



3 May 2019

Elizabeth Goodall
Lendlease
Level 14, Tower 3
300 Barangaroo Avenue
Barangaroo NSW 2000

Re: R5 Residential Building Barangaroo South – Key Worker Housing

Dear Elizabeth,

We have reviewed the Department of Planning and Environment's 25 March 2019 comments regarding the above site and provide the following response in regards to a select number of comments on the Key Worker Housing (KWH). The comments below are based on City West Housing's 25 years of experience developing and managing Affordable Rental Housing apartments within the City of Sydney.

3 Bedroom Apartments

City West Housing (CWH) currently has a waiting list of over 400 eligible applicants with the highest demand being for 1 and 2 bedroom units. While the demand for 3 bedrooms is a smaller percentage, it has the longest waiting time. 3 Bedroom apartments are typically occupied by families and, given the location of R5, we envision that families would find this location unsuitable. On this basis we anticipate the highest demand in this location will be from single person households.

To provide for future needs, CWH is exploring dual key apartments to create 3-bedroom apartments (combining a studio and a 2 bedroom) in our future developments. This approach provides some long-term flexibility for potential demand. We recommend this approach is explored for R5.

Integration of Key Worker Housing in the Building

Ideally, the KWH would be provided in a purpose-built independent building. This approach allows a Community Housing Provider full control of the building maintenance and eliminates strata costs. Outside of providing a completely separate building for affordable housing there remains a risk to the Community Housing Provider (CHP) who will manage these properties of strata costs outside of their control, both in relation to quarterly strata levies (inclusive of sinking fund costs) and the potential for special levies in the future. If the Community Housing Provider cannot control these costs there is a material risk that cost escalation will exceed rental growth resulting in an ongoing operating loss for the apartments which is not sustainable. I would note that this issue is not unique and is an issue with many other mixed private and affordable housing developments.

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By way of background, City West Housing's portfolio consists of wholly owned buildings as well as apartments located within strata buildings. Our experience has been that the individual apartments are significantly more expensive to manage and operate and City West Housing has begun to divest these assets, recycling the capital into our new developments to provide more housing.

The proposed approach of a dedicated KWH stratum with separation of communal open space, entry and lift access allows a CHP to leverage existing maintenance contracts and systems.

Studies have demonstrated that a separate entry of the same design calibre has no negative impact to the residents. This approach is similar to multi-use buildings with separate entry lobbies.

No KWH car parking

We note that no car parking is available for the Key Worker Housing. Our experience is that car parking adds to the development and operational costs for Affordable Housing and a fair allocation system for the available car spots is difficult to implement. In response we are negotiating special car share pricing for all of our residents as a transport option.

Our design guidelines for future developments is to phase out onsite parking if mass transit is located nearby. We also have given consideration to ensure that car sharing is located in close proximity to all of our future developments. We would support the provision for car sharing such as Go Get in close proximity to R5.

Given the proximity to Wynyard and the proposed Barangaroo metro station, we are comfortable with no parking being provided. The exception would be if there is a disabled resident who requires parking where we assume provisions could be made to accommodate parking onsite.

We support the inclusion of Key Worker Housing in Barangaroo South and are available for any further consultation if required.

Kind Regards,

Lisa Sorrentino
Head of Development

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