

29th August 2021

Mr Luke Walton
Executive Director
Department of Planning, Industry and Environment
Locked Bag 5022, Parramatta NSW 2124

Online submission

Dear Mr Walton

Draft Housing SEPP

Introduction

I write in relation to the *draft Housing SEPP* (the draft SEPP) placed on public exhibition by the Department of Planning, Industry and Environment (the Department) for comment until 29th August 2021.

Urban Taskforce does not support proceeding with this SEPP as exhibited. We understand that deferring progress with this SEPP for 12 months is a position supported by industry peaks. This deferral period should be used to progress the changes and other policy initiatives suggested by Urban Taskforce in this submission.

Since the EIE was published, there has been a wholesale exodus from the delivery of affordable, private housing among Urban Taskforce members. The process of policy review has produced a range of very damaging outcomes for the feasibility of development of lower cost housing types. The practical effect of this Draft SEPP is to force affordable housing types like boarding houses and co-living into competition with market apartment housing. Worse, the Draft SEPP reduces FSR bonuses for co-living, rendering this housing type unfeasible. This will result in the production of less affordable and lower cost housing.

Urban Taskforce Submission to the EIE

The policy intent of the Explanation of Intended Effects (EIE), formerly known as the Housing Diversity SEPP, as exhibited during August 2020, was broadly welcomed by the Urban Taskforce.

Urban Taskforce welcomed the EIE in so far as it acknowledged new and important housing types that, within the right planning framework, had the potential to help meet Sydney's dwelling targets, provide more affordable and flexible housing options, and help support a post COVID-19 economic recovery.

In our response to the EIE provided to DPIE on 9th September 2020, the Urban Taskforce provided practical feedback, case studies and suggested improvements

to the proposed definitions and planning provisions.

A copy of our submission to the EIE, including this detailed feedback, and subsequent advice provided as part of the post exhibition engagement is attached. While we note that a small number of our suggestions, such as the lowering of minimum room sizes for co-living have been incorporated, many of our recommendations have not been reflected in the draft SEPP. Urban Taskforce believes that it is only through a genuine dialogue with industry players that an outcome can be delivered which will support the delivery of housing diversity.

Housing Affordability is in Crisis in NSW

Since the exhibition of the EIE the NSW Productivity Commission released its White Paper. The Productivity Commission identified that in *"Rebooting the Economy"*, that there is a need to *"pursue policies and regulation to increase the supply of the right types of housing, in the right places, at the right times"*.

Key findings of the NSW Productivity Commission White Paper (page 14) include:

"Housing supply has failed to keep up with demand. That has led to an undersupply of housing, increasing the cost of living for households and making New South Wales a less attractive place to live and work".

and

"Regulations on apartment design and car parking requirements add to the cost of housing and are out of step with the needs of the community"

Consistent with the findings of the NSW Productivity Commission, a Housing SEPP for NSW should seek to drive growth in housing supply and meet all the different demands by facilitating a broad range of housing typologies, across different price points throughout different locations. Indeed, these were the sentiments of Minister Robert Stokes when the new Housing Diversity SEPP was first announced (now named the Housing SEPP in his assertion that *"what you earn shouldn't stop you from living in any suburb"*¹).

The draft SEPP has been developed and released at a time when housing prices continue to grow. According to the Frontier Centre for Public Policy for the Urban Reform Institute: *Demographia International Housing Affordability Report 2021 (p.7)* Sydney is the third-least affordable city in the world for housing².

Our members advise that this draft SEPP, if made, will actually reduce housing diversity, limit supply and worsen the current disastrous housing affordability crisis. The Draft SEPP makes the provision of affordable housing by the private sector

¹ O'Sullivan M, 2021, 'What you earn shouldn't stop you from living in any suburb: Stokes', Sydney Morning Herald, August 27, 2020.

²Cox W, February 2021, 'Demographia International Housing Affordability Report 2021', Urban Reform Institute and the Frontier Centre for Public Policy, Canada

uneconomic. This is completely at odds with the original intention of the Housing Diversity SEPP and the direction recommended by the Productivity Commission.

The affordability impact of the SEPP has the potential to be even more pronounced in regional areas of NSW where there is a proportionately higher demand for new housing that is affordable. The *Domain Rent Report, June quarter, 2021*³ states that weekly rents in more than 20 regional markets have jumped by 10 per cent or more in the space of one year. The escalation of rents reflects the high demand for housing and the manifest undersupply across much of Regional NSW.

By significantly undermining the feasibility of existing affordable housing types, the draft SEPP will result in less, not more, affordable (lower cost) and less diverse housing supply.

It is for these reasons that the Urban Taskforce calls upon the NSW Government to postpone proceeding further with this SEPP for at least 12 months.

During this deferral period other initiatives that would allow for the swift production of housing that is affordable should be considered.

The **Manufactured Homes and Estates SEPP**, which has the potential to create both housing diversity and affordability is languishing in the Department of Planning despite the exhibition of a discussion paper in 2015. Increased permissibility of manufactured homes, particularly across Regional NSW, would be an efficient, progressive and responsive policy outcome. Manufactured homes, by being affordable and quick to deliver, have the capacity to almost immediately provide the new homes needed in many parts of NSW.

SEPP 36 has been effectively incorporated into the new Draft SEPP unchanged. The Department has advised that it will look to complete this work by the end of 2021. This is a model of ownership that should be urgently reviewed – as it effectively represents a halfway house between build to rent property and standard house and land package sub-division ownership.

Manufactured homes evolved from provisions for caravan parks in regional communities. They have long since outlived that classification and now offer a low to medium cost option which involves the purchase of the physical home along with a long term rental agreement for the land.

The legacy of the historic link with caravan parks means that the SEPP requires that the home be “transportable”. This adds unnecessary cost and is, in the experience of our members, never used.

This product is attractive to retirees who wish to downsize and free up funds for their retirement. There is no reason why this type of estate or ownership model could not be applied to any land where residential housing is permitted.

³ Domain, powered by APM, June 2021, 'Domain Rental Report', accessed 25th August 2021, <<https://www.domain.com.au/research/rental-report/june-2021/#sydney>>

Conversion of Serviced Apartments into new homes

As a consequence of the COVID 19 pandemic, the global and domestic travel restrictions, there are empty apartments in Greater Sydney and beyond. Many of these are serviced apartments and were designed and built to comply with the Apartment Design Guide (ADG) of the day for residential apartments.

Swift conversion of these serviced apartments for use as residential apartments, perhaps sold at a discount as affordable housing for key workers, would enable a fast track to housing supply. However, this would require a special exemption from having to update these buildings to comply with current zoning and ADG obligations (hence the rationale for a discount / affordable housing for key workers designation).

Urban Taskforce recommends DPIE urgently:

- Re-draft the Manufactured Homes and Estates SEPP to facilitate a significant increase to the permissibility of this housing type and remove the current, outdated and expensive requirement for the manufactured home to be transportable.
- Investigate a time-limited opportunity for the conversion of serviced apartments into new affordable homes without the need to comply with updated ADG guidelines.

