

## Retaining affordable rental housing

### STATE ENVIRONMENTAL PLANNING POLICY (AFFORDABLE RENTAL HOUSING) 2009

The State Environmental Planning Policy (Affordable Rental Housing) 2009 sets criteria to assess the impact of the loss of low cost rental accommodation, and provides options to mitigate the loss of housing stock via compensatory payments.

#### **Why do we need affordable housing?**

Throughout New South Wales there is a strong need for affordable housing amongst different groups of people. This is reflected in figures which show there were over 47,000 people in NSW on waiting lists for suitable accommodation in February 2010.

It is essential that government at all levels, private industry and the non-government sector work in partnership toward finding innovative ways to provide housing. There are significant new opportunities in this growing market for industry.



#### **What is the affordable rental housing SEPP?**

The State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP) was introduced on 31 July 2009 to increase the amount and diversity of affordable housing and to maintain and improve affordable rental properties throughout NSW.

### PART 3 OF THE AHSEPP

The provisions in Part 3 of the State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP) generally reflect those of the former SEPP 10 – Retention of Low Cost Accommodation which was repealed upon the introduction of the AHSEPP.

Part 3 of the AHSEPP seeks to retain low cost affordable rental housing. It establishes an assessment process for proposals in the greater metropolitan region (including the Illawarra and Hunter regions) that impact on existing residential flat buildings and boarding houses, to mitigate the potential impact on existing affordable rental housing.

Part 3 of the AHSEPP applies to residential flat buildings containing low rental dwellings and boarding houses that have not been subdivided and were low-rental residential buildings as at 28 January 2000.

A formula is provided, based on established practice and which is generally accepted by industry, whereby a contribution can be calculated to help offset the loss of low rental residential buildings. This system provides a clear and transparent mechanism for calculating such a contribution.

Councils are now able to determine such proposals having reference to the AHSEPP provisions, which also ensure that arrangements are made to assist those existing residents who are likely to be displaced as a result of the development proposal.

### GUIDELINES FOR RETENTION OF EXISTING AFFORDABLE RENTAL HOUSING – OCTOBER 2009

To ensure consistency of process and fairness of decisions, the AHSEPP requires that the assessment of proposals must be in accordance with the Guidelines for Retention of Existing Affordable Rental Housing. These guidelines are available on the Department of Planning and Infrastructure website.

One of the methods of mitigating the loss of affordable rental housing resulting is the payment of a contribution to fund the provision of new affordable housing on another site. Part 3 of the AHSEPP provides a standard formula for calculating the contribution amount. This formula is explained in the guideline where examples are also given.

## FURTHER INFORMATION

The AHSEP is available on the NSW legislation website: [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au)

Further information can be found on the Department's website: [www.planning.nsw.gov.au/affordablehousing](http://www.planning.nsw.gov.au/affordablehousing)

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