-8 storeys would represent a significant increase in local density. Higher density and heights could perhaps be justified nearest transport node in south west corner but overall the design does not reflect scale and					

Peer review of Social Impact Assessment and Housing Affordability Studies for 67-73 Lords Road, Leichhardt Elton Consulting

Rezone industrial land for housing				
	finer grain pattern of development in local area » Concerns have been raised by local residents about potential impacts of the project on existing neighbourhood			
	» Need to consider the cumulative impacts of change, as this development will occur alongside other changes in zoning associated with Bays Precinct, Parramatta Road UAP, Westconnex and other projects			
Potential for overlooking of neighbouring properties	 Although Concept Design report aims to avoid overlooking, the design appears to overlook many adjacent properties. Ideally, design should step back from boundaries and face away from neighbours to avoid overlooking and potential loss of privacy 			
	» Concerns have been raised by Department of Education and users of Lambert Park about overlooking from apartments			
Noise from light rail line	 This may be an issue for some residents 			
	 Appropriate insulation and design could minimise internal noise levels 			
Potential impacts on school	» Additional traffic has not been identified as being an issue in the Traffic and Parking study (Varga 2014)			
	 Road safety is a concern for Department of Education 			
	» Design of residential apartments should avoid potential to overlook the primary school			
	» Department of Education has advised there appears to be adequate capacity within the local primary and high school campuses to absorb new students from this site			
Traffic and parking	» Has been assessed in Traffic and Parking Study (Varga 2014) and found to have no discernable impact on local roads and intersections			
Lighting and noise impacts	» The oval is under long term lease to the Apia soccer club and is used at weekends and in the evenings			
from Lambert Park	 Provision would need to be made within the design to ensure noise and lighting impacts are not a concern for residents, such as through awnings, shade screens, double glazing etc 			
Potential for overlooking of	» The Concept Design promotes the view corridor over Lambert Park as a benefit of the proposal			
oval	» This may be a concern for users of the site if direct views from apartments have the potential for loss of privacy or create a nuisance for users			
Access to Lambert Park	» New residents may wish to access the site for exercise, dog walking etc. Information will need to be provided about restrictions on public access to and use of the sportsground. The smaller neighbourhood park is available for public			

Rezone industrial land for housing			
	recreation		
Community concerns	 Best practice SIA, including Council Guidelines, would involve community and stakeholder engagement prior to exhibition of proposal 		
	» A resident action group known as 'Save our Suburbs (SOS) Leichhardt' formed recently in response to concerns about rezoning of the nearby Kolotex / Labelcraft site. An awareness of these issues appears to have contributed to submissions being made to Council for this Lords Road Planning Proposal expressing concerns about the potential for adverse effects the proposed rezoning, particularly:		
	> Adverse effect on residential amenity through noise, disturbance, potential loss of privacy, potential overshadowing		
	 Overdevelopment of the site, adverse impacts on neighbourhood character, road safety issues, particularly near the school, additional traffic, historical value of site and loss of industrial uses 		
	» Other residents have also raised concerns relating to the scale of development, traffic and road safety issues		

Retain site as industrial use							
Social benefits	Issues and comments						
Maintenance of employment at the site	Retention would help secure premises for 21 businesses / activities and 62 jobs. Many current uses do not appear to be light industry - the site appears offer de facto community centre uses eg fitness, art centre etc						
	» The Review of the Planning Proposal for the Lords Road Industrial Precinct (SGS 2014) indicates the site is fully occupied and attracts relatively high rents						
	» Information about place of residence of employees or users of site would be relevant. This information is not included in the proponent's <i>Industrial Rezoning Economic Justification (</i> MacroPlanDimasi October 2013) and was not within the scope of the <i>Social Impact Assessment</i> (Cred 2014)						
Limited change over time for the local area	 Minimal community concerns would be expected about these ongoing activities, including noise and traffic generated Community might support ongoing industrial uses over residential uses Avoid issues relating to overlooking, loss of privacy, traffic impacts 						
Opportunities for de facto community uses to	 » Tenants currently include recreational activities (exercise classes, training) and artistic uses » Unclear whether these are viable long term uses or short term uses while future of site is under consideration 						

Peer review of Social Impact Assessment and Housing Affordability Studies for 67-73 Lords Road, Leichhardt Elton Consulting