Urban Taskforce comments on the proposed changes in the Draft SEPP:

Boarding Houses and Co-living

The draft SEPP, by not mandating that Boarding Houses are permissible with consent in the R2 Low Density Residential zone, has effectively killed the feasibility of boarding houses.

Our members have already advised they will be leaving this sector of the market because without R2 zoned land, the land acquisition costs will be too high, and the returns will not justify the investment to construct a boarding house.

The draft SEPP does not change the status quo at all. It proposes that Councils can choose to have include boarding houses as permissible in R2 zoned land. However, regrettably, history and experience shows us that this is highly unlikely to occur.

Currently there is a negative perception in many communities that all boarding houses are for people collecting welfare with anti-social behaviour. This is not the case. By removing incentives to participate in the market, the provision of boarding houses will remain in the hands of not-for-profit community housing providers. This sector, while well intentioned, has failed to overcome the current negative stereotypes.

This sector of the housing market desperately needs the private sector to increase the supply of well designed and built boarding houses. However, the draft SEPP

does nothing to achieve this. It imposes costly development standards for a wide range of matters which simply drives up the cost. It fails to facilitate the conversion of un-used buildings to low cost housing such as boarding houses. It is totally over prescriptive and inflexible.

It will perpetuate socio-economic divisions rather than mitigate them. Recent research is showing that the most significant area of demand in many areas for affordable housing is for single women over 50. This policy will have the perverse effect of continuing to drive up housing prices and limit supply to those in our community who need it most.

Even more perverse is the distortion imposed on the market by allowing the Government owned business, Land and Housing Corporation to build boarding houses on any land including R2 zoned land **without development consent!**

Not only is this contrary to ordinary principles of competitive neutrality, it totally disincentivises the private sector from entering the market and increasing supply. It will result in the Government and not for profits carrying the burden of boarding house accommodation. This is a farcical situation.

Similar arguments apply to Division 5 of the Draft SEPP which limits participation of the private sector in the provision of additional housing supply in particular areas. We do not understand the logic of limiting this Division to development by LAHC and community housing providers.

In terms of the Government's preferred replacement for boarding houses, being co-living, the draft SEPP by reducing the Floor Space Ratio (FSR) bonus from 20% down to 10% (and only until August 2024) and again effectively prohibiting this housing type from the R2 low density residential zones as well as including mandated car parking requirements - destroys its feasibility.

The level of prescription proposed for co-living, particularly that relating to car parking, is clearly at odds with the findings of the NSW Productivity Commission. Further, as articulated in the earlier Urban Taskforce submissions, this requirement is contrary to co-living residents' needs and preferences. Put simply, car parking is not required by many of those who need low cost housing.

Urban Taskforce recommends the Housing SEPP mandate boarding houses/co-living as permissible in all residential and business zones to facilitate a broader range of housing typologies, across different price points throughout different locations.

Urban Taskforce recommends that DPIE work with NSW Treasury to complete a full regulatory impact assessment and cost benefit analysis of the draft Housing SEPP's impact on the delivery of more affordable housing options such as boarding houses and co-living developments before the SEPP is further considered. The cost benefit analysis should cover a range of projects, both existing and proposed; in metropolitan, rural and coastal NSW.

Seniors' Housing

The Urban Taskforce welcomes a partial backtracking by Government on the exclusion of seniors housing from some of the land covered by the Metropolitan Rural Lands overlay.

Additional proposals broadly supported by the Urban Taskforce include:

- Additional FSR bonuses for 'vertical villages' (albeit only in areas where residential flat buildings are permissible)
- The inclusion of B3 to B8 Zones as being suitable for senior's housing
- State Significant Development pathway for larger projects (albeit where at least 60% of the CIV of the development is for a residential care facility)
- Changes to building heights to better align with industry standards
- Reduction in landscaped area requirements
- Removal of site compatibility certificate (SCC) requirements, although noting this has consequences for seniors housing when adjoining sites zoned RE2, SP1 and SP2.

Urban Taskforce members report that approximately 80% of seniors housing is currently delivered on land zoned R2 Residential or Rural. Low density residential and accessible rural areas are presently preferable locations for new seniors housing in terms of market preferences and because lower land costs allow for more affordable options to be provided.

As such, irrespective of the proposals under the draft SEPP supported by Urban Taskforce, we remain strongly concerned about the broader permissibility and feasibility impacts of the draft policy, particularly when a residential care facility is not included as part of the development.

Blanket prohibitions will not deliver the seniors housing required to meet the needs our aging population. Instead of reducing the areas where seniors' housing is permissible the Government should be looking for more areas to facilitate an increase in the supply of housing for seniors.

Urban Taskforce asserts there is significant and appropriate development potential for seniors housing on well located and accessible land zoned R2 Residential and Rural, irrespective of whether a residential care facility is included. This is the case at present. No study we have seen shows that it is necessary to mandate the inclusion of a residential care facility.

Indeed, for many market participants, the provision of residential care facilities is not part of their business.

The provision of independent living units (ILUs) complements and reduces the need for residential care facilities. People living in independent living units enter aged care around 5 years later than people living in their own home⁴.

⁴ Grant Thornton for the PCA, 2014, 'National overview of the retirement village sector', Property Council of Australia, October 2014.

However, even ILUs are larger and more expensive to build than traditional apartments. Further there are design requirements and on-going operational costs that are unique to Seniors Housing. Urban Taskforce members report that decision makers are generally unaware and unreceptive to the consideration of these factors. For supply to meet the demand of the ageing population, this will need to change.

Urban Taskforce notes floor space and height bonuses are proposed to be limited to areas where residential flats are permissible. The introduction of larger floor space bonuses in B3 to B8 zones will be needed to allow seniors housing to compete for land in those zones and facilitate the development of seniors housing that is conveniently located and reduce the reliance on residential care facilities.

Further, the need for and impacts of residential care facilities and ILUs are comparable, so the permissibility and bonuses for both should be the same. The development assessment process exists to allow merit assessment of whether a particular site is suitable for seniors housing in its various forms.

Urban Taskforce recommends that in finalising the Seniors Housing provisions in the SEPP, DPIE:

- Includes the same prescribed zones for independent living units that are proposed for residential care facilities
- Includes rural land zones as a prescribed zone
- Ensures sites adjoining RE2, SP1 and SP2 are not disadvantaged by the removal of the SCC process
- Floor space bonuses similar to those proposed in areas where residential flats are permissible should be provided in the B3 to B8 zones
- Planning Panels determining seniors housing applications should include experts in the operations, social impact as well as architects with experience in the design of seniors housing.
- The provisions relating to 'non-discretionary standards' should be modified to make clear the intent of the clause where LEP provisions are less onerous than the standards in the SEPP.
- Applications that include ILU's and are over a certain dollar threshold should also qualify for the SSD pathway for approval especially if they include innovation and / or affordable disability housing

If the Housing SEPP allows Councils to determine where certain housing types are permitted, the feasibility and ultimately the supply of different housing typologies will be threatened.

