

Attachment B

Affordable Rental Housing Analysis

SEPP (Housing) 2021

Part 3 Retention of existing affordable rental housing of the SEPP (Housing) 2021 relates to retention of existing affordable rental housing and applies only to those buildings that were low-rental residential buildings at any time five (5) years prior to the lodgement of the DA (relevant period). For the purposes of this document, the rental period for the past year has been reviewed, noting that the DA was lodged on 21 September 2023.

The proposal seeks to demolish the existing building which currently contains 45 rental apartments. We are briefed that the existing units comprise primary of studio and 1 bedroom apartments, in addition to a singular two bedroom apartment.

Based on the NSW Government Rent and Sales Report, the median rent for apartments in Potts Point, for the September 2022 Quarter is as follows:

- For a bedsitter / studio apartment was \$400;
- For a one bedroom apartments was \$525; and
- For a two bedroom apartments was \$800.

The median rent for apartments in Potts Point, for the December 2022 Quarter is as follows:

- For a bedsitter / studio apartment was \$413;
- For a one bedroom apartments was \$590; and
- For a two bedroom apartments was \$885.

The median rent for apartments in Potts Point, for the June 2023 Quarter is as follows:

- For a bedsitter / studio apartment was \$450;
- For a one bedroom apartments was \$595; and
- For a two bedroom apartments was \$978.

The following table indicates the different rents charged for units proposed to be removed as a result of the proposal.

Apartment No.	Bedrooms	Weekly Rent	Median Range Potts Point	Above / Below median
1	1 Bed	15.09.22-16.08.23 \$380	\$525-\$595	Below
		17.08.23-18.10.23 \$425		
2	1 Bed	1.10.22-24.02.23 \$375	\$525-\$595	Below
		24.02.23-27.10.23 \$400		
3	1 Bed	2.10.22-25.02.23 \$380	\$525-\$595	Below
		26.02.23-28.10.23 \$400		
4	1 Bed	5.10.22-11.07.23 \$375	\$525-\$595	Below
		12.07.23-31.10.23 \$440		
5	1 Bed	3.10.22-09.07.23 \$375	\$525-\$595	Below
		10.07.23-29.10.23 \$440		
6	1 Bed	10.10.22-01.05.23 \$380	\$525-\$595	Below
		02.05/23-23.07.23 \$445		



Table 1 Rental yield per apartment – 1 Year, 15/09/22-18/10/23

7	1 Bed	14.11.22-13.04.23 \$425* 26.04.23-07.11.23 \$500	\$525-\$595	Below
8	1 Bed	06.10.22-05.01.23 \$490* 06.01.23-05.11.23 \$500*	\$525-\$595	Below
9	1 Bed	10.10.22-09.04.23 \$430 10.04.23-05.11.23 \$470	\$525-\$595	Below
10	1 Bed	15.10.22-14.11.22 \$420* 15.11.22-14.11.23 \$460*	\$525-\$595	Below
11	1 Bed	24.10.22-30.04.23 \$450 01.05.23-19.11.23 \$475	\$525-\$595	Below
12	1 Bed	18.10.23-20.02.23 \$450 11.03.23-17.03.23 \$525	\$525-\$595	Below
13	Studio	23.12.22-02.11.23 \$380	\$400-\$450	Below
14	1 Bed	08.10.22-23.06.23 \$400 24.06.23-03.11.23 \$450	\$525-\$595	Below
15	1 Bed	08.10.22-03.11.23 \$435	\$525-\$595	Below
16	1 Bed	05.10.22-10.01.23 \$425 11.01.23-31.10.23 \$445	\$525-\$595	Below
17	Studio	25.10.22-24.08.23 \$396* 25.08.23-24.10.23 \$423*	\$400-\$450	Below for Sep Q 22 and June Q 23
18	2 Bed	08.10.22-15.09.23 \$830 16.09.23-03.11.23 \$900	\$800-\$978	Below for June Q 23
19	Studio	14.10.22-19.10.23 \$350 20.10.23-26.10.23 \$385	\$400-\$450	Below
20	1 Bed	07.10.22-03.11.22 \$380 04.11.22-09.11.23 \$400	\$525-\$595	Below
21	1 Bed	13.10.22-12.01.23 \$465* 13.01.23-12.11.23 \$545*	\$525-\$595	Below
22	1 Bed	08.10.22-14.07.23 \$370 15.07.23-03.11.23 \$440	\$525-\$595	Below
23	1 Bed	10.10.22-21.06.23 \$410 23.06.23-09.11.23 \$450	\$525-\$595	Below
24	Studio	06.10.22-12.07.23 \$280 13.07.23-18.10.23 \$320	\$400-\$450	Below
24a	Studio	17.10.22-08.01.23 \$350 09.01.23-05.11.23 \$370	\$400-\$450	Below

