

Secondary Dwellings



Background

What Type of Secondary Dwellings does the Waiver Policy Apply to?

- Floor area limited to 60m²
- Maximum of 5 bedrooms, 3 WC's and 2 laundries on a lot.
- No subdivision permitted
- Only applies to land zoned R2 or R3



Background

Policy Triggers

- Declining rate of new dwelling construction
- Declining number of persons per dwelling
- Increase in one and two person households
- Few one and two bedroom units being built
- Shortage of rental accommodation and high rents



Background

Policy Triggers

Year	2011	2006	2001	1996	1991
Dwellings	18,022	17,088	16,147	14,763	12,057

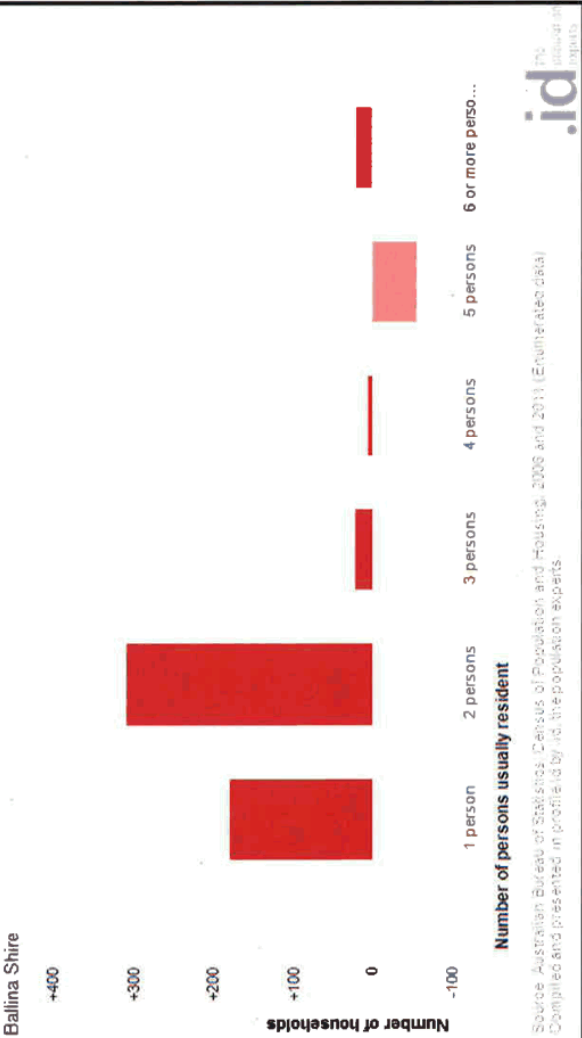
Year	2011	2006	2001	1996	1991
Persons Per Dwelling	2.35	2.39	2.43	2.52	2.63

Year	2011	2006	2001	1996	1991
1 person	27.3%	27%	26.4%	23.4%	21.1%
2 person	39%	38.3%	37.9%	38%	37.6%



Background Policy Triggers

Change in household size, 2006 to 2011





Background

Policy Triggers

Number of bedrooms per dwelling

Ballina Shire Number of bedrooms	2011			2006			Change 2006 to 2011
	Number	%	Regional NSW %	Number	%	Regional NSW %	
0 or 1 bedrooms	772	5	5	784	5	5	-12
2 bedrooms	3,248	20	18	3,246	20	19	2
3 bedrooms	7,085	43	43	6,871	43	45	214
4 bedrooms	3,740	23	24	3,528	22	22	212
5 bedrooms or more	825	5	5	726	5	5	99
Not stated	700	4	5	685	4	5	15
Total households	16,370	100	100	15,840	100	100	530

Source: Australian Bureau of Statistics, [Census of Population and Housing 2006 and 2011](#). Compiled and presented by [.id](#), the population experts.
(Enumerated data)



Where have they been approved?