Issues of affordability and equality of access to housing across the State are too important to be left to individual councils. It was councils' failure to deliver adequate choice, supply and diversity that drove the need for SEPPs in these areas in the first place. Handing powers to Councils protects the interests of current occupants but rarely (if ever) leads to meeting the public demand for more affordable housing or the needs of future populations who are essential to our economic growth.

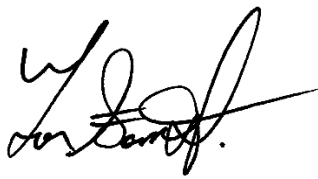
Conclusion

On balance, the practical outcome from the draft SEPP is that the limited permissibility, prescriptive controls and extra costs will reduce the relative feasibility of delivering a range of housing types to market. Ultimately, this will have the effect of limiting both supply and affordability.

Table 1 includes a summary of Urban Taskforce submissions.

The Urban Taskforce is always willing to work closely with the Government to provide a development industry perspective on barriers to housing supply and choice in NSW.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', written over a horizontal line.

Tom Forrest
Chief Executive Officer

Attachments:

1. Urban Taskforce post EIE exhibition industry engagement advice – Seniors
2. Urban Taskforce post EIE exhibition industry engagement advice – Co-living
3. Urban Taskforce submission to Housing Diversity EIE

Table 1:
Summary of Urban Taskforce recommendations

Urban Taskforce recommendation	
Broad recommendations to deliver on the intent of the SEPP	
1.	<p>Urban Taskforce calls upon the NSW Government to postpone proceeding further with this SEPP for at least 12 months.</p> <p>During this deferral period other initiatives that would allow for the swift production of housing that is affordable should be urgently considered. (See recommendation 2.)</p>
2.	<p>Urban Taskforce recommends DPIE urgently:</p> <ul style="list-style-type: none"> • Re-draft the Manufactured Homes and Estates SEPP to facilitate a significant increase to the permissibility of this housing type and remove the current, outdated and expensive requirement for the manufactured home to be transportable. • Investigate a time-limited opportunity for the conversion of serviced apartments into new affordable homes without the need to comply with updated ADG guidelines.
Specific comments on the proposed changes in the Draft SEPP:	
3.	<p>Urban Taskforce recommends the Housing SEPP mandate boarding houses/co-living as permissible in all residential and business zones to facilitate a broader range of housing typologies, across different price points throughout different locations.</p>
4.	<p>Urban Taskforce recommends that DPIE work with NSW Treasury to complete a full regulatory impact assessment and cost benefit analysis of the draft Housing SEPP's impact on the delivery of more affordable housing options such as boarding houses and co-living developments before the SEPP is further considered. The cost benefit analysis should cover a range of projects, both existing and proposed; in metropolitan, rural and coastal NSW.</p>
5.	<p>Urban Taskforce recommends that in finalising the Seniors Housing provisions in the SEPP, DPIE:</p> <ul style="list-style-type: none"> • Includes the same prescribed zones for independent living units that are proposed for residential care facilities • Includes rural land zones as a prescribed zone • Ensures sites adjoining RE2, SP1 and SP2 are not disadvantaged by the removal of the SCC process • Floor space bonuses similar to those proposed in areas where residential flats are permissible should be provided in the B3 to B8 zones

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ATTACHMENTS

- 1. Urban Taskforce post EIE exhibition industry engagement advice – Seniors**
- 2. Urban Taskforce post EIE exhibition industry engagement advice – Co-living**
- 3. Urban Taskforce submission to Housing Diversity EIE**

21st May 2021

Ms Sandy Chappel, Director Housing Policy
Department of Planning, Industry and Environment
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Dear Ms Chappel

Seniors' housing provisions for the new Housing SEPP

I write in relation to the proposed planning provisions for seniors housing for inclusion in the Housing SEPP presented to Urban Taskforce on 12th May 2021.

Urban Taskforce thanks the Housing Policy team for the opportunity to comment on the draft provisions.

NSW has an ageing population that is expected to continue to increase over the next decade. By June 2021, it is estimated that around 1.9 million of the population of NSW will be aged 60 years and over. This number is expected to grow to around 2.4 million, or nearly 1 in 4 of the population of NSW by 2031.

It is imperative that the NSW Planning System facilitates the delivery of homes to accommodate the changing needs of our aging population. This need was identified in the most recent NSW Intergenerational Report:

*"Housing and infrastructure investments need to accommodate broader societal needs. For example, appropriate housing will be required for older and retired Australians wishing to downsize in their local suburb ... This will not only free up existing housing stock but also provide for the desired lifestyle changes and contribute to wellbeing."*¹

The supply of housing options for older residents is already not keeping up with demand, with "product availability" (or lack thereof) identified as "a significant impediment to seniors' downsizing."²

Instead of the Seniors Housing policy, in its various iterations, keeping up with demand it has been amended over time have limited the commerciality of development under the SEPP.

Most recently this was evident in the Government's amending of the SEPP to exclude any land covered by the Metropolitan Rural Lands overlay. This amendment effectively enabled the prohibition of Seniors Housing from the entire Blue Mountains LGA,

¹ NSW Treasury, Budget Paper no. 5 Intergenerational Report, NSW Budget 2016-17

² Judd, B. et. Al. in Annand K, Lacey W, & Webb E. (2015) Seniors downsizing on their own terms: Overcoming planning, legal and policy impediments to the creation of alternative retirement communities. National Seniors Productive Ageing Centre

approximately 70% of the Hills Shire LGA as well as swathes of land across another 11 council areas.

Urban Taskforce members are reporting, particularly in the context of rising land prices and the recent amendments made, the Housing for Seniors SEPP is facilitating very limited opportunities for feasible development. Opportunities for affordable Seniors Housing in Sydney under the SEPP are virtually non-existent.

If Government is genuine about meeting the demand for affordable Seniors' Housing, policy makers should be looking for more, not less, areas and opportunities to facilitate this housing type.

A number of the changes to the existing policy and the partial back-tracking of the Metropolitan Rural Areas exemption are supported. However, the Urban Taskforce remains very concerned that the policy as is currently being prepared, with permissibility being limited to higher commercial value land use zones without sufficient development yield, is a missed opportunity in terms of improving seniors' housing supply, diversity and overall affordability.

Permissibility

The proposal to permit the application of the seniors housing provisions on land zoned R1, R2 and R3 irrespective of the Metropolitan Rural Areas overlay is welcomed.

However, to ensure there are ample opportunities for seniors housing on appropriately located sites further 'prescribed zones' need to be included. Alternatively, the provisions that allow for such developments on sites adjoining land zoned primarily for urban purposes should be retained. It is particularly important to facilitate seniors housing on 'non-urban land' in the context of escalating land prices, not just in Greater Sydney and surrounds, but also increasingly in regional areas. Further, Urban Taskforce members advise that it is these types of areas to which there is a demand for older people seeking an affordable lifestyle change.

In terms of housing diversity and affordability it is imperative that more land use zones, not less are opened up for seniors housing.

