

**ANGEL PLACE  
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SYDNEY NSW 2000**

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8 December 2021

Mr Justyn Ng  
Development Manager  
SH Gosford Residential Pty Ltd  
[JNg@sthilliers.com.au](mailto:JNg@sthilliers.com.au)

Dear Justyn,

## **CENTRAL COAST QUARTER – NORTH TOWER: AFFORDABLE HOUSING**

This letter has been prepared for SH Gosford Residential Pty Ltd (The Proponent) as part of the Response to Submissions in relation to the State Significant Development Application for Central Coast Quarter's North Tower.

Specifically, we have analysed the proposal and its apartment sale prices in relation to the affordable housing policy framework that applies in the Central Coast Local Government Area (LGA).

### **SUBJECT SITE AND PROPOSED DEVELOPMENT**

#### **Subject Site**

The subject site comprises eight contiguous lots situated at 26-30 Mann Street, Gosford. It is located approximately 76 km north of the Sydney CBD, in the Central Coast LGA.

The site is situated 650 metres south of Gosford Railway Station, which provides access south to Sydney CBD via Strathfield and north to Newcastle Interchange. The Imperial Shopping Centre is the closest supermarket centre, located 550 metres north-east of the subject site, while Erina Fair is the closest regional shopping centre, situated 5.9 km east of the site. Key health facilities of Gosford Hospital and Gosford Private Hospital are located 1.6 km northwest and 2.4 km northeast respectively.

The existing development surrounding the subject site comprises a six storey mixed use building made up of 7,340 sq.m of commercial floorspace at 32 Mann Street, a new commercial building situated north of the subject site at 99 Georgiana Terrace, Gosford City Park to the west, and Gosford Police Station to the east on Mann Street.

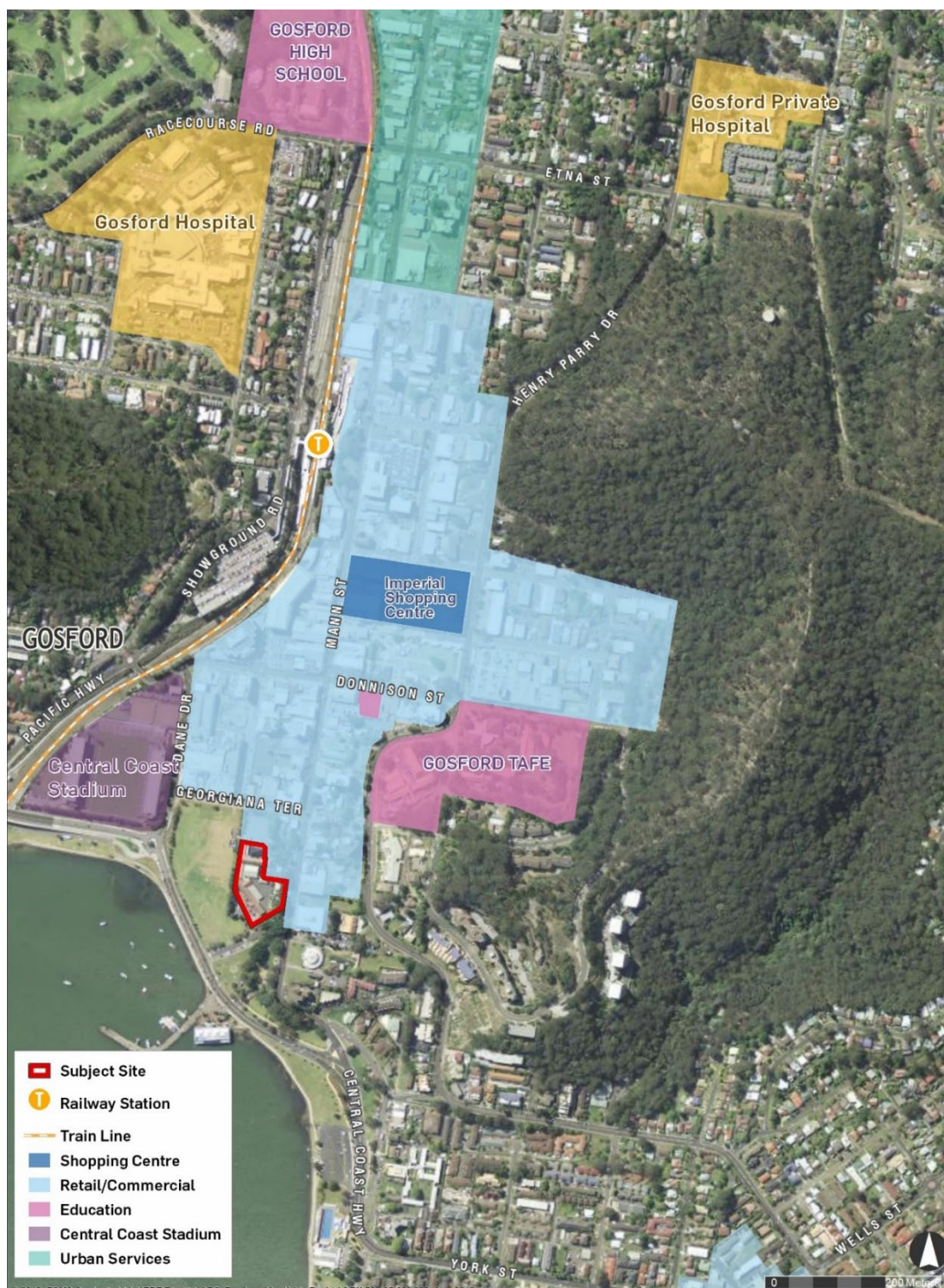
Map 1.1 shows the location of the subject site, and the broader local context is shown in Map 1.2.