(1/04/2014 to 31/12/2015)

Location	Number Approved	Owner on site %
Alstonville	7	14%
Ballina	8	38%
East Ballina	6	83%
West Ballina	3	66%
Cumbalum	1	0%
Lennox Head	22	77%
Skennars Head	1	100%
Wardell	1	0%
Wollongbar	2	100%

Assumed not on site if rating address does not match property address





Zoning

(1/04/2014 to 31/12/2015)

Location	R2 : R3
Alstonville	5 : 2
Ballina	5 : 3
East Ballina	4 : 2
West Ballina	2 : 1
Cumbalum	0 : 1
Lennox Head	17 : 5
Skennars Head	1 : 0
Wardell	0 : 1
Wollongbar	1 : 1



Surrounding Council positions

- Tweed – No contributions payable, cannot be subdivided, the greater of 60m² or 20% of floor area of principal dwelling.
- Byron – the greater of 60m² or 35% of floor area of principal dwelling. In 2011 fee waiver policy implemented. April 2015 Council resolved to exhibit changes to contribution plans to reinstate contributions. Approx 370 approved or 100 per year. Exhibition still not taken place.
- Lismore – Contribution discount policy for all secondary dwellings, (the greater of 60m² or 25% of floor area of principal dwelling) and one and two bedroom attached or detached dual occupancy dwellings floor area of 115m² or less. Policy due to be reviewed August 2016. As of 9/3/2016 only 4 approved and 2 pending.





Ballina Real Estate Agent Comments

- Current Vacancy Rate 0% - Properties being rented before vacant.
- Rents for Granny Flats - \$320 for 2 bedroom and \$250 for 1 bedroom per week.
- Rents for 3 bedroom house - \$400 per week or \$300 for older unit.
- Renters of granny flat accommodation include young singles, single mum and child, and older people with carers. All considered to be those least able to afford other housing forms.
- Ramps on some secondary dwelling preclude use by elderly



Rent Report December 2015 (Housing NSW)

SA 3 Local Government Area*	All Dwellings											
	One Bedroom			Two Bedrooms			Three Bedrooms			Four + Bedrooms		
	Median	Qtly	Ann	Median	Qtly	Ann	Median	Qtly	Ann	Median	Qtly	Ann
Richmond Valley - Coastal	295	3.5	13.5	340	3.0	3.0	470	0.0	4.4	570	3.6	7.5
Ballina	240 s	n	n	320	0.0	6.7	440	4.8	10.0	540	10.2	8.0
Byron	330	-5.7	n	420	5.0	2.4	505	-12.9	-2.9	670	4.7	15.5
Richmond Valley	170 s	n	n	230	4.5	4.5	280	-6.7	0.0	330 s	n	n
Richmond Valley - Hinterland	150	-14.3	-16.7	230	0.0	0.0	300	0.0	3.4	360	2.9	9.1
Kyogle	-	n	n	210 s	n	n	275 s	n	n	-	n	n
Lismore	150 s	n	n	245	1.0	-2.0	330	1.5	6.5	400	2.6	11.1
Richmond Valley	170 s	n	n	230	4.5	4.5	280	-6.7	0.0	330 s	n	n
Tweed Valley	240	2.1	4.3	326	3.6	8.8	400	0.0	3.2	550	10.0	12.2
Tweed	240	2.1	4.3	326	3.6	8.8	400	0.0	3.2	550	10.0	12.2



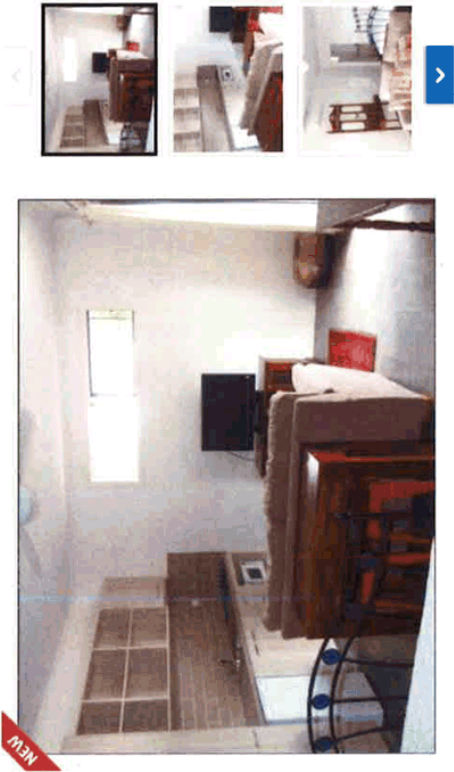
Moveable 2 bedroom dwelling – Renting for approx \$320 per week





