

Draft Randwick Junction Town Centre



Affordable Housing Plan

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Preliminary

Acknowledgement of country

Randwick City Council acknowledges the Gadigal and Bidjigal people as the Traditional Custodians of this place we now call Randwick City and we acknowledge their continued connection to Country. We pay respect to Aboriginal and Torres Strait Islander Elders past, present and emerging.

Publication details

This Randwick Junction Town Centre Affordable Housing Plan was adopted by Randwick City Council on (XXX insert date).

1. Strategic context and background

1.1. Purpose of this Plan

The Randwick Junction Town Centre Affordable Housing Plan (the Plan) applies to the blue hatched areas, shown in Figure 1.

The purpose of this plan is to:

- Provide the background requirements and operational detail for the Randwick Junction Town Centre (RJTC) affordable housing contributions scheme
- Ensure that affordable housing is provided in the RJTC
- Provide certainty and facilitate a coordinated approach towards the provision of affordable housing in the RJTC.

1.2. Process to adoption

The Plan should be read in conjunction with the *Draft Randwick Junction Planning Proposal*. These documents will be publicly exhibited concurrently. Following public exhibition, submissions received will be considered by Council. The final Plan will be reported to Council for consideration for adoption.

1.3. Objectives

The objectives of this Plan are to:

- Identify the need for affordable housing, which will increase because of the renewal and redevelopment proposal
- Recognise affordable housing as essential infrastructure necessary to support a socially diverse community and the economic functions of Randwick City
- Ensure there are opportunities for low to moderate income households, who work or have family connections in Randwick City, to live in Randwick City.

1.4. Where does the Plan apply?

This Plan applies to land within RJTC as identified in Figure 1.