In finalising the permissibility of seniors housing a review of the current prohibition arising out of land being identified as part of a water catchment area needs also needs to be removed. In the Wollondilly LGA and sections of the Southern Highlands – the SEPP does not apply due to being in a water catchment area. This is far too broad and excludes entire areas that are not at risk of flooding or materially impacting water quality.

Additionally, the Greater Sydney Commission's review of the "retain and manage" advice for industrial land should consider whether these sites are appropriate for accommodating seniors housing as part of a mixed use development.

Controls, Incentives & Feasibility

Urban Taskforce members report that in the context of the prescribed zones and the other proposed development controls the proposed incentives are commercially insufficient.

Additional consultation is required with those in industry delivering seniors housing to model the controls and incentives against land prices. This testing should be undertaken on non-urban as well as well-located infill sites.

The practical outcome of most of the proposed provisions for seniors housing is the reduction to the relative feasibility of delivering co-living to the Greater Sydney Housing market. Ultimately, this will have the effect of limiting both broader housing supply and affordability.

Development Assessment Pathway

While the proposed SSD pathways for seniors housing development is very much supported the proposed criteria will mean that very few projects are captured.

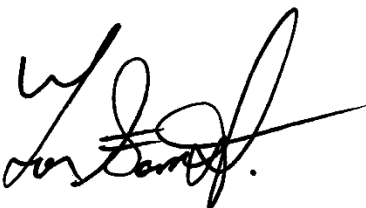
The commercial reality of most seniors housing developments is that the provision of independent living units (ILUs) partially offsets the considerable cost of providing residential care facilities (RCF).

Furthermore, with the Federal Government moving towards aged care being delivered in existing homes, ILUs will provide a unique structure to facilitate the rapid implementation of these services in a controlled and cost effect environment.

It would therefore be appropriate for all seniors housing that provides in care services to receive nomination as state significant development if they contain a component of residential aged care facilities and/or in house care services.

The Urban Taskforce urges you to closely consider this feedback in the finalisation of the seniors housing provisions to be included in the Housing SEPP.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', written in a cursive style.

Tom Forrest
Chief Executive Officer

14th May 2021

Ms Sandy Chappel, Director Housing Policy
Department of Planning, Industry and Environment
Locked Bag 5022, Parramatta NSW 2124
E: housingpolicy@planning.nsw.gov.au

Dear Ms Chappel

Co-living provisions for the new Housing SEPP

I write in relation to the proposed planning provisions for co-living for inclusion in the Housing SEPP presented to Urban Taskforce on 5th May 2021.

Urban Taskforce thanks the Housing Policy team for the opportunity to comment on the draft provisions. Urban Taskforce members report that Departmental officers visited a selection of recently completed co-living developments in an attempt to better understand this new housing product. The effort and time commitment in undertaking these visits is acknowledged and appreciated.

A number of the changes from the exhibited EIE are supported. However, the Urban Taskforce remains concerned that many of the other proposed provisions will result in the inhibition of supply, which would be a missed opportunity in terms of improving housing supply, diversity and overall affordability.

Users, Definition & Permissibility

Co-living is a viable and sought-after option for a range of people that are looking to live in areas that are located in close proximity to reliable public transport and/or places of work or study, that are seeking fully furnished accommodation with flexible medium term (3 – 12 month) rental periods or are looking to live in a setting which offers a sense of community and social interaction between residents.

Co-living is ideally suited to mobile young workers (typically aged 20 – 35), who in many cases are willing to trade size of living spaces for the features noted above.

Co-living also caters to the specific needs of various other groups that are not well serviced by the existing housing market, including regionally based workers who are employed in the city during the week; recently separated people; key-workers including nurses and emergency workers; people from regional areas temporarily located to the city for short term work opportunities or for medical treatments; fly-in fly-out (FIFO) workers from interstate (not all FIFO workers work in remote areas); and those seeking short term accommodation including people escaping domestic violence environments.

In light of the actual users of co-living the proposal to require the room to be the occupant's principal place of residence is not supported. While Urban Taskforce

support the concept that co-living can, and should, provide occupants with a principal place of residence, it should not be mandated.

Further, as was highlighted at the recent industry workshop, co-living developments have been approved and are successfully operating with less than 6 private rooms.

The proposed permissibility of co-living being wherever RFB, shop-top or multi-dwelling housing is permitted is too limited. Government needs to be more open minded in considering where co-living could be an affordable and well located option. This should include all zones that are well located in terms of access to a train, metro, ferry or light rail stop.

In the interest of housing diversity and matching housing type to housing needs greater flexibility is needed to be incorporated into the definition and permissibility.

Room Sizes

Urban Taskforce acknowledges the reduction to the minimum room size from 30-35m² to 12m² (single occupancy) and 16m². This provision is supported.

However, in order to cater for a variety of market preferences the maximum room size of 25m² is considered too restrictive. Existing, larger sized co-living rooms that are accommodating couples or families are closer to 30m².

Feasibility

The cumulative effect of the proposed open space requirement, parking and need to comply with LEP height and FSR controls results in questionable feasibility of development. These combined provisions in the absence of incentives will seriously compromise the commerciality of co-living throughout most of Sydney.

Open Space

The proposed 25% of site area being available for communal open space is difficult to achieve on small lots, sites within business zones, or in dense urban areas. Accordingly, a more merit based approach needs to be applied to considering open space, when the development:

- provides internal common space in excess of the minimum requirements
- includes private open space for a proportion of rooms
- demonstrates good proximity to public open space and facilities, and/or
- provides contributions to public open space

Parking

Urban Taskforce believes that the prescription for a minimum parking standard of 0.5 spaces per room is excessive. Our members tell us that the cost of purchasing the extra land for car parking spaces and the costs of constructing them is too prohibitive, particularly in light of the cost of land on well located sites within Greater Sydney.

We reiterate our suggestion for a sliding scale of parking ranging from zero spaces per room: for example where the site is within an accessible area radius (for example, up to 800m) from a train, metro, ferry or light rail stop; to 0.5 car spaces per room where a site is considered outside of a centre/accessible radius. In light of recent research suggesting one car share parking space can replace more than 10 vehicles¹, car share spaces should be included in the sliding scale.

FSR Incentives

Many existing co-living developments have been realised under the Boarding House provisions in the Affordable Rental Housing SEPP (ARH SEPP) that includes an FSR bonus.

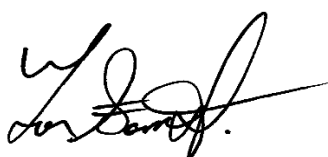
Urban Taskforce members tell us that the pro-rotta costs of building co-living accommodation is greater than the cost of constructing standard apartment dwellings. There are proportionately more wet areas (e.g.: bathrooms, kitchens), usually more corridor space and the requirement to provide communal space and front office/on site workspace. The latter two requirements do not earn rental income.

Without an FSR bonus, comparable to that applying to Boarding Houses, and in the context of still needing to comply with Council LEP height and FSR controls most co-living developments will NOT stack up commercially. If the development is not commercial - the housing product simply won't be delivered by the private sector.

