



Australian  
Institute of  
Architects

**NSW**

ABN 72 000 023 012

The Royal Australian Institute of Architects  
trading as Australian Institute of Architects

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Thursday 1 October 2020

The Hon. Rob Stokes, MP

The Hon. Melinda Pavey, MP

52 Martin Place  
SYDNEY NSW 2000

Dear Ministers

We support both your Ministries and the Department of Planning, Industry and Environment (DPIE) in their current aims through the Housing Diversity SEPP to 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 provide a social housing sector which meets demand in our community.

This new instrument has the potential to better reflect current and future community requirements and the Institute of Architects (the Institute) strongly supports the DPIE aims of stimulating the construction sector and the creation and continuity of employment for this sector. We have provided the DPIE with a detailed submission, however, we would like to bring to your attention our concerns with regard to two particular items currently under consideration in the Housing Diversity SEPP.

### **R2 Low Density Residential Zone**

*“Amend the boarding house provisions in the Affordable Rental Housing SEPP to -*

- remove the requirement for boarding houses to be mandated within the R2 –Low Density Residential zone*
- amend the floor space ratio (FSR) bonus for boarding house development to a standard 20%*
- include a requirement for affordability of boarding house developments”*

We strongly disagree with the proposal not to mandate boarding house development in the R2 Low Density Residential Zone. Without this mandate we believe this much-needed housing type will disappear from many areas in Sydney. We understand the boarding house typology has been used by private developers in a way contrary to its intent with the result being large-scale buildings which do not consider their context and this has been a negative outcome which has agitated councils and communities. We do feel, however, that with the size of boarding houses now limited to 12 rooms, and the requirement they provide affordable housing only, this typology will now have a meaningful place within R2 zones. The boarding house is a crucial form of housing which both enables older residents to remain in their established communities (with strong economic benefits to health



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services), and also provides desperately-needed key-worker housing in areas close to the densest parts of Sydney.<sup>1</sup>

A 12 room boarding house has the equivalent footprint and scale of a large project home, and we urge the DPIE to show leadership on this issue as, we believe, if left to the local councils the political pressure from parts of the community will ensure boarding houses are no longer built. Whilst we encourage communities to have input into their local areas, we believe it is important to remember there are voices in the community which are not heard in these processes and the government has a responsibility to also act on behalf of those community members.

### **Build-to-rent housing**

*“BTR housing is a different investment product to traditional residential flat buildings. Because it is held in single ownership, it will be much easier for the asset to be recycled at a later date. With this in mind, it is proposed that it would not be possible to strata subdivide a BTR housing development for the first 15 years and to prohibit subdivision in a B3 – Commercial Core zone, in perpetuity.”*

We understand the desire for a build-to-rent model in the market in order to attract institutional investors, supporting both the supply of housing and employment in the construction sector. We strongly suggest this housing typology remain as build-to-rent in perpetuity rather than being subdivided after 10 or 15 years. By allowing future subdivision, we are concerned developers will build to this timeframe with construction quality being significantly compromised as a result. We believe by removing the ability for future subdivision, buildings with a limited lifespan will be avoided. Additionally, this will also prevent building management ‘winding down’ maintenance contracts as the subdivision date looms subsequently protecting future consumers from inheriting poor quality, poorly maintained apartments, something the current building reforms are seeking to eliminate. Should the build-to-rent model proceed, as a minimum, it should have equivalent standards to the current SEPP 65 to ensure basic amenity is provided for occupants.

We consider that a streamlined, concise and well-conceived Housing Diversity SEPP can effectively deliver agility, amenity, innovation and much-needed 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 the Institute’s support in assisting the DPIE to achieve high quality housing outcomes for all in NSW.

Yours sincerely

Kathlyn Loseby FRAIA  
NSW Chapter President  
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<sup>1</sup> <https://www.sydney.edu.au/news-opinion/news/2018/02/05/emergency-and-key-services-at-risk-due-to-property-market-boom.html>



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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.*

cc: Mr Marcus Ray, Group Deputy Secretary Planning and Assessment, DPIE  
Ms Alex O'Mara, Deputy Secretary Place Design and Public Space, DPIE