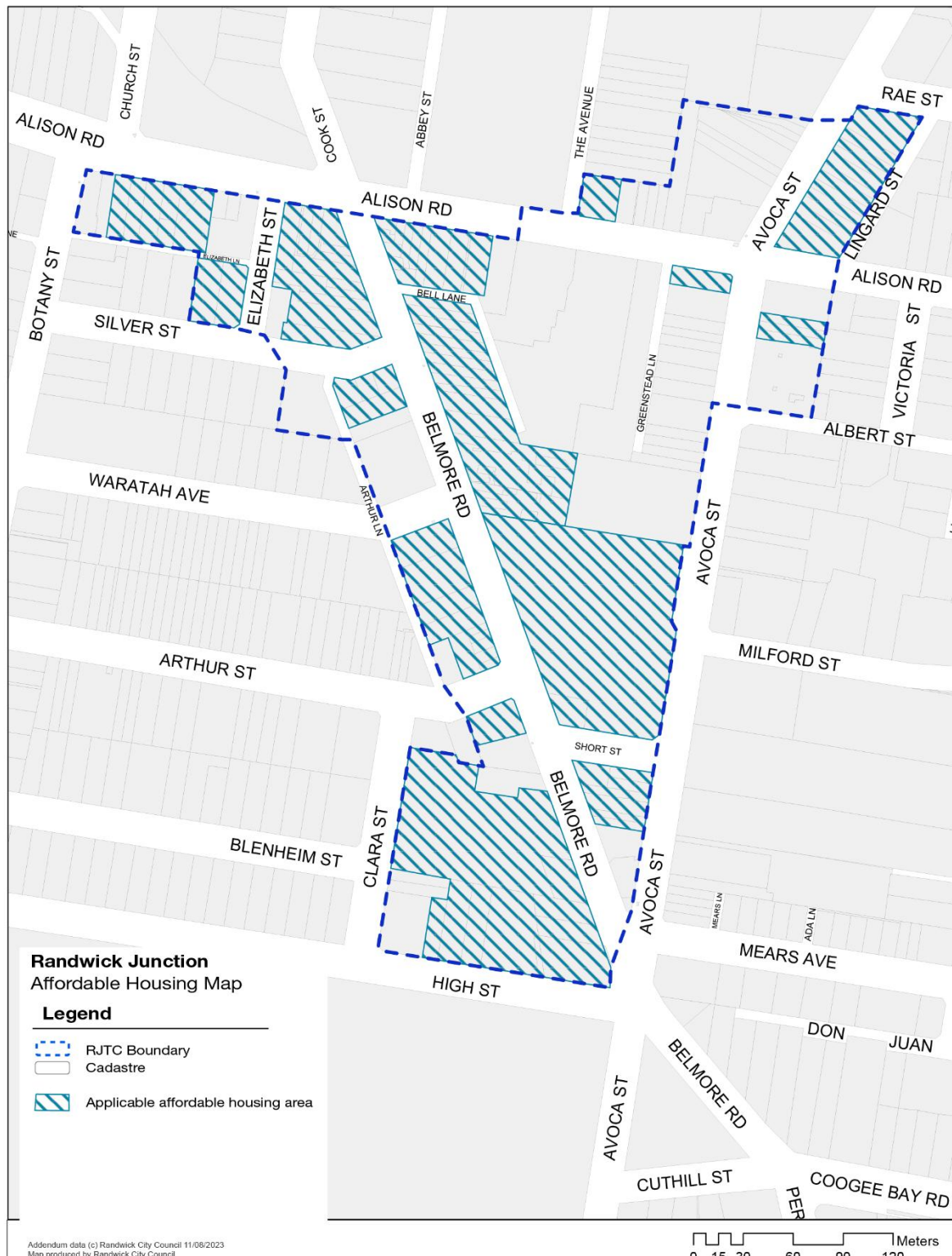


Figure 1. Randwick Junction Town Centre Affordable Housing Contributions Scheme levy area.

1.5. Aim of the Plan

The aim of the Plan is to deliver affordable housing resulting from contributions levied in the RJTC. The Plan aims to contribute approximately 62 affordable housing dwellings in the long term, based on the total estimated dwelling capacity of the RJTC. The Plan will support a socially diverse community and the economic functions of Randwick City.

1.6. The Randwick City Affordable Housing Program

Clause xxx (Clause number to be provided once gazetted) of Randwick LEP 2012 allows for landowners and developers within the RJTC to satisfy an affordable housing contribution requirement by making:

- An in-kind contribution of finished affordable housing dwellings, or
- An equivalent monetary contribution payment.

The proposed operational detail for the collection and distribution of affordable housing contributions within the RJTC are contained within this Plan. It aligns with on Council's Affordable Rental Housing Strategy adopted in December 2025.

1.7. What types of development does the Plan apply to?

The Plan applies to the residential component of development in the RJTC that benefits from an increase in Floor Space Ratio (FSR) resulting from the gazettal of the RJTC Planning Proposal. The contribution is to be calculated based on the total floor area used for residential purposes, of the residential component of the development to which the Development Application (DA) relates, as defined by clause xx (Clause number to be inserted after gazettal) Randwick LEP 2012 and under part 2.2 of this Plan.

There are to be no 'savings' or 'credit' for floor space that already exists on the site, even if the building is being adapted and reused.

1.8. Affordable housing need

The RJTC Affordable Housing Plan aims to ensure that lower income households continue to live and work locally within the Randwick Local Government Area (LGA), to facilitate a socially diverse and inclusive community, and to support the economic functions of the Randwick Education and Health Strategic Centre.

The Randwick Affordable Rental Housing Strategy demonstrates the need to increase the supply of affordable rental housing in the Randwick LGA. Without provision of more affordable housing, the market can be expected to continue to produce more expensive housing in the area, so that housing will only be affordable to households on relatively high incomes. The flow on effect is that existing lower income groups would need to move out of the area, and new lower income households may be prevented from finding housing in the local area, close to employment and education opportunities within the Randwick Strategic Education and Health Strategic Centre.