The practical outcome of most of the proposed provisions for co-living is the reduction to the relative feasibility of delivering co-living to the Greater Sydney Housing market. Ultimately, this will have the effect of limiting both broader housing supply and affordability.

The Urban Taskforce urges you to closely consider this feedback in the finalisation of the co-living provisions to be included in the Housing SEPP.

Yours sincerely



Tom Forrest
Chief Executive Officer

¹ Dorima Pajani et. al, 2017, 'Freeing up the huge areas set aside for parking can transform our cities', in 'The Conversation' <https://theconversation.com/freeing-up-the-huge-areas-set-aside-for-parking-can-transform-our-cities-85331>

9th September 2020

Mr Luke Walton
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Dear Mr Walton

Draft Housing Diversity SEPP- Explanation of Intended Effect

I write in relation to the *Proposed new Housing Diversity SEPP Explanation of Intended Effect (July 2020)* (the draft SEPP) placed on public exhibition by the Department of Planning, Industry and Environment (the Department) for comment until 9th September 2020.

The Urban Taskforce welcomes the intention of a Housing Diversity SEPP

The Housing Diversity SEPP (draft SEPP) is broadly welcomed in so far as it acknowledges new and important housing building types that, within the right planning framework, have the potential to help meet Sydney's dwelling targets, provide more affordable and flexible housing options, and help support a post COVID-19 economic recovery. Urban Taskforce welcomes the Government's messaging around 'housing diversity'.

The new Housing Diversity SEPP, when made, should be about facilitating a broad range of housing typologies, across different price points throughout different locations. Diversity gives people housing choice for different stages of their life and their household journey. It offers the choice to upsize or downsize; either to in a different locality or within the same one.

However, Urban Taskforce members are very concerned that the details in the draft SEPP could actually work against providing housing diversity and choice in NSW. It may be worth considering implementing the new SEPP in stages while industry works with government to resolve any unintended consequences noted below.

The drive to deliver more affordable housing types is contradicted by the draft SEPP's removal of FSR bonuses and the application of some prescriptive minimum standards which will drive prices up and render many of these affordable housing types unfeasible.

By restricting permissibility (by allowing Councils to determine where certain housing types will be permitted), the feasibility and ultimately the supply of the different housing typologies included in the SEPP is threatened. Issues of affordability and equality of access to housing across the state are too important to be left to individual councils. It was councils' failure to deliver adequate choice, supply and diversity that drove the need for SEPPs in these areas in the first place. The Productivity Commission has further stated that the key driver of housing prices (and therefore un-affordability) in Greater Sydney is the lack of supply. This, according to both the Reserve Bank of Australia and the NSW Productivity Commission (an arm of NSW Treasury) is due, primarily, to over regulation by the NSW Planning system – that is: by the Department of Planning and Councils.

The NSW Productivity Commission has also clearly advised the NSW Government that complexity drives prices up. This Draft SEPP is complex.

A number of
the proposed

provisions in the draft SEPP, in particular those relating to co-living, boarding houses and seniors' housing; add yet another layer of regulation and in some cases effective prohibition of these new housing types.

Notwithstanding our concerns Urban Taskforce is determined to work with DPIE and the Government to highlight what we believe to be unintended consequences, so the proposed changes do not result in the inhibition of supply and further reductions in affordability.

Aims of the draft SEPP

The draft SEPP aims to deliver a planning framework that:

- will assist the State's economic recovery following COVID-19
- consolidates existing State level housing-related planning provisions into a single instrument
- is in a format capable of being expanded and amended as future needs may require
- facilitates the delivery of housing that meets the needs of the State's growing population.

Urban Taskforce contends that the proposed provisions of the draft SEPP fail to deliver on these worthy objectives.

While the NSW Government states the draft Housing Diversity SEPP has been prepared in the context of ensuring "an adequate supply of new dwellings that are affordable, well-designed and located in places that people want to live" the draft SEPP in its current form will actually work against this broad objective and specific aims as set out above.

The contradictions of between the SEPP's aims and its draft provisions are detailed below.

Co-living

The draft SEPP correctly describes the relatively new class of dwellings that can be defined as Co-living. However, not only does it not respond to consumer demand for Co-living, it completely misreads the market for this product.

Co-Living is a viable and sought-after option for a range of people that are looking to live in areas that are located in close proximity to reliable public transport and/or places of work or study, that are seeking fully furnished accommodation with flexible medium term (3 – 12 month) rental periods, or are looking to live in a setting which offers a sense of community and social interaction between residents. Co-living is ideally suited to mobile young workers (typically aged 20 – 35), who in many cases are willing to trade size of living spaces for the features noted above. Co-living also caters to the specific needs of various other groups that are not well serviced by the existing housing market, including regionally based workers who are employed in the city during the week; recently separated people; key-workers including nurses and emergency workers; people from regional areas temporarily located to the city for short term work opportunities or for medical treatments; fly-in fly-out (FIFO) workers from interstate (not all FIFO workers work in remote areas); and those seeking short term accommodation including people escaping domestic violence environments.

The prescriptive planning and design controls in the draft SEPP do not reflect the requirements of all the possible users of co-living. They appear to have been drafted to reflect a permanent residence scenario of long term rental only, and they do not recognise the willingness of co-living users to trade size of living spaces for the various other attributes that this form of housing offers.

Co-living and Open Space

The proposed provision of open space is excessive. The currently proposed provision of private open space to every room (4m² per room) in addition to the communal open space (minimum 25% of the site area) will destroy the feasibility of co-living on most sites.

Urban Taskforce members who are developing in the co-living space advise that requiring private open space to all rooms, on all sites, will be hugely prohibitive and often contrary to consumer preferences.

Any mandated, minimum open space requirement should be focussed on communal areas. However, the proposed 25% of site area being available for communal open space is difficult to achieve on small lots, sites within business zones, or in dense urban areas. Accordingly, a more merit based approach needs to be applied to considering open space, when the development:

- includes communal open space via a landscaped roof top terrace
- provides internal common space in excess of the minimum requirements
- includes private open space for a proportion of rooms
- demonstrates good proximity to public open space and facilities, and/or
- provides contributions to public open space

Co-living and Parking

Urban Taskforce believes that the prescription for a minimum parking standard of 0.5 spaces per room is unnecessary. Our members tell us that co-living developments generally only work when located close to public transport and market experience suggests that car ownership and usage rates in co-living developments are far lower than those in residential flat buildings.

We suggest a sliding scale of parking ranging from zero spaces per room: for example where the site is within an accessible area radius (for example, up to 800m) from a train, metro, ferry or light rail stop; to 0.5 car spaces per room where a site is considered outside of a centre/accessible radius. In light of recent research suggesting one car share parking space can replace more than 10 vehicles¹, car share spaces should be included in the sliding scale.