Table 1 Rental yield per apartment – 1 Year, 15/09/22-18/10/23

25	Studio	05.10.22-16.05.23 \$375 17.05.23-24.10.23 \$395	\$400-\$450	Below
26	1 Bed	16.10.22-15.01.23 \$465* 16.01.23-15.11.23 \$545*	\$525-\$595	Below
27	1 Bed	19.11.22-27.10.23 \$440	\$525-\$595	Below
28	1 Bed	14.10.22-11.05.23 \$400 12.05.23-09.11.23 \$440	\$525-\$595	Below
29	1 Bed	07.10.22-11.05.23 \$440 12.05.23-02.11.23 \$460	\$525-\$595	Below
30	1 Bed	05.10.22-24.12.22 \$440* 29.12.22-01.11.23 \$465	\$525-\$595	Below
31	Studio	07.10.22-16.03.23 \$320 17.03.23-26.10.23 \$350	\$400-\$450	Below
32	Studio	07.10.22-06.07.23 \$300 07.07.23-19.10.23 \$340	\$400-\$450	Below
33	1 Bed	03.10.22-12.11.22 \$430 10.12.22-10.11.23 \$440	\$525-\$595	Below
34	1 Bed	01.10.22-14.07.23 \$390 15.07.23-27.10.23 \$450	\$525-\$595	Below
35	1 Bed	26.10.22-10.01.23 \$380 11.01.23-24.10.23 \$410	\$525-\$595	Below
36	1 Bed	12.10.22-13.12.22 \$375 14.12.22-17.01.23 \$415 12.01.23-13.11.23 \$490*	\$525-\$595	Below
37	1 Bed	05.10.22-11.07.23 \$405 12.07.23-31.10.23 \$445	\$525-\$595	Below
38	Studio	06.10.22-13.06.23 \$315 26.06.23-05.11.23 \$400	\$400-\$450	Below
39	Studio	05.10.22-10.10.23 \$320 11.10.23-24.10.23 \$350	\$400-\$450	Below
40	1 Bed	12.10.22-22.11.22 \$475 26.11.22-03.11.23 \$550	\$525-\$595	Below
41	1 Bed	16.10.22-09.07.23 \$405 10.07.23-12.11.23 \$440	\$525-\$595	Below
42	1 Bed	07.10.22-05.01.23 \$435 06.01.23-09.11.23 \$445	\$525-\$595	Below
43	1 Bed	07.10.22-27.04.23 \$400 28.04.23-02.11.23 \$440	\$525-\$595	Below

Table 1 Rental yield per apartment – 1 Year, 15/09/22-18/10/23

44	1 Bed	20.10.22-12.07.23 \$400	\$525-\$595	Below
		13.07.23-15.11.23 \$440		

* Denotes weekly rental rate, based on a division of the monthly rate per the ledgers.

Note: Where the rent is less than a single quarter, this still triggers low rental contributions.

Based on the above, all apartments were rented at a lower rate than the median rent for the relevant period. As such, there will be a loss of affordable housing and a contribution is required under *Section 48 Contributions for affordable housing – the Act*, S 7.32 of Housing SEPP. Section 48 states the following:

(1) *The following requirements are prescribed for the imposition of conditions on a development consent granted under this Part—*

(a) *the consent authority must be satisfied the development will, or is likely to, reduce the availability of affordable housing in the area,*

(b) *if the condition requires the payment of a contribution—the contribution must be determined in accordance with this section.*

(2) *The amount of the contribution must be calculated in accordance with the following formula—*

$$C = L \times R \times 0.05$$

where—

C is the contribution payable.

L is the total number of bedrooms in a low-rental dwelling and boarding rooms that will be lost by the proposed development.

R is the replacement cost calculated as the average value of the first quartile of sales of strata properties in the local government area in which the development is to take place, as specified in the 4 most recent editions of the Rent and Sales Report.