Retain site as industrial use					
remain on site	 Also not clear whether these uses are consistent with current zoning objectives 				
Opportunity to attract more community and/or cultural uses> This would be consistent with proposals for an Iron Cove Recreational and Cultural Precinct foreshadow <i>Community and Cultural Plan,</i> although this site is not specifically highlighted as a hub, hotspot or creat 47)					
	» This may be possible through adaptation of existing buildings or require new development				
	» Use would need to be of interest to current land owner, either under current zoning or as part of residential development				
	» No indication of level of demand for such uses or viability of development. The LEEDP (LMC 2013) notes that creative industries prefer to cluster in areas with high levels of activity, accessibility and amenity.				
Social impacts	Issues and comments				
Ongoing viability	» Site is not a significant industrial or employment site within the LGA and only some of the existing uses are strictly industrial or consistent with appropriate uses identified in the LEEDP				
	 Over time, site constraints could reduce its suitability for industrial uses, although the Council commissioned <i>Economic</i> <i>Impact Review</i> identifies a range of reasons that could contribute to ongoing demand for such sites 				
Contributes to lower rate of new and affordable housing opportunities in the LGA	 » Opportunity costs of not developing the site for housing or other more high-value uses » Forego opportunity for affordable housing and additional small dwellings 				
Loss of opportunity for childcare centre	 Childcare shortages may continue to be an issue in the LGA, particularly if growth rates for young children continue recent trends 				

5 Is there a social and cultural basis for change?

The table of issues and impacts in the previous section indicates that while there is a case for retaining 67-73 Lords Road as an industrial site for employment uses, the ongoing viability has been questioned in several assessments, including the LEEDP and the Economic Justification report (MacroPlanDimasi 2013). Only some of the industries suggested as appropriate within the LEEDP are operating here at present, and instead a range of relatively small scale light industrial or recreational and cultural uses appear to occupy spaces at the site. In fact, the LEEDP contains several inherent conflicts relating to future use of this site, including both support for rezoning and identification of specific industrial activities appropriate for the site.

The site's location within a residential area and its close proximity to the light rail station, buses, cycleway, shops, schools and services support good planning and healthy urban development goals for residential development, which are articulated in many State Government and Council strategies. In addition, the project has been assessed as not likely to contribute to additional traffic or create adverse conditions at local intersections over current levels, despite these issues being raised as concerns by local residents and the Department of Education. Many of the lost jobs would be replaced through construction and ongoing activities at the site (childcare centre, café, property maintenance).



In terms of the potential for inclusion of this site within the Iron Cove Community, Culture and Recreation Precinct, some uses could be considered to be compatible at present. However, irrespective of the zoning, the likelihood of encouraging future community and cultural uses will be dependent on agreement with the landowner.

Should the rezoning proceed, the design should aim to minimise social impacts, particularly relating to factors such as:

- » The scale and bulk of the project, given the pattern of development in the local area
- » Positioning of higher and larger buildings near the north west corner of the site to minimise impacts on the local neighbourhood
- » The potential for balconies and windows to overlook neighbouring properties
- » Traffic and parking impacts
- » Design to avoid lighting and noise impacts from adjacent oval
- » Potential for public access to the open space on the site.

6 Conclusions and recommendations

Peer review of SIA and HAA

Both the SIA and HAA appear to be essentially sound and well researched documents in support of the Planning Proposal, although the scope of each is limited to particular issues. A wider scope of each study would have allowed consideration of other important issues and tradeoffs which could shed greater detail on the development context and complexities of the local setting and history.

The SIA provides a thorough, authoritative and well researched analysis of the provision and capacity of both schools and childcare facilities in the LGA. The proposal to include a childcare facility in the Planning Proposal provides advantages in meeting a demonstrated shortage of places within the LGA, as well as the expected additional needs that would arise as a result of attracting new residents to this site. If anything, the approach used overestimates the expected number of children that would live in this development, and therefore would result in more childcare spaces for use by other members of the community.

As noted in Section 2.2, the analysis of housing affordability used in the HAA report is based on broad medians for income and housing prices and does not necessarily reflect the household structures, incomes and hence affordability issues and experiences of actual residents of the LGA or those wishing to live there. Inclusion of even median individual incomes would have shown that affordability of the proposed dwellings is likely to be limited at the price points proposed. This indicates there is a potential mismatch between the expected price of the small, 'affordable' dwellings and the size of households with an income to purchase these units. Should the smaller units only be of interest to households with higher than median incomes, this would leave only the 5% affordable rental housing component as contributing towards Council's objectives. Finally, the scope of the HAA report does not extend to consideration of the broader issues of whether the site is better suited for other uses or whether other sites within the municipality are more appropriate for affordable housing.