Map 1.1 – Subject Site





Map 1.2 – Local Context



## Proposed Development

The Proponent recently received approval for a Concept State Significant Development Application which seeks to deliver a mixed use development over three stages. The approved concept for Central Coast Quarter included the following broad mix and scale of uses:

- Residential – maximum of 22,414 sqm of GFA
- Hotel – maximum of 9,660 sqm of GFA
- Commercial / Retail – minimum of 2,787 sqm of GFA.

The Proponent has advised that the entire development could be developed by 2025.

### Stage 1 – North Tower

The Proponent has lodged a State Significant Development Application (SSDA) that seeks approval for the first stage of the development, consisting of the North Tower.

This residential building will provide a total of 136 residential apartments, comprising:

- 14 x one-bedroom apartments
- 107 x two-bedroom apartments
- 14 x three-bedroom apartments
- 1 x four-bedroom apartment.

In addition to the residential apartments, the building will also include 621 sq.m of retail floorspace.

The SSDA was lodged with Department of Planning, Industry and Environment (DPIE) on 16 September 2021. DPIE subsequently issued a letter to the applicant on 22 October 2021 requesting a response to the issues raised during the public exhibition of the application.

## AFFORDABLE HOUSING

Affordable housing in the Central Coast LGA is currently governed by two key policy documents:

- Central Coast Affordable and Alternative Housing Strategy (Central Coast Council)
- NSW Affordable Housing Ministerial Guidelines 2021/22 (NSW DPIE)

### Central Coast Affordable and Alternative Housing Strategy

The *Central Coast Affordable and Alternative Housing Strategy* (the Strategy) seeks to provide effective policy solutions to address the growing need for affordable and alternative housing within the Central Coast LGA.

The Strategy specifically identifies 27 strategies to be implemented in the LGA to address the growing need for affordable and alternative housing. Strategy 1 is as follows:

*For the purpose of this Strategy,*

- a) *Council adopts the following definitions and benchmarks for 'affordable housing':*

*Housing is generally considered to be 'affordable' when very low, low and moderate income households are able to meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care and education. This is generally accepted to be where such households pay no more than 30% of their gross household income on housing costs, although other factors such as cost of transport and access to services are also important.*

b) The following table will be indexed annually to reflect CPI.

**Table 1 – Affordable Housing Benchmarks, Central Coast LGA (as at March 2019)**

	<b>Very Low-Income Household</b>	<b>Low-Income Household</b>	<b>Moderate-Income Household</b>
Income Benchmark	<50% of Gross Median H/H Income for Greater Sydney	50-80% of Gross Median H/H Income for Greater Sydney	80%-120% of Gross Median H/H Income for Greater Sydney
Income Range (2)	<\$913 per week	\$914-\$1,460 per week	\$1,461-\$2,190 per week
Affordable Rental Benchmarks (3)	<\$274 per week	\$275-\$438 per week	\$439-\$657 per week
Affordable Purchase Benchmarks (4)	<\$281,000	\$281,001-\$456,000	\$455,001-\$681,000

(1) All values reported are in March Quarter 2019 dollars

(2) Total weekly household income

(3) Calculated as 30% of total household income

(4) Calculated using ANZ Loan Repayment Calculator, using 13 May 2019 interest rate (4.76%) and assuming a 20% deposit for a 30-year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

Source: Central Coast Affordable and Alternative Housing Strategy

As per Council's Strategy, we have indexed these benchmarks based on CPI growth for Sydney between March 2019 and June 2021. The updated benchmarks are shown below in Table 2.