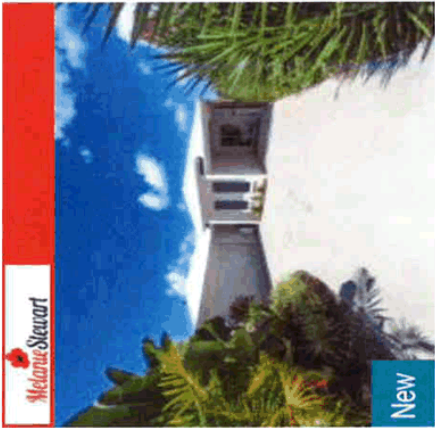
Studio – Alstonville Fee Waiver Consent

43A Commercial Road Alstonville NSW 2477
Property No. 417895582
\$230 / Wk
Fee 1 for 1 Studio
Date Available: Mon 21-Mar-16
[Show Page Visits](#)
[Reverse Rent Calculator](#)





Studio Alstonville (Not a Fee Waiver Example)



\$300 per week

29B Green Street, Alstonville, NSW 2...

2 1 1

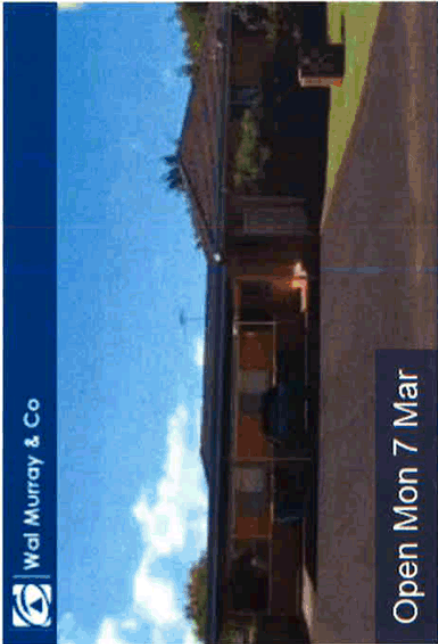
29B Green Street Alstonville
Short Term Rental - Fully Furnished
Modern, fully furnished studio available for a short term rental (3-6 months).
- Convenient location, walk to everything
- Modern kitchen, lounge & dining area
- Two good sized bedrooms with built in robes and ceiling fans
- Laundry
- Single carport
- Private courtyard
- Electricity included
- Assigned to owner's residence
Sorry, no pets.
Property Code: 226

Open for Inspection Times
No inspections are currently scheduled
Contact the agent to arrange an appointment.

Save Details



One Bedroom Unit Alstonville – Not Fee Waiver complex of four



Wal Murray & Co

Open Mon 7 Mar

\$200 per week

3/1 Coral Street, Alstonville, NSW 2477

1 1 1

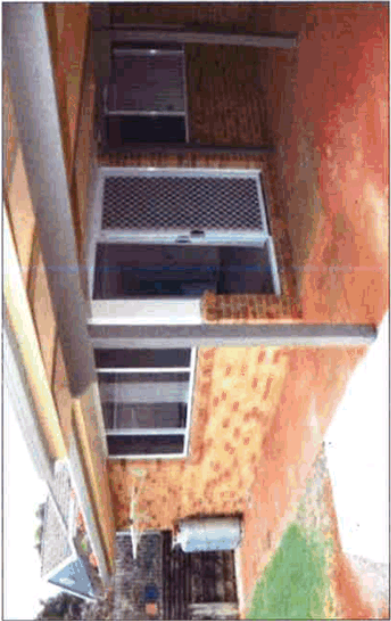
Save Details



Wollongbar Granny Flat – Address not stated

Wollongbar NSW 2477
\$200 per week
From 1 to 1 Unit
Date Available: Available Now

Property No. 408688343
[Show Page Visits](#)
[Reverse Rent Calculator](#)





Charges

Following Issue of Interim Occupation Certificate the following annual charges apply	
Waste Operations Charge	\$72
Domestic Waste Urban Charge	\$360
Waste Water (Sewer) Charge	\$864
If separate water metre provided (2016/17 charge proposed irrespective of metre)	\$195
TOTAL	\$1491pa





Options

- Maintain waiver policy as proposed for an additional 2 years.
- Phase out over next 2 years – 100% until 30/9/2016; 75% until 31 March 2017; 50% until 30/9/2017; 25% until 31/3/2018. No waiver after March 2018.
- Extend waiver policy to one bedroom home units and smaller dual occupancies or consider other initiatives.
- Discontinue Current Waiver Policy after 31 March 2016.