Social impacts and benefits of rezoning of industrial land

The wider question of whether there is a case to rezone the site for residential uses based on an analysis of social impacts and benefits is difficult to determine on this basis alone.

SGS's *Review of the Planning Proposal for the Lords Road Industrial Precinct* (August 2014) advises that the existing industrial property is fully occupied and able to attract relatively high rents compared with other industrial properties nearby. It is interesting that the site has attracted a number of de facto community uses such as indoor recreation and creative pursuits, which are ancillary to the industrial uses. Retention of the site in industrial zoning will continue to provide employment and community uses, although at the same time this creates some adverse social impacts for neighbouring residents, such as heavy vehicle movements, noise and an industrial character with relatively low visual and design quality.

A rezoning for much needed residential uses would not only contribute to the loss of employment from the site, but would also affect the availability, accessibility and perhaps the affordability of these activities. It is unclear where the community uses would relocate to, should this site be rezoned and developed, but other industrial properties or community spaces would need to be considered by the operators. Some may close altogether or relocate outside the LGA. Another option for Council is to retain the site in industrial zoning while also seeking to attract new community, cultural or creative uses to the site. While consistent with the objectives in the *Community and Cultural Plan*, the site is not specifically identified as a future hub, hotspot or creative precinct. To include this site within the Iron Cove Community and Cultural Precinct, Council would need to reach agreement with the landowner to attract arts or community groups to its units (when vacancies arise) consistent with the Outcomes and Strategies in the *Community and Cultural Plan* (p. 48). This will present a challenge given that the current Planning Proposal (and options considered by SGS) could generate higher returns in the market for the site. Alternatively, Council could make the case for a community, creative or cultural space within a new residential development, rather than, or in addition to, the proposed childcare centre.

Rezoning for residential uses would clearly create a major change in the neighbourhood character that would be most directly experienced by residents of nearby properties, particularly those adjoining the site to the east. The current Planning Proposal indicates that the location and size of the site would be expected to support high density development (FSR of 2.4 proposed), and Council feedback to developers of similar types of projects appears to have flagged that affordable housing and childcare are two key needs within the community. The new housing would help address the identified shortages of moderately priced properties. A childcare centre would directly address Council's identified shortfalls in services. However, the size and scale of proposed development are likely to create significant concerns and some direct adverse social impacts for local residents. These impacts would extend to the wider community, should concerns about local traffic, parking or road safety eventuate. Furthermore, a consideration of social impacts alone is not a sufficient basis to determine factors including FSR, the number of dwellings, building size and mix.

A greater concern in attempting to realise social benefits through a rezoning, would be the tradeoffs that will need to be made as the project proceeds. For example, pressures to reduce the scale and height of the current design would be expected to directly reduce the numbers and proportion of smaller and affordable dwellings to be included, and hence some of the major benefits on offer. As LMC does not have legislated targets for affordable housing, requests by Council to reduce the density or bulk of the project could see some of these initial benefits pared back as the project moves forward.

A key issue is therefore how can the proposed housing benefits be locked in, rather than pared back as planning and development proceeds?

Broader social considerations include:

- » Conflicts within and between broad State planning policies and Council plans and actions (eg housing targets, plans and priorities for industrial / employment sites, implementation of affordable housing objectives etc) will continue to create uncertainties and pressures for change
- There will be a tradeoff between loss of employment and community uses on the site and employment that would be created through development for housing, childcare and the café.
- » Resident views are residents concerned about this specific proposal or about change per se? Council plans acknowledge the need for change (eg affordable housing, encouraging development near transport nodes and centres) and yet the community may object to change per se, rather than the loss of industrial land. The cumulative impacts of change over time will continue to impact directly and indirectly on the character of local areas, traffic levels etc
- » Potential for community, cultural or arts uses Given some of the current activities, the site is acting as a de facto community and recreation centre. There is therefore a potential to look at ways to maintain some of these uses in the new development for benefit of existing users and the local community, consistent with the *Community and Cultural Plan* concept of a creative hub across nearby precincts. These uses could be incorporated as well of, or instead of, the proposed childcare centre, although this would be subject to negotiations with the landowner.

Irrespective of the zoning, designation of the site for future cultural and community uses raises questions about the process for attracting such uses to the site and the compatibility of such uses with the landowner's plans for the site.

Ultimately, social issues revolve around the community impacts and benefits of the proposal:

- » What tradeoffs if any is the developer prepared to make eg alternative uses such as community, creative or cultural uses, rather than childcare?
- » Is this a good site for childcare or should contributions go to another site or to one of Council's childcare centre projects?
- » Would contributions be better if directed to another project eg community uses / community centre, arts centre etc?
- » Will the affordable housing component proceed with a community housing provider?
- » Will 46% of the other units come onto the market at affordable prices and remain at affordable levels over time?
- » Is the proposed FSR too great a level of intensity at this site and how will a reduced FSR affect the proposal for supply of affordable rental and sale properties and the childcare proposal?