Co-living - Room Sizes

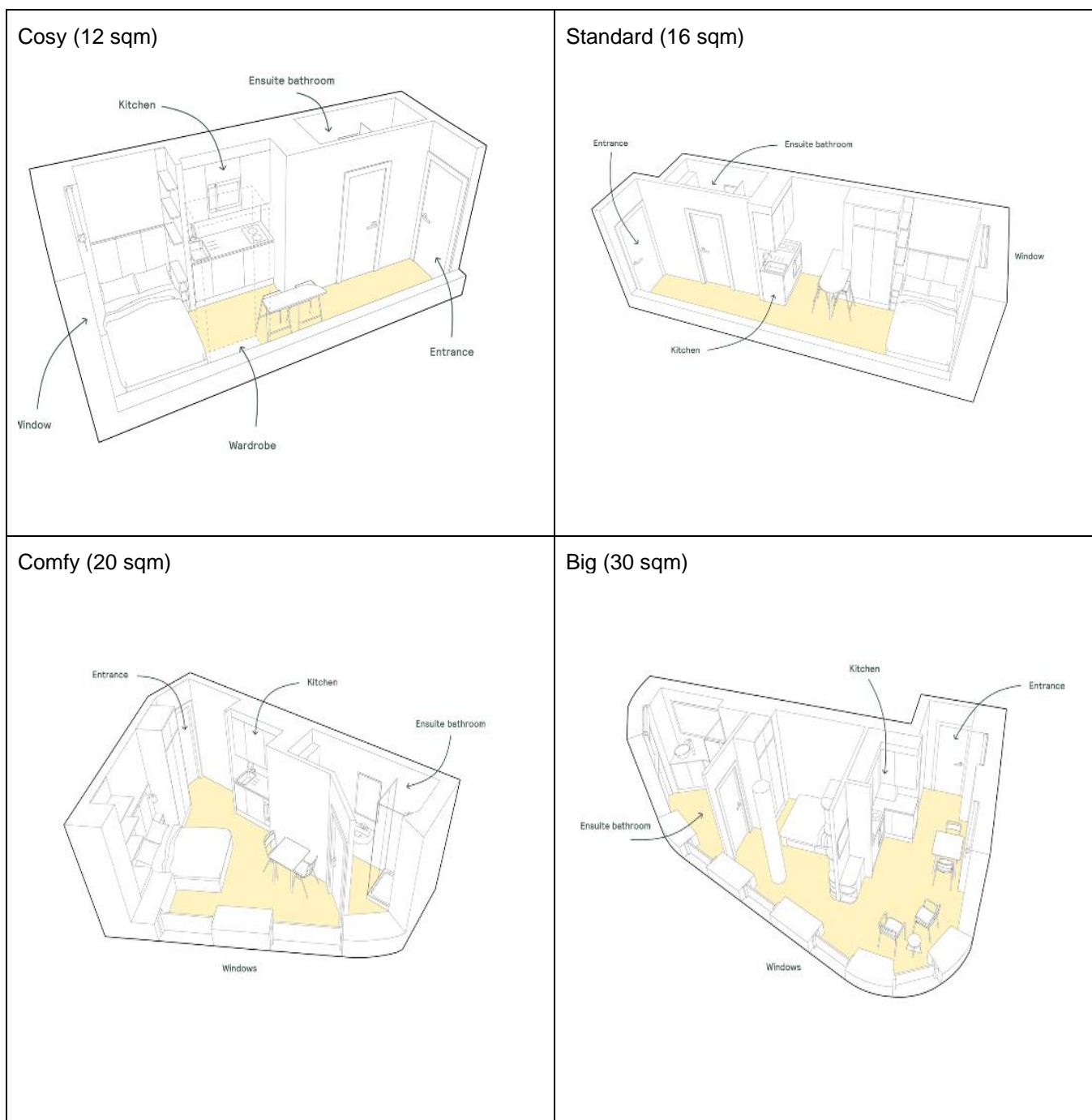
Urban Taskforce members have strongly advised that the co-living model cannot and will not be financially viable if minimum room sizes of more than 20m² are prescribed. It is noted that small unit sizes are absolutely fundamental to making the co-living affordable for residents, and a financially viable model for developers/operators.

The minimum room size of 30-35m² appears to have been derived from an assumption that the co-living inhabitants will be long term. It also fails to recognise the willingness of co-living users to accept small room sizes in exchange for the locational, flexibility, community benefits and access to communal areas that co-living offers.

The proposed standards are far in excess of not just internationally accepted standards (which are closer to an average of 20m²), they are in excess of approved and successfully operating co-living buildings that already exist in Sydney.

¹ Dorima Pajani et. al, 2017, 'Freeing up the huge areas set aside for parking can transform our cities', in 'The Conversation' (accessed September 2020) <https://theconversation.com/freeing-up-the-huge-areas-set-aside-for-parking-can-transform-our-cities-85331>

For example, the highly lauded 700 bed 'The Collective' at Canary Wharf, London has room sizes ranging from 12m² to 30m². The Collective room plans are shown as below:



The Collective at Canary Wharf has been at almost full occupancy since its opening, demonstrating occupiers' willingness to accept smaller room sizes in return for all the other benefits that co-living offers.

Locally, one of the first co-living operators in Sydney, UKO (currently operating locations in Stanmore, Paddington, and Newtown) offers room sizes ranging from 18 to 28m². These would not be allowed under this draft SEPP.

It is noted the proposed minimum room size 35m² correlates with the minimum dwelling size for a studio under SEPP 65. Co-living is not just a collection of studio apartments. The desire of occupants

to benefit from an organised communal approach to living, along with the provision of on-site shared facilities and spaces - and the need for the product to be affordable - must be recognised in determining room sizes.

Consistent with known, local market preferences, some Urban Taskforce Members suggest a minimum room size closer to 15m². An alternative or accompanying suggestion is a control that supports a mix of room sizes, like in residential flat buildings (where there is a control on the number of studio, one-bed, two-bed, and three-bed ratios per building). Such a provision could allow for a mix of smaller Co-living rooms and some larger ones. This approach would be beneficial in responding to local consumer preferences and would ultimately allow for greater architectural flexibility and improved design outcomes.

Co-Living - FSR Incentives

We note that existing co-living developments have been realised under the Boarding House provisions in the Affordable Rental Housing SEPP (ARH SEPP). These provisions include an FSR bonus that ranges from 20-100%. Urban Taskforce believes that a flat percentage bonus would be a better tool for supporting co-living developments, given:

- a significant proportion of allowable floor area will need to be dedicated to non-revenue generating communal areas
- the Government's stated desire to encourage the supply of affordable housing broadly
- the Minister's messaging around affordable and diverse housing options being available to all - irrespective of location and income.

Urban Taskforce also suggests that merit-based concessions be considered in the application of any building envelope controls for residential flat buildings to co-living developments, in order to accommodate the FSR bonus.

Build to Rent

Urban Taskforce congratulates the Government for supporting supply of this positive initiative by recognising this housing product in the draft SEPP and further supporting its delivery through the discount on land tax. The State Significant Development pathway for BTR developments with a value of greater than \$100 million is supported. A similar pathway should be considered for all developments of this value in the interests of job creation and meeting the demand for new housing in Greater Sydney.