The RJTC is close to frequent public transport services, local business centres and the Randwick Education and Health Strategic Centre. It is also accessible to the Sydney CBD, the eastern beaches, and Centennial Parklands. This has resulted in the area becoming increasingly attractive as a place to live and work, which will continue to place upward pressures on property values beyond the means of lower income households to purchase or rent in the area.

The Randwick Junction Planning Strategy supports a new planning framework for the town centre to guide growth and change over the next 20 years. This new planning framework (via proposed amendments to Randwick LEP 2012 and DCP 2013) will allow for a higher intensity and scale of development at appropriate well-serviced locations, whilst also providing for community benefits, including approximately 62 affordable housing dwellings for essential key workers.

1.9. Legislative basis for affordable housing contributions

Section 7.32 of the *Environmental Planning and Assessment Act 1979* (the Act) allows for the collection of contributions for affordable housing where a need is identified in a planning instrument, and where:

- a) The consent authority is satisfied that the proposed development will or is likely to reduce the availability of affordable housing within the area, or
- b) The consent authority is satisfied that the proposed development will create a need for affordable housing within the area, or

- c) The proposed development is allowed only because of the initial zoning of a site, or the rezoning of a site, or
- d) The regulations so provide¹.

State Environmental Planning Policy (Housing) 2021, which consolidated the previous SEPP 70 – Affordable Housing (Revised Schemes), identifies Randwick City as an area in need of affordable housing.

The *Randwick Junction Town Centre Planning Proposal* includes a provision on affordable housing that would describe the controls for the calculation, levying and management proposed of affordable housing in RJTC. The planning proposal also identifies development that is excluded from making a contribution under the scheme.

All development for the purposes of residential accommodation within the RJTC contribution area (that is not explicitly excluded from the provisions under the affordable housing clause as outlined in the Planning Proposal) is subject to the collection of contributions for affordable housing under Section 7.32 of the Act.

1.10. Affordable housing principles

The Randwick City affordable housing principles are:

- Affordable housing must be provided and managed in Randwick City so that a socially diverse residential population, representative of all income groups, is realised in Randwick City
- Affordable housing must be rented to tenants whose gross household incomes fall within the following percentage ranges of median household income, for the Sydney Statistical Division according to the Australian Bureau of Statistics:
 - Very low income household - less than 50%
 - Low income household - 50% or more, but less than 80%
 - Moderate income household - 80–120%
 - and at rents that do not exceed a benchmark of 30% of their actual household income
- Dwellings provided for affordable housing must be managed to maintain their continued use for affordable housing
- Rental from affordable housing received by, or on behalf of, the Council, after deduction of normal landlord's expenses (including management and maintenance costs and all rates and taxes payable in connection with the dwellings), must be used for the purpose of improving or replacing affordable housing or for providing additional affordable housing in Randwick City, or for research and policy development for housing and affordable housing purposes
- Affordable housing must consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with other dwellings within the development, especially in terms of internal fittings and finishes, solar access and privacy.

1.11. Definitions

Affordable housing is defined by the *Environmental Planning and Assessment Act 1979* as: “housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations, or as are provided for in an environmental planning instrument”.

Affordable housing covenant ensures that benefits of affordable housing are secured in accordance with this Plan in the long term.

The affordable housing covenant will be required to be registered, before the date of the issue of the Occupation Certificate, against the title of the property, in accordance with section 88E of the *Conveyancing Act 1919*. The covenant will:

- Require affordable rental housing to be retained as affordable rental housing in perpetuity

¹ Development must only satisfy one of these conditions for Council to be able to require a contribution.

- Require affordable rental housing to be managed in accordance with the Randwick Junction Affordable Housing Plan and in accordance with Randwick City Council's Affordable and Transitional Housing Policy Guidelines 2025.
- Allow for the removal of the covenant to facilitate the sale of affordable rental housing in accordance with Randwick City Council's Affordable and Transitional Housing Policy Guidelines 2025.

Council refers to Randwick City Council.

