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Wednesday 16 December 2020

The Hon. Rob Stokes, MP

52 Martin Place
SYDNEY NSW 2000

Dear Minister Stokes

AIA and PIA support Build-to-rent housing within a Housing SEPP mandating an affordable housing component.

With the Australian Institute of Architects (AIA) and the Planning Institute of Australia (PIA) representing over 16000 members together globally, we share a dedication to improving our built environment and the communities we call home by promoting quality, responsible, sustainable design and advocating on behalf of our professions for the benefit of all Australians.

We continue to support the Department of Planning, Industry and Environment (DPIE) in its current aim through the Housing Diversity SEPP to implement planning strategy, secure an adequate supply of new dwellings, provide consolidated and concise planning instruments which remove unnecessary barriers for consent, facilitate diversity in the housing market, and enable a social housing sector which meets demand in our community.

We are writing to you specifically with regard to the recently released State Environmental Planning Policy Amendment (Build-to-rent Housing) 2020, and the Environmental Planning and Assessment Amendment (Build-to-rent Housing) Regulation 2020 public consultation drafts.

While not common, Build-to-Rent housing is not a new concept in NSW. There are many examples of apartment buildings held in single ownership at both large and small scales, including family trusts and corporations. Build-to-rent is a highly desirable housing typology for its potential to offer much-needed security of tenure to tenants and greater availability of affordable housing in the NSW



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market. Any policy that provides a tax subsidy must achieve important public benefits to be in the public interest. In the absence, however, of these public benefits being mandated in the proposed SEPP, the Build-to-rent Housing Policy merely provides discounts to those who are already operating in this market, in a housing typology which may not be affordable for tenants across the socio-economic spectrum.

The AIA and PIA would ask you to carefully consider the following points:

- Build-to-rent housing is strongly supported to improve housing diversity
- The substantial financial subsidies offered justify a public benefit – specifically requiring an affordable housing component
- Additional housing supply in itself will not improve access to affordable housing¹
- Build-to-rent is residential development - it should not be permitted in the B3 zone and should not compromise the strategic value provided by commercial cores
- As residential development - good design quality is expected – the Apartment Design Guide should apply to Build-to-rent housing
- The tax and other subsidies offered to incentivise Build-to-rent justify the retention of rental use without subdivision in perpetuity. This will prevent poor building quality outcomes.

We consider that the Build-to-rent policy should be part of a streamlined, concise and well-conceived Housing Diversity SEPP which delivers agility, amenity, innovation and, most importantly, affordability into the NSW housing sector. We welcome the opportunity for continued consultation on any of the concerns raised in this letter and we offer both our Institutes' support in assisting the DPIE to achieve high quality housing outcomes for all in NSW.

Yours sincerely

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We respectfully acknowledge the Traditional Custodians of the lands on which we work and pay respect to their Elders past, present and emerging.

¹ <https://www.ahuri.edu.au/research/ahuri-briefs/does-building-more-houses-fix-affordability-for-low-income-households>