It is critically important that the draft SEPP does not effectively *disadvantage BTR housing* projects compared to existing rental properties. A motif of this draft SEPP is the over-prescriptive planning, which in the case of BTR, pushes up costs and reduces feasibility and thus supply. We are concerned that the draft SEPP tries too hard to create long-term rental housing options and forgets about the need to offer choice to all those in the market. The draft SEPP fails to fully realise the opportunity that BTR could deliver in terms of housing supply and affordability.

BTR - Tenure, Ownership & Management

The draft SEPP is proposing to impose more stringent conditions on the owners of BTR rental properties than those existing for landlords in the usual rental market. For example, the draft SEPP proposes a minimum tenancy of 3 years or more. This provision acts to limit feasibility, choice, and supply. It works against the stated objectives of the SEPP.

There are no such restrictions in the general rental market. Urban Taskforce acknowledges that this requirement will work for some tenants in giving them certainty, but many tenants would be

deterred by locking into a fixed 3-year rental agreement. So, the provision will make BTR dwellings harder to rent – therefore reducing their viability in an uncertain economic, rental and property market. There needs to be flexibility for both the tenant and the owner.

The Urban Taskforce also disputes the proposal to require on-site management for BTR. In practice, most rental properties are managed by real estate agents off-site. Strata body corporate management is also typically off-site. The standards should reflect the current system where the tenants have direct access to a property manager and the body corporate, but these management services do not always need to be located on-site.

The final SEPP should recognise that if BTR is built in the Business zones (B3, B4 and B8) as is proposed, a flexible approach that allows the commercial and retail components of the mixed development to be strata subdivided and sold separately. The residential component could still be mandated to be in single ownership.

BTR - Permissibility and FSR Categorisation

Opportunities should be explored of including BTR as a permissible use in the IN1 General Industrial Zone and IN2 Light Industrial zones. In these cases, criteria could be provided to ensure BTR housing is only permitted in locations which are amenable to such a use, and are appropriately located in proximity to everyday services, facilities, and transportation. Criteria may include:

- site must be within 800m of railway/metro station/light rail or transit way stop
- site must include a fixed percentage of employment (broadly defined) floor space at ground level
- the residential component of the site cannot be subject to future strata subdivision.

In the interests of facilitating investment in BTR in commercial centres, BTR should be included as part of the 'non-residential' component, when calculating FSR. Such an approach is consistent with that applied to serviced apartments. The feasibility of BTR in commercial centres is destroyed when included as part of the residential component of a development when calculating FSR. When BTR is included as the residential component, the feasibility is simply not there – as is the case for Urban Taskforce members trying to develop BTR within the existing planning framework, including sites within the higher density areas under the Crows Nest St Leonards 2036 Plan.

BTR - Minimum number of dwellings

The draft SEPP proposes BTR should have a minimum of 50 dwellings. This proposal should be removed as any minimum number of dwelling requirements will deter the production of BTR on the exact kind of sites that suit this asset class. Well located in terms of transport and employment opportunities, such sites are often smaller, with limited capacity for site consolidation.

BTR - Parking

The draft SEPP states "BTR housing is generally... situated in well-located areas, close to transport and amenity". Accordingly, the proposed car parking standard of 0.5 spaces per dwelling is excessive and unnecessary. In practice, in many urban areas the requirement for car spaces is decreasing. The City of Sydney, for example have approved residential dwellings with zero on-site car parking provision in select areas.

Whilst the Urban Taskforce agrees that consideration of car parking provision is required, we believe the proposed standard of 0.5 per dwelling is too high. As with co-living, a sliding scale of car parking

requirements dependent on the site's distance from public transport and inclusive of car share parking spaces should be considered.

Purpose Built Student Housing

The proposed provisions relating to purpose built student housing are generally supported, although meeting demand and market price points will be challenged if height and FSR controls are determined on a council by council basis and no FSR bonus is made available.

Boarding Houses

Modern or next generation boarding houses are becoming an increasingly attractive option for people because they are affordable, are increasingly well-designed and are salt-and-peppered among the suburbs so they do not stand out. The market has delivered these outcomes despite the mismanagement of policy controls in this field.

Under the existing planning regime boarding houses are borderline feasible option for development as they are incentivised by floor space ratio bonuses and being permissible on sites where regular apartments are prohibited.

It is acknowledged that its usually the old-style boarding houses that are regarded with fear and trepidation by neighbours. Unfortunately, this deep seeded NIMBYism seems to be evident in the policy development for the draft Housing Diversity SEPP.

If the Government is committed to delivering affordable and diverse housing types, why discourage private sector investment in a housing type that has been providing an affordable housing option for many, often vulnerable, people for decades.

Boarding Houses - Definition

It is clear that the draft SEPP has been framed to disincentivise the private development and operation of Boarding Houses. The proposed definition of 'boarding house' as meeting 'affordability' rules in terms of its rental, requiring it to be managed by a not-for-profit community housing provider and removing any incentives to build a product that has traditionally been delivered to market with comparatively low profit margins will unfortunately render this housing type unfeasible. Accordingly, the current workable definition under the Affordable Rental Housing SEPP (ARH SEPP) should be retained.

Currently there is a negative perception in many communities that all Boarding Houses are just social welfare housing and that all boarding house residents are on welfare with most residents having anti-social behaviours. These perceptions are regularly raised during assessment of Boarding House DAs. **This is not the case** and many private operators are working hard to change those community perceptions as well as helping-out the most vulnerable in our community. If the Government redefines Boarding Houses to only being provided by not-for-profit community housing providers, the Government will be entrenching, or re-enforcing, those negative, or stereotype, community attitudes that all boarding house residents are welfare dependent. Some Urban Taskforce members suggest a change to the name of this housing product may assist in facilitating altered community perceptions. Suggestions include 'Micro Housing', 'Mini House' or 'Tiny Housing'.

Boarding Houses - Permissibility and FSR Bonus

Boarding houses, are generally developed on the basis of a lower profit margin than most other forms of residential development and are able to be delivered to market on the basis of the current

floor space bonus of between 20 to 100% and their permissibility in the R2 Residential Zone. Additionally, boarding house development applications cannot be refused on the grounds of density and scale if they comply with the maximum floor space ratio for any form of residential accommodation on the site (plus the bonus, if any). These existing provisions protect boarding house developments from being penalised relative to other forms of residential development. The draft SEPP will all but eliminate this housing type and thus works directly against the stated objectives of the Minister and the draft SEPP.

The Urban Taskforce understands that there may be areas zoned R2 considered unsuitable for Boarding House developments due to location and comparative bulk and scale, particularly when the full FSR bonus of up to 100% is realised. We recommend that Boarding Houses remain permissible in the R2 zone when the site is within 400m of a train or metro station and that the FSR bonus remain, but at a flat percentage rate (e.g. a 50% bonus) irrespective of the local control.

Boarding Houses – Parking

In finalising the Housing Diversity SEPP, a review should be undertaken of actual car parking demand from boarding house developments. Urban Taskforce members report the existing, and proposed to be retained, standards are too onerous, not just in terms of feasibility but also, in terms of user take-up.