Recommendations

Should the proposed rezoning occur, Council will need to determine whether childcare is a desired use on the site. If another use is preferred (eg activity space for community, creative or cultural uses consistent with the *Community and Cultural Plan* objectives, and/or additional recreational space to replace the gymnasium and other de facto community uses), Council will need to negotiate this with the proponent through the VPA. Council has indicated that a minimum of 500m² of affordable creative space (non-residential) and, in addition, suitable recreational space to accommodate a gymnasium, would help to mitigate the loss of these activities for residents.

In addition, Council should seek assurances that the proposed affordable housing components will actually deliver much needed affordable dwellings into the future through:

- » Requirement as part of the VPA to provide the proposed (5%) affordable rental housing component of studio and 1 bedroom apartments and dedicate these to a community housing provider on a permanent basis
- » Agreement to the proposed dwelling mix, provided that some assurances can be obtained that the standard of product and price points will enable a sizeable proportion of (smaller) dwellings to be brought onto the market within a moderate price range. If this will not be possible, it may be preferable to negotiate a higher proportion of affordable rental dwellings and fewer sale properties, as the rental properties would be guaranteed to be delivered at affordable rents for a minimum of 10 years
- » Ensure design does not contribute to a loss of privacy for adjacent residents, school children and users of Lambert Park
- » Ensure design incorporates structural or other design features to effectively block lighting and noise from use of Lambert Park
- » Ensure the design is of a high design standard, using setbacks, orientation and landscaping to shield visual impacts and improve local streetscape and connections to local footpaths, cycleways
- » Ensure childcare centre, if provided, provides for quality outdoor spaces consistent with best practice guidelines
- » Ensure road safety measures are adequate for traffic levels and to protect school children.

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Appendices



Affordable housing calculations

A Affordable housing calculations

While this proposal will provide a welcome increase in the stock of available lower priced housing, most of the affordable units will be (by definition) very small and hence not suitable for purchase by families or households of more than around two people.

Estimated moderate price points (HAA p. 16) are listed as:

- » Studios ~ \$350,000
- » 1 Bedroom units ~ \$450,000
- » 2 bedroom units ~ \$700,000.

The table below shows the range of dwellings prices and rents that would be 'affordable' for different household types based on median income levels.

	All households		Family households		Individuals	
Median gross weekly income (Leichhardt LGA, 2011 Census)	kly income \$2, chhardt LGA,		\$2,738		\$1,086	
Indexed for increase in AWE	\$2,424		\$2,971		\$1,178	
	80% of 30% of income	120% of 30% of income	80% of 30% of income	120% of 30% of income	80% of 30% of income	120% of 30% of income
Maximum housing affordability	From	То	From	То	From	То
	\$582/wk	\$873/wk	\$713/wk	\$1,069/wk	\$283/wk	\$424/wk
Monthly rent range at median income	\$2,521 to \$3,781		\$3,090 to \$4,634		\$1,225 to \$1,838	
Maximum purchase price (10% deposit, 5.9% interest and 30 years term)	From \$472,220	To \$708,333	From \$578,778	To \$868,111	From \$229,444	To \$344,333

Calculations based on the data in the HAA and further desktop research (eg <u>www.domain.com.au</u> and <u>www.realestate.com.au</u> indicates that none of the proposed units would be affordable for purchase by individuals on a median income, as the maximum that could be borrowed would be

around \$309,900, for a dwelling priced at around \$344,333. Studios and 1 bedroom units would be affordable to all families and households on median incomes, but these dwellings may be too small for their needs. Two bedroom apartments are likely to be beyond the reach of the average household on a median income (who could afford to purchase at up to \$708,333) and would be affordable to only a portion of families on the median income (who could purchase a property at up to \$868,111). A development comprised of mainly small units will therefore be affordable to a range of people on moderate incomes, including key workers, but the majority of these affordable dwellings will not be suitable for more than 2 people.

Rental properties, both for the affordable rental units and other units in the development, appear to be more affordable to those on moderate incomes. Median rents for 1 bedroom units in Leichhardt LGA would be within reach of the average household and families on a median income and a 2 bedroom unit appears to be affordable for most households on a median income. A 3 bedroom unit would appear to be affordable for most local families on the median income.



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