Residential accommodation as defined under Randwick LEP 2012 dictionary of terms, as a building or place used predominantly as a place of residence, and includes any of the following:

- (a) attached dwellings,
- (b) boarding houses,
- (c) co-living housing,
- (d) dual occupancies,
- (e) dwelling houses,
- (f) group homes,
- (g) hostels,
- (h) multi dwelling housing,
- (i) residential flat buildings,
- (j) rural workers' dwellings,
- (k) secondary dwellings,
- (l) semi-detached dwellings,
- (m) seniors housing,
- (n) shop top housing,

but does not include tourist and visitor accommodation or caravan parks.

Residential purposes means the total floor area being used for residential accommodation.

Total floor area as defined by the Randwick LEP 2012, Division 2 Affordable Housing.

Very low to moderate income households is as defined in the *State Environmental Planning Policy (Housing) 2021* as follows:

Very low to moderate income households are those households whose gross incomes fall within the following ranges of percentages of the median household income for the time, for the Greater Sydney Statistical Division, according to the Australian Bureau of Statistics:

- Very low income household – less than 50%
- Low income household – 50 or more but less than 80%
- Moderate income household – 80 to 120%

2. Affordable housing contributions

2.1. Contribution rates

Figure 2 identifies the affordable housing contribution area and corresponding percentage rate applicable to land within the RJTC.

Randwick Junction TC PP - 6 June 2025 (Rev. 03)