Conclusion

- Critical Rental Shortage
- Secondary Dwellings rents at lower end of market
- Reasonable spread of approvals across urban areas
- Policy initiatives required to stimulate one and two bedroom dwellings for rental market

9.4 Developer Contributions Policy - Secondary Dwellings

9.4 Developer Contributions Policy - Secondary Dwellings

Delivery Program Strategic Planning

Objective To consider the Council's current policy position relating to the waiving of developer contributions for secondary dwellings

Background

The Council, at its Ordinary Meeting held on 27 February 2014 considered a report relating to the application of developer charges (s64 and s94) in relation to development applications involving the construction or establishment of secondary dwellings (granny flats) and resolved as follows [Minute No. 270214/1]:

1. *That Council waive developer contributions for secondary dwellings for an initial period of two years where:*
 - *The total floor area of the secondary dwelling (excluding any area used for car parking) is restricted to a maximum of 60m².*
 - *The floor space ratio of the principal and secondary dwelling does not to exceed 0.5:1.*
 - *A maximum of 2 bedrooms are contained within the secondary dwelling and 5 bedrooms 3 water closets and 2 laundries on the total site.*
 - *Compliance is achieved with all other requirements relating to secondary dwellings contained within the Affordable Rental Housing SEPP.*
2. *That the waiving of developer contributions and charges for secondary dwellings be in relation to contributions and charges contained within Ballina Shire Contributions Plan 2008, Roads Contribution Plan 2010, Water Supply Servicing Plan 2004 and Sewerage Infrastructure Development Servicing Plan 2004.*
3. *The assessment criteria agreed with Rous Water for the calculation of equivalent tenements applicable to secondary dwellings be implemented for charges applicable under the Rous Water Development Servicing Plan – Bulk Supply Services.*
4. *That this policy change be incorporated into Council's developer contribution plans and servicing plans when they are next revised.*
5. *That public notice be given of this policy change and an information sheet be prepared to explain the changes.*

The secondary dwelling contribution waiver policy was subsequently implemented and commenced on 31 March 2014 and will expire on 31 March 2016. The implementation of the policy required that secondary dwellings be commenced within this two year period to attract the benefits of the contributions waiver policy.

Key Issues

- Affordable housing / variety in housing stock
- Infrastructure delivery
- Developer contribution levies and charges

9.4 Developer Contributions Policy - Secondary Dwellings

Information

Council's policy position relating to the waiving of developer contributions for certain secondary dwellings sought to achieve the following outcomes:

- Increasing the range of residential development types available to accommodate the changing (and aging) demographics of the shire - currently a high proportion of the shire's dwelling stock comprises detached houses comprising three or more bedrooms;
- Increasing the availability of 'affordable housing' suitable for single persons or couples without children;
- Providing additional income to households where the secondary dwelling is available for rental;
- Providing financial support for elderly residents to 'age in place' by renting out either the secondary dwelling or the primary residence;
- Potential for releasing 'under-occupied' dwellings by providing opportunities for residents to move into the secondary dwelling and rent out the primary dwelling to a larger household; and
- Providing opportunities for inter-generational care, in instances where family members are able to move into the primary dwelling and provide residential care to elderly relatives.

In the period prior to the adoption of the fee waiver policy there were very few secondary dwelling applications lodged with Council. The report to Council's Ordinary Meeting held on 27 February 2014 noted that only one secondary dwelling was approved in the period 1 July 2012 to 30 June 2013.

An examination of approvals issued for secondary dwellings in the period 1 April 2014 to 31 December 2015 indicates that 55 development consents have been issued for secondary dwellings which met the fee waiving criteria.

In 2014 it was estimated that developer contributions applicable to a one bedroom secondary dwelling, in Ballina, were approximately \$18,000. Of this amount approximately \$3,000 related to the Rous Water component.

A more recent review of some development consents granted indicates the following contribution amounts have been subject to the contribution waiver provisions:

Location	Consent Number	Amount subject to waiver provisions
Alstonville	DA2015/621	\$24,892.38
Ballina	DA2015/111	\$19,223.16
Lennox Head	DA2015/365	\$12,601.41
Wardell	DA2015/577	\$18,476.84
Skennars Head	DA2015/54	\$17,878.12

On one level it may be argued that Council has forgone significant revenue through its fee waiving policy. Such an argument should reasonably be balanced against the fact that in the period prior to this policy initiative there were virtually no secondary dwellings approved.

