



Shelter NSW Update

Shelter NSW Brief 62: Potential affordable housing dwelling yields from a NSW Inclusionary Zoning Scheme November 2018

When the Greater Sydney Commission's *A metropolis in three cities* recommended the introduction of Affordable Rental Housing Targets (ARHT) at 5-10% of the uplift created by rezoning, subject to viability and other considerations, it prompted a simple question: how many affordable homes is that likely to deliver across Sydney?

Shelter NSW commissioned research from the University of Sydney's Professor Peter Phibbs and Lisa Anne King to help answer this question. They looked at the potential uplift from rezonings and development based on Sydney's performance across 2017/18, and modeled the likely yield if an ARHT was in place. This was then projected over a ten year period.

Read the full report [here](#).

The research considers two scenarios, modeling a pessimistic yield and an optimistic yield ranging between 3,181 and 12,639 dwellings over ten years. More detail about how the ARHT is to be implemented and delivered is needed before a more precise figure can be determined.

The research also considers the likely additional yield from including all NSW councils in the existing SEPP 70 inclusionary zoning scheme, with a potential 3,675 affordable dwellings coming through this channel.

All told, the research suggests a potential affordable housing yield from these strategies ranging from approximately 6,500 to 16,300 dwellings over ten years.

These are not insignificant numbers – particularly if policies and programs aimed at achieving the optimistic yield are adopted and implemented by state and local governments.

But they fall well short of what is needed to address our current problems with unaffordable housing. For instance, we need almost 80,000 social housing dwellings in Sydney right now, in order to meet

existing need for households in the lowest income bracket. That's before we consider the additional need for housing that is affordable to people in the second lowest income bracket, or projections of further need due to population growth.

Inclusionary zoning schemes are important, and we are encouraged by recent policy developments in this area. They can play a critical role in alleviating housing stress for a large number of people. However, we must not lose sight of the bigger picture – the NSW Government must commit to a complete housing strategy that will see at least 5,000 social housing dwellings built every year for the next ten years. That would raise the share of social housing to 6% of total housing stock across the state, but it would still not meet the current and projected need entirely. New South Wales requires closer to 27,000 new social and affordable housing dwellings each year, for a decade in order to do that.

This is one of the four priorities included in Shelter NSW's 2019 state election asks. Read more about our election priorities [here](#).