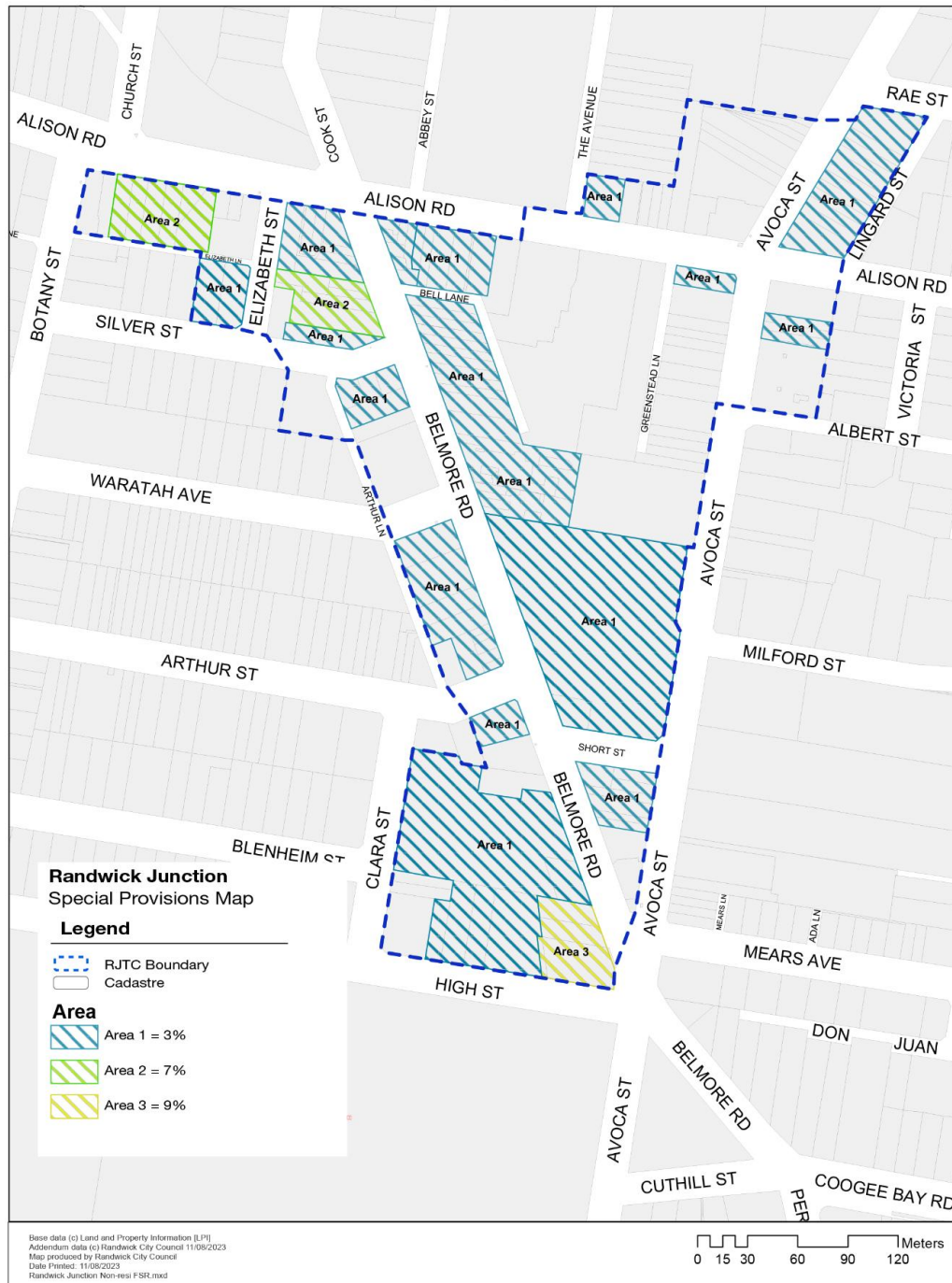


Figure 2. Affordable Housing Contribution Rate Map.

The following contribution percentage rates apply to land within the town centre:

Randwick Junction Town Centre Area	Percentage of total floor area used for residential purposes to which the development application relates
Area 1	3%
Area 2	7%
Area 3	9%

2.2. Calculation of contributions

The contribution required is to be calculated based on the total floor area used for residential purposes of the residential component of the development to which the development application relates, as defined by clause xx (Clause number to be inserted after gazettal) Randwick LEP 2012 and based on the definition of total floor area provided in section 1.11 Definitions of this report. There are to be no 'savings' or 'credit' for floor space that already exists on the site, even if the building is being adapted and reused.

There are two possible ways to make the contribution:

1. Dedication of affordable housing units on site or 'in-kind' contribution – build and dedicate free of charge the required affordable housing dwellings in perpetuity, or
2. Monetary contribution 'in-lieu' of affordable housing units – a monetary contribution that is equivalent to the required 'in-kind' affordable housing.

2.3. Dedication of dwellings

The preferred contribution is via an 'in-kind' contribution – to build and dedicate in perpetuity, free of charge to the Council, the required affordable housing dwellings in order to achieve the objectives of this Plan. Each dwelling is to have a Gross Floor Area (GFA) of not less than 50 square metres and be incorporated within the proposed development.

However, if the percentage of total floor area to be dedicated as affordable housing results in an area which equates to less than 50 square metres GFA, then payment of an in-lieu monetary contribution must be made (to the Council by the Applicant). In some cases, a contribution may comprise a combination of an in-kind and monetary contribution.

For development which cannot be subdivided such as co-living development or purpose built student accommodation under the Housing SEPP, this plan outlines that a monetary contribution will apply.

The 'in lieu' monetary contribution to be paid, is the rate detailed in this Plan (in section '2.4 Equivalent monetary contribution').

Any carparking spaces associated with the dwellings dedicated to Council, must also be dedicated to Council. Note that parking is expressly excluded from the definition of TFA, the area of parking spaces does not form part of any TFA calculations.

The requirement for an affordable housing contribution will be a condition of development consent. In all instances, the Council will require evidence, via a legal agreement, that the condition of development consent relating to affordable housing has been satisfied prior to the granting of any Construction Certificate.

2.4. Equivalent monetary contribution

Where the dedication of dwellings to Council is not possible, this section describes how an equivalent monetary contribution can be made 'in-lieu', and identifies the amount in dollars required per square metre.