9.4 Developer Contributions Policy - Secondary Dwellings

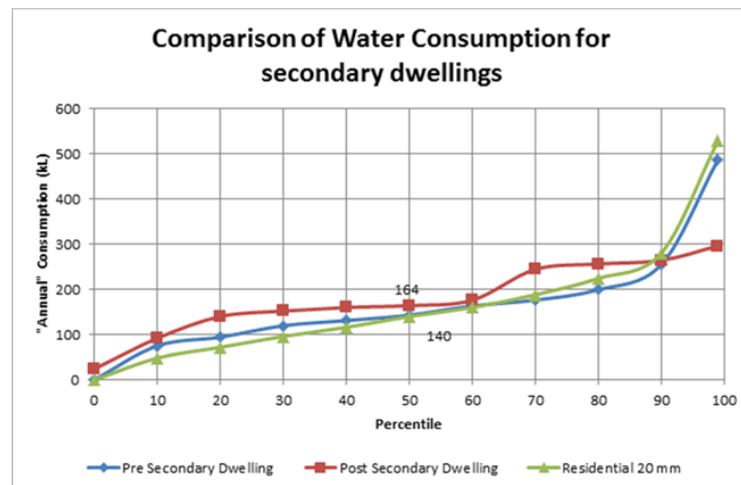
In the overall context of housing supply within Ballina Shire, an additional 55 small dwellings is considered to be a modest increase, but nevertheless, of considerable significance to those residents who may otherwise have no suitable accommodation.

Available Evidence - Water and Sewer Loads

Council's Water and Wastewater Section has examined water usage associated with 26 properties upon which secondary dwellings have been approved in the period 1 April 2014 to 30 June 2015. Meter history has been examined in respect to these properties, however, the ability to draw conclusions is limited by the available data. In summary, the available data indicates that:

- Prior to the construction of the secondary dwelling the water consumption of these properties was very similar to the normal residential consumption (20 mm pipe diameter).
- The data shows an increase in average demand by approximately 15 kL/annum. Water usage for such properties remains below Council's residential supply targets of <200 kL/pa and the applicable design standard of 240 kL/a.

The graph below provides a comparison between the properties containing secondary dwellings and other residential supply properties.



Council's Strategic Engineer Water and Wastewater recommends that as there is no immediate indication of an impact regarding water or sewer loads, the trial period be extended to allow for more data to be collected.

Rous Water Position

Prior to adopting its contribution waiver policy position in 2014, consultation took place with Rous Water concerning the criteria to be applied to secondary dwellings considered suitable for a contribution waiver.

9.4 Developer Contributions Policy - Secondary Dwellings

In this respect Rous Water agreed that in cases where the primary and secondary dwelling did not result in a total of more than five bedrooms, three water closets and two laundries, then it would not trigger a requirement for contributions under the Rous Water Development Servicing Plan as no additional equivalent tenement (ET) burden is created.

Rous Water again confirmed the above position in a letter to constituent councils dated 13 October 2015 (refer Attachment One).

Summary Impact of Secondary Dwellings on Facilities and Services

The number of secondary dwellings approved and completed in the past two year period within Ballina Shire is at a level where it is not possible to draw firm conclusions as to their impact on facilities and services intended to be funded via developer contributions. An attempt has been made in respect to water and sewerage services, based on meter reading data, but the results obtained are inconclusive due to the small data sets involved.

Sustainability Considerations

- **Environment**

Adopting policy initiatives which facilitate people building secondary dwellings may have a range of positive environmental benefits. It uses fewer resources in the building of new homes and creates new smaller homes which use less energy. It also frees up larger dwellings for use by larger families, and assists in matching housing stock with occupancy. Alternatively, it supports the conversion of existing large dwellings into a house and secondary dwelling (flat) which again has overall positive environmental benefits.

- **Social**

The ability to live with family and friends in a self-contained living space has positive social benefits. It supports relatives staying connected and part of the family unit. In the case of affordable rental accommodation, secondary dwellings assist people to stay within an area they may otherwise be forced to leave or provides access to housing choice for existing residents.

- **Economic**

Continuation of a policy initiative which encourages secondary dwellings may also stimulate housing construction activities around this type of dwelling.

Legal / Resource / Financial Implications

In terms of demand for new infrastructure, such as water and sewerage, the available evidence does not indicate that a significant measurable increase in demand has resulted based on the limited data available.

It is also considered that many of the secondary dwellings that have been constructed would be unlikely to have been built in the absence of the contribution waiver policy. On this basis it is difficult to argue that Council has foregone substantial income, as such income in other circumstances, would not have been realised.