As with the other housing models under the draft SEPP, we suggest a sliding scale of parking ranging from zero spaces per room: for example where the site is within an accessible area radius (for example, up to 800m) from a train, metro, ferry or light rail stop; to 0.5 car spaces per room where a site is considered outside of a centre/accessible radius. The standard should apply to both private operators and community housing providers and should include car share spaces.

Seniors' Housing

The Government appears to be sending a clear signal that providing a range of affordable and diverse housing for seniors is not a priority, by straight out amending the Seniors Housing SEPP to exclude any land covered by the Metropolitan Rural Lands overlay. The Urban Taskforce condemns the complete lack of consultation with industry or with seniors' groups on this amendment. This is contrary to the open approach to policy development hitherto espoused by the NSW Government during the COVID-19 period.

The amendment has effectively prohibited Seniors Housing from the entire Blue Mountains LGA, approximately 70% of the Hills Shire LGA as well as swathes of land across another 11 council areas. There is enormous unmet demand for seniors housing in many of these Council areas, the outcome being that this SEPP amendment alone could force elderly people out of the communities they have lived in all their lives.

The SEPP, as drafted, will negatively impact the supply of housing for seniors. This is particularly concerning when the proportion of people aged 65 and over double by 2054-55² and the supply of housing options for older residents is already not keeping up with demand, with "product availability (or lack thereof) identified as a significant impediment to seniors downsizing."³

If the Government is genuine about meeting the demand for affordable Seniors' Housing, and evidence base is critical for decision making. The Government should be looking for more, not less, areas to facilitate this housing type. Urban Taskforce believes there is additional potential for Seniors

² Commonwealth of Australia (March 2015) 2015 Intergenerational Report Australia in 2055.

³ Judd, B. et. Al. in Annand K, Lacey W, & Webb E. (2015) Seniors downsizing on their own terms: Overcoming planning, legal and policy impediments to the creation of alternative retirement communities. National Seniors Productive Ageing Centre

Housing on land currently zoned R2 Residential where it immediately adjoins sites zoned SP2 – Infrastructure, particularly those hosting schools or hospitals. Seniors Housing next to schools and hospitals recognises many of these sites' accessibility to transport and other local infrastructure and services, as well as a range of health and well-being co-location opportunities.

Development Standards

The ARH SEPP has to date allowed Seniors Housing developments to be carried out 'despite the provisions of any other environmental planning instrument'. The proposal to reverse this so that 'development standards in an LEP prevail to the extent of any inconsistency' will allow councils who are fundamentally opposed to new seniors housing developments in the LGAs to use local provisions to refuse these applications to exclude seniors from remaining in their communities. Further to this, the proposed limit of 20% to allowable departures from a development standard under Cl4.6 will additionally constrain Seniors' Housing development and is inconsistent with the general position for all other types of development where there is no limit to a Cl4.6 variation.

Adding to the likelihood of a dwindling supply of Seniors' Housing is the proposal to remove point -to point transport options in meeting site access related requirements. This proposal is ill-considered, particularly when it come to sites with challenging gradients and/or those that include a residential aged care facility component, where pedestrian foot traffic to and from the site is limited.

The proposed changes to the policy bely the need for the SEPP in the first place – that was – Councils were failing to meet demand for this housing type. The changes proposed in the draft SEPP are contrary to the objectives of the SEPP and work against a clear demographic need for more housing for this growing cohort.

'Loss of affordable rental housing' Levies

The draft SEPP will alter the trigger point for the charging of 'affordable housing' levies that are imposed when development applications are lodged in relation to 'low-rental residential buildings' for their demolition or upgrade. This levy is additional to any other affordable housing levies that are routinely charged by councils. It is proposed BEFORE the NSW Productivity Commission has completed its review into infrastructure fees and charges. At the same time as the Minister has called for a review into levies and charges, this draft SEPP effectively introduces a new tax (levy).

The impact of the existing regime is limited by the fact that it only applies to buildings that were 'low-rental residential buildings' as of 28 January 2000, so the scheme does not presently apply to any building that becomes a low-rental residential building after that date.

This is crucial as it means that any building where quality has degraded in the last 20 years (such that it recovers rental at or below the 'median' level) is not subject to this existing levy regime on re-development. The draft SEPP will remove this date restriction. This effectively means that the levy regime will be extended to apply to the re-development of existing buildings that were previously exempt, by reason that their deterioration post-dated the year 2000.

Further, because the median rent is determined on an entire LGA basis where there are often a range of markets (like the Northern Beaches Council for example), rental housing in entire suburbs will be below the "median" rents level for that LGA. This provision taxes the upkeep or improvement or redevelopment of those properties. This is akin to saying, "we want to keep the quality down, so it remains affordable". A better solution is to increase supply.

This provision as proposed will increase costs and reduce feasibility. This new regime, as proposed, represents a tax of any upgrade. The draft SEPP as proposed would create a perverse incentive for some landlords to take active steps to ensure that their buildings do not rent out at or below median

market rents (even at the expense of bringing forward minor upgrades to make rents more expensive). This may actually reduce the availability of affordable housing.

Design Guidelines

The draft SEPP states that Design Guidelines will be developed for BTR, co-living and student housing. Further, the draft states that when assessing development applications for BTR, the consent authority should be "guided by design quality principles in SEPP 65".

It is essential that a pragmatic and cost focussed approach be taken in developing specific design guidelines for each typology under the draft SEPP. Put simply, much needed smaller and affordable room sizes will not and cannot comply with the existing ADG.

Savings and Transitional Provisions

In the interests of avoiding uncertainty for the planning and development sector and minimising the perception of investment risk in NSW, it is recommended that the final SEPP includes saving and transitional provisions for development applications under assessment at the time of the SEPP commencement.

Conclusion

While the stated intent of the draft Housing Diversity SEPP is supported by the Urban Taskforce, many of the proposed provisions are not supported as they will deliver the opposite to the stated intent. The practical outcome from the draft SEPP is the addition of prescriptive controls and extra costs that will reduce the relative feasibility of delivering a range of housing types to market. Ultimately, this will have the effect of limiting both supply and affordability.

The proposed additional regulation will mean reduced choice.

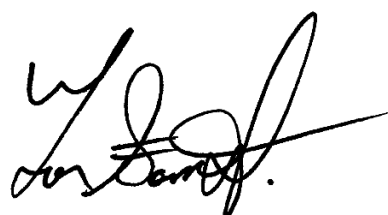
Handing powers to Councils protects the interests of current occupants but rarely (if ever) leads to meeting the public demand for more affordable housing or the needs of future populations who are essential to our economic growth.

Prescriptive controls for each category of housing simply reduces viability and feasibility.

Urban Taskforce welcomes the policy intent of the draft Housing Diversity SEPP and we are determined to work with the Government to ensure that the positive intent is realised.

The Urban Taskforce is always willing to work closely with the Government to provide a development industry perspective on these issues.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', written over a horizontal line.

Tom Forrest
Chief Executive Officer