Based on the above, the following contribution will be payable:

$$C = 46 \times \$719,500 \times 0.05 = \$1,654,850$$

We note the following regarding the four previous sales quarters of strata properties in the Sydney LGA (first quartile sales price):

- Sales June 2022 Quarter – Strata \$750,000;
- Sales September 2022 Quarter – Strata \$710,000;
- Sales December 2022 Quarter - Strata \$688,000; and
- Sales March 2023 Quarter – Strata \$730,000.

For reference, the figures provided below are excerpts from the Weekly Rental Statistics by NSW Postcode for July to September 2022, October to December 2022 and April to June 2023.



Table 2. Weekly rents statistics by NSW Postcode

Reporting period: July - September 2022

1. (s): 30 or fewer bonds lodged; (-): 10 or fewer bonds lodged

2. "Total" reporting on dwelling types includes Flats/Units, Houses, Townhouses and dwellings which are categorised as "not stated" or "other".

3. When new bonds are lodged, around 2% of entries contain incomplete dwelling address information. These records are excluded for the reporting period as

4. The data relates to private market rent

[Read explanatory notes](#)

Postcode	Dwelling Types	Number of Bedrooms	First Quartile Weekly Rent for New Bonds	Median Weekly Rent for New Bonds	Third Quartile Weekly Rent for New Bonds
			\$	\$	\$
2011 Flat/Unit	Total		425	573	750
2011 Flat/Unit	Bedsitter		356	400	450
2011 Flat/Unit	1 Bedroom		430	525	650
2011 Flat/Unit	Not Specified		475	600	730
2011 Flat/Unit	2 Bedrooms		700	800	1100
2011 Flat/Unit	3 Bedrooms		1250	1450	1663 s
2011 Flat/Unit	4 or more Bedrooms		-	-	-

Figure 1 Weekly Rental Statistics by NSW Postcode – July to September 2022

Table 2. Weekly rents statistics by NSW Postcode

Reporting period: October - December 2022

1. (s): 30 or fewer bonds lodged; (-): 10 or fewer bonds lodged

2. "Total" reporting on dwelling types includes Flats/Units, Houses, Townhouses and dwellings which are categorised as "not stated" or "other".

3. When new bonds are lodged, around 2% of entries contain incomplete dwelling address information. These records are excluded for the reporting period as t

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Postcode	Dwelling Types	Number of Bedrooms	First Quartile Weekly Rent for New Bonds	Median Weekly Rent for New Bonds	Third Quartile Weekly Rent for New Bonds
			\$	\$	\$
2011 Flat/Unit	Total		461	600	768
2011 Flat/Unit	Bedsitter		380	413	450
2011 Flat/Unit	1 Bedroom		484	590	675
2011 Flat/Unit	Not Specified		444	505	613 s
2011 Flat/Unit	2 Bedrooms		750	885	1138
2011 Flat/Unit	3 Bedrooms		-	-	-
2011 Flat/Unit	4 or more Bedrooms		-	-	-

Figure 2 Weekly Rental Statistics by NSW Postcode – October to December 2022

Table 2. Weekly rents statistics by NSW Postcode

Reporting period: April - June 2023

1. (s): 30 or fewer bonds lodged; (-): 10 or fewer bonds lodged

2. "Total" reporting on dwelling types includes Flats/Units, Houses, Townhouses and dwellings which are categorised as "not stated" or "other".

3. When new bonds are lodged, around 2% of entries contain incomplete dwelling address information. These records are excluded for the reporting period e

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Postcode	Dwelling Types	Number of Bedrooms	First Quartile Weekly Rent for New Bonds	Median Weekly Rent for New Bonds	Third Quartile Weekly Rent for New Bonds
			\$	\$	\$
2011 Flat/Unit	Total		480	605	820
2011 Flat/Unit	Bedsitter		400	450	483
2011 Flat/Unit	1 Bedroom		494	595	700
2011 Flat/Unit	Not Specified		-	-	-
2011 Flat/Unit	2 Bedrooms		850	978	1150
2011 Flat/Unit	3 Bedrooms		1000	1250	1700
2011 Flat/Unit	4 or more Bedrooms		-	-	-

Figure 3 Weekly Rental Statistics by NSW Postcode – April to June 2023