As shown in the table, under the Strategy, any dwellings in the Central Coast LGA with a sale price greater than \$439,001 and less than \$684,000 are considered affordable to moderate income households.

**Table 2 – Affordable Housing Benchmarks, Central Coast LGA (as at June 2021)**

	<b>Very Low-Income Household</b>	<b>Low-Income Household</b>	<b>Moderate-Income Household</b>
Income Benchmark	<50% of Gross Median H/H Income for Greater Sydney	50-80% of Gross Median H/H Income for Greater Sydney	80%-120% of Gross Median H/H Income for Greater Sydney
Income Range (2)	<\$947 per week	\$948-\$1,515 per week	\$1,516-\$2,272 per week
Affordable Rental Benchmarks (3)	<\$284 per week	\$285-\$454 per week	\$455-\$682 per week
Affordable Purchase Benchmarks (4)	<\$275,000	\$275,001-\$439,000	\$439,001-\$684,000

(1) All values reported are in June Quarter 2021 dollars

(2) Total weekly household income

(3) Calculated as 30% of total household income

(4) Calculated using ANZ Loan Repayment Calculator, using 1st December 2021 interest rate (3.19%) and assuming a 20% deposit for a 30-year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

Source: Central Coast Affordable and Alternative Housing Strategy; Urbis

## NSW Affordable Housing Ministerial Guidelines 2021/22

In addition to considering Council's *Central Coast Affordable and Alternative Housing Strategy*, we have also reviewed the affordable housing benchmarks published in the NSW Affordable Housing Ministerial Guidelines 2021/22 (the Guidelines).

The Guidelines provide different benchmarks for Sydney and the Remainder of NSW. As per the Guidelines, "Sydney" is defined based on the ABS Greater Capital City Statistical Area boundaries, and includes the Central Coast LGA, Blue Mountains LGA, and Wollondilly LGA.

The 2021/22 income benchmarks and incomes ranges for Sydney as per the Guidelines are shown in Table 3.

We have converted these into affordable rental benchmarks and affordable purchase benchmarks using the same approach adopted in the *Central Coast Affordable and Alternative Housing Strategy* (i.e. calculated affordable purchase benchmarks using ANZ Loan Repayment Calculator, using 1st December 2021 interest rate (3.19%) and assuming a 20% deposit for a 30-year ANZ Standard Variable Home Loan and 30% of total household income as repayments).

Under the Guidelines, any dwellings in the Central Coast LGA with a sale price greater than \$461,001 and less than \$692,000 are considered affordable to moderate income households.

**Table 3 – Affordable Housing Benchmarks, Sydney (as at July 2021)**

	<b>Very Low-Income Household</b>	<b>Low-Income Household</b>	<b>Moderate-Income Household</b>
Income Benchmark	<50% of Gross Median H/H Income for Greater Sydney	50-80% of Gross Median H/H Income for Greater Sydney	80%-120% of Gross Median H/H Income for Greater Sydney
Income Range (1)	<\$958 per week	\$959-\$1,535 per week	\$1,536-\$2,300 per week
Affordable Rental Benchmarks (2)	<\$287 per week	\$288-\$460 per week	\$461-\$690 per week
Affordable Purchase Benchmarks (3)	<\$288,000	\$288,001-\$461,000	\$461,001-\$692,000

(1) Total weekly household income

(2) Calculated as 30% of total household income

(3) Calculated using ANZ Loan Repayment Calculator, using 1st December 2021 interest rate (3.19%) and assuming a 20% deposit for a 30-year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

Source: NSW Affordable Housing Ministerial Guidelines 2021/22; Urbis

## Proposed Development

Based on sales data provided by the Proponent, we note that the Proponent has sold a total of 49 apartments, or 36% of total dwellings in the proposed development, for less than \$684,000.

Therefore, under both the *Central Coast Affordable and Alternative Housing Strategy* and the NSW Affordable Housing Ministerial Guidelines 2021/22, these 49 apartments are considered affordable to moderate income households.



Yours sincerely,

A handwritten signature in blue ink that reads "Princess T. Ventura". The signature is written in a cursive, flowing style.

Princess Ventura  
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