The current rates for the period from 1 July 2025 to 31 December 2025, for providing monetary contributions 'in-lieu' of dedicating dwellings to Council are as follows:

Area	Affordable housing rate	Equivalent monetary value per m2 of residential floor space
Area 1	3%	\$ 438.75
Area 2	7%	\$ 1,023.75
Area 3	9%	\$ 1,316.25

The monetary contribution rate is to be updated in line with the Department of Family and Community Services, Rent and Sales, quarterly reports and as set out under the section '3.2 Indexing of payments'.

Council's website will contain the current rates for this Plan/scheme, as indexed from time to time.

Calculating the contribution in the RJTC

For example, estimating a contribution towards affordable housing for a new 2,920 sqm mixed use development comprising of 720 sqm of commercial floor space and 2,200 sqm of residential floor space, it would be calculated as follows:

Scenario 1

This scenario assumes that the primary contribution is in the form of completed affordable housing dwellings to be dedicated to Council, with the remaining paid as a monetary contribution.

Floor space breakdown of proposed development	Applicable contribution rates towards affordable housing	Amount to be dedicated
720 sqm of commercial	No affordable housing contribution required for commercial floor space	Nil
2,200 sqm of total residential floor area	3% applicable (the property being in Area 1)	<p>Calculated Total Floor Area: 66 sqm.</p> <p>If 60 sqm of TFA is dedicated as one whole unit, the remaining TFA of 6sqm would then be payable as a monetary contribution.</p> <p>The calculation formula is as follows:</p> $\frac{\text{Residual TFA} \times \text{Equivalent monetary value}}{\text{AH rate (\%)}}$ <p>The calculation is:</p> $\frac{6\text{sqm} \times \$438.75}{3\%} = \$87,750.00$

Scenario 2

This scenario illustrates where a monetary contribution must be paid in accordance with the rates as specified in section 2.1 of this Plan. In cases where an 'in-kind' provision of finished affordable housing dwellings is not possible, such as non-strata residential accommodation (e.g. co-living development).

Floor space breakdown of development	Contribution towards affordable housing as a monetary contribution (only where development cannot dedicate floor space e.g non-strata development)
720 sqm of commercial	Nil
2,200 sqm of total residential floor area	2,200 sqm residential TFA to be paid as an equivalent monetary contribution at \$438.75 per square metre, results in a contribution of \$965,250.00.

Indexing contributions

Refer to section '3.2 Indexing of payments'.

2.5. Development exempt from a contribution

This Plan does not require the following development to make an affordable housing contribution:

- Development for the purposes of residential accommodation that is used and/or owned to provide public housing, affordable housing (including boarding houses and community housing) and group homes
- Development for the purposes of residential accommodation that will result in the creation of a residential total floor area of less than 100 square metres. Where a development provides additional floor space in conjunction with a change of use of existing floor space, the existing floor space is not excluded from consideration, and the contribution is calculated on the entirety of residential floor space in the development (existing and new floor space).

2.6. Conditions of consent for affordable housing

Making an in-kind contribution – conditions of consent

Completed affordable dwellings are to be dedicated to Randwick City Council. The Development Application (DA) to Council must identify the affordable dwellings to be dedicated.

The condition of consent for an in-kind contribution is to contain, but not be limited to:

- The total floor area of the development used for residential purposes that was used to calculate the contribution
- The total floor area of the dwellings to be dedicated as affordable housing
- The affordable housing dwellings to be dedicated must be shown on the approved plans, and referenced in the affordable housing condition
- A requirement that an affordable housing covenant be placed on the title of the land
- A requirement that prior to the granting of a Construction Certificate or prior to the commencement of works, evidence is to be provided by way of a written legal agreement to transfer title of the affordable dwelling(s) to Council.

