

17 April 2026

Max Tran  
Department of Planning, Housing and Infrastructure  
Locked Bag 5022  
PARRAMATTA NSW 2124

Via Major Projects Portal

Dear Mr Tran,

**Addendum Submission – Affordable Housing  
Application No. SSD-98068713  
Property Address 65 Muston Street, Mosman**

Please find below and attached an addendum to Mosman Council's submission to exhibition (EXH-110925988) of State Significant Development (SSD) Application No. SSD-98068713 uploaded to the Major Projects Portal on 16 April 2026.

The proposal comprises a new residential flat building with 13 units, including 3 affordable housing units for a period of 15 years. These 3 units proposed for affordable housing are entirely unsuitable for the following reasons:

1. They are of a luxury design and specification, including 3 bedrooms and 4 bathrooms, with access to an exclusive wellness centre including a gym, sauna, steam room, golf simulator, swimming pool, spa, with the average construction cost unsurprisingly high (\$6.4 million each).
2. The proposed affordable housing units are very large – each with internal areas of about 217sqm.
3. They would need to be substantially discounted in rent for any affordable housing tenant to afford, as demonstrated in the calculations below.

**Tenant affordability**

Households who are eligible for affordable housing are those earning Very Low, Low and Moderate incomes. A household who could rent the proposed 3 bedroom, 4 bathroom, units could be a couple with 2 dependents.

The income eligibility limit for a 'Moderate' income couple with 2 dependents is \$181,400 per annum. An affordable rent for that household would be \$54,420 per annum (30% of their income), which is equivalent to \$1,050 per week.

If market rent for each unit was \$4,000 per week, a discounted rent of 74.9% would be \$3,000 per week. This would represent 86% of the household's income, which is clearly beyond their affordability.

To let the units out, the market rents would need to be significantly discounted - to approximately only 25% of possible market rent. This is because:

- The Housing SEPP requires that rent is set to no more than 30% of an eligible household's income.
- The Affordable Housing Guidelines (referred to in clause 82 of the EP&A Regulations) reinforce the principle of affordability – that rent could be set to no more than 74.9% of market rent, but that rent must be affordable (measured as 30% of household income).

If the proponent was unwilling to offer that significant level of discount (75%), it is reasonable to expect that the units would sit vacant for 15 years. This would be a poor outcome for affordable housing availability, the community and the proponent. **This would also be a perverse outcome, at odds with the intent of the infill incentive provisions, which are to facilitate access to affordable housing by households who need it.**

### **Proposed Condition of Consent**

Should this proposal be considered by the State for approval, Council strongly objects to the current approach to “affordable housing” and requests the imposition of a condition that delivers a genuine, enforceable, and outcome-focused pathway aligned with both Council and State affordable housing objectives.

As currently proposed, the affordable housing component is entirely inadequate and fails