9.4 Developer Contributions Policy - Secondary Dwellings

The approach recommended in this report is consistent with Council's legal responsibilities as a local planning authority. The matters arising from this report can be attended to within existing resources.

Consultation

During the preparation of this report consultation has been undertaken with Rous Water to confirm its position in respect to the imposition of contributions under the provisions of the Rous Water Development Servicing Plan – Bulk Supply Services. Advice received from Rous Water, in February 2016, indicates that it has no objection to a two year extension to the agreed methodology used to calculate Rous Water contributions. The agreed methodology may be summarised that no additional ET burden is created whilst ever the five bedroom, three water closets and two laundry criteria are complied with.

Should the Council determine to extend the period in which a waiver of developer contributions will be applied to certain secondary dwellings then this will be communicated through local media and information placed on Council's web site.

Options

1. Not extend the secondary dwelling contribution waiver period beyond 31 March 2016.

This option is not supported. The consequences arising from this option are that it will likely result in very few secondary dwellings being approved after 31 March 2016. If Council is of the view that the outcomes it sought to achieve in 2014 have been realised, or are not able to be realised by this policy position, then an extension of the contribution waiver period should not be approved. It is, however considered that the secondary dwellings that have been approved and built have had a mostly positive impact on housing choice and affordability within Ballina Shire.

2. Extend the contribution waiver period for an additional limited time period.

Option two is the recommended approach.

There is evidence emerging that secondary dwellings have increased in popularity during the initial two year contribution waiver period. It took some time for the community to become aware of the benefits associated with this housing product. For example, there were only 16 secondary dwellings approved in the first eight months of the policy's operation (April to December 2014), and 39 secondary dwellings approved in the subsequent 12 months to end December 2015.

The more significant objectives of Council's contribution waiver policy related to increasing affordable housing within Ballina Shire, maintaining site occupancy rates and making better use of infrastructure within established areas. It is considered that these objectives are now being realised by the policy and a case exists for the policy to be extended for an additional period.

9.4 Developer Contributions Policy - Secondary Dwellings

In terms of a suitable extension period, it is considered that an additional two years is reasonable, and sufficiently long to enable more data to be analysed relating to matters such as water and sewerage impacts.

This approach is also consistent with action 27 in the recently adopted Wardell Strategic Plan which relates to the maintenance of a waiver of developer contributions for secondary dwellings in Wardell for a two year period beyond April 2016.

3. Defer consideration of this issue for a briefing or for additional information.

If there are issues in respect to which the Council requires further information then a briefing can be arranged with the matter then being able to be scheduled for further consideration at the Council's Ordinary Meeting on 24 March 2016. From a staff perspective this workshop is not seen as being necessary.

RECOMMENDATIONS

1. That Council waive developer contributions for secondary dwellings for an additional two years until 31 March 2018 where:
 - The total floor area of the secondary dwelling (excluding any area used for car parking) is restricted to a maximum of 60m².
 - The floor space ratio of the principal and secondary dwelling does not exceed 0.5:1.
 - A maximum of two bedrooms are contained within the secondary dwelling and five bedrooms, three water closets and two laundries on the total site.
 - Compliance is achieved with all other requirements relating to secondary dwellings contained within the Affordable Rental Housing SEPP.
2. That the waiving of developer contributions and charges for secondary dwellings apply in relation to contributions and charges contained within applicable Ballina Shire Council contribution plans (s94) and development servicing plans (s64).
3. The assessment criteria agreed with Rous Water for the calculation of equivalent tenements applicable to secondary dwellings be implemented for charges applicable under the Rous Water Development Servicing Plan – Bulk Supply Services.
4. That public notice be given of this policy extension.

Attachment(s)

1. Attachment One - Letter from Rous Water

9.3 Developer Contributions Policy - Secondary Dwellings.DOC

9.4 Developer Contributions Policy - Secondary Dwellings

9.4 Developer Contributions Policy - Secondary Dwellings 250216/1 **Resolved** (Cr Paul Worth/Cr Keith Williams)

That this matter be discussed at a Councillor briefing, with the existing arrangements to remain in place until this matter is reported back to Council
FOR VOTE - Cr David Wright, Cr Keith Williams, Cr Ken Johnston, Cr Paul Worth and Cr Ben Smith
AGAINST VOTE - Cr Jeff Johnson, Cr Sharon Cadwallader and Cr Robyn Hordern
ABSENT. DID NOT VOTE - Cr Keith Johnson and Cr Susan Meehan