Monetary or in-lieu contribution – conditions of consent

Where the total floor area to be dedicated as affordable housing is less than the amount equivalent to the affordable housing rate percentage, or where the proposed dwellings are considered not appropriate for the purpose of affordable housing (subject to Council approval), an equivalent monetary contribution will be required in accordance with the monetary contribution rate, outlined in section '2.4 Equivalent monetary contribution' and indexed according to section '3.2 Indexing of payments'.

Where an in-lieu contribution is being made the condition of consent is to contain, but not limited to, the following information:

- The total floor area of the development used for residential purposes that was used in the calculation
- The monetary contribution required in accordance with the rates as specified in section 2.4 of this Plan
- The contribution period at the time of determining the contribution amount (ie for a consent dated in July 2023, the contribution period is 1 July 2023 – 31 December 2023)
- The method of adjustment to contribution rates (as outlined in section 3.2)
- A requirement that the condition be satisfied (to Council's approval) prior to the issue of a Construction Certificate.

3. Administration and implementation

3.1. How to make a contribution

Payment of contributions will be made to Randwick City Council prior to issue of any Construction Certificate. In circumstances where no Construction Certificate is required, payment is required prior to commencement of any works. Council will not accept payment by way of a bank guarantee.

3.2. Indexing of payments

The monetary contribution rate to be paid is to be indexed twice a year, being the first days of January and July, with reference to the most recently published median strata dwelling price in the Randwick City LGA, as detailed in the NSW Government Rent and Sales Report, Table: Sales Price – Greater Metropolitan Region – Strata.

Adjustment of a monetary contribution amount on a development consent

Where a condition requiring a monetary contribution has been imposed, the contribution amount must be adjusted to reflect changes in the value of dwellings over time. For example, if a consent is issued in July 2023 and the Applicant does not wish to develop the site and pay the contribution until February 2025, the contribution amount needs to be adjusted to align with the period in which it is paid.

Monetary contributions are adjusted by Council and confirmed with the Applicant prior to payment being made. The formula for adjusting a contribution amount in a condition of consent is:

$$\text{Monetary Contribution} = \text{Base Contribution Amount} \times (\text{MDP2} / \text{MDP1})$$

Where:

Base Contribution Amount is the amount obtained from the Notice of Determination and based on the monetary contribution amounts at the time of determination of the Development Application

MDP1 is the median strata dwelling price that applied at the time of consent.

MDP2 is the median strata dwelling price that applies at the time of payment.

3.3. Process for the distribution and management of funds

Contributions resulting from in-kind or monetary contributions are to be provided in accordance with the Randwick City Council's Affordable and Transitional Housing Policy Guidelines 2025 and as outlined below:

- Affordable housing is to be dedicated to Randwick City Council in perpetuity
- Contributions are to be pooled and managed by Randwick City Council until such time as there is sufficient funding available to develop and/or acquire new affordable housing
- Affordable housing units are owned by Randwick City Council and managed by an eligible Community Housing Provider (CHP).
- Affordable housing is rented to very-low, low and moderate income households, at a maximum rate of up to 30 per cent of the gross household weekly income
- All rent received after deduction of management and maintenance costs will be reinvested back into Council's Affordable Rental Housing Program to be used for the purpose of improving, replacing or providing additional affordable rental housing in Randwick City and research and policy related to provision.
- Affordable housing is designed and constructed to a standard which, in the opinion of Council, is consistent with other dwellings within the same development. Further guidance for in-kind dedication can be found in Council's "Affordable Housing Design Guidelines".

3.4. Operational requirements for affordable housing

Operational requirements including the selection of a community housing provider and delivery program, deed of management details, tenant eligibility criteria and management policies and Councils rent policy are all detailed in Councils *Affordable and Transitional Housing Policy Guidelines 2025*.

3.5. Monitoring and review of the Plan

Council will review and report on the affordable housing contributions scheme at least once a year. Key performance indicators that will be reported on include:

- Amount of funds collected and pooled for affordable housing
- Allocation of funding in that year
- Number of delivered affordable housing dwellings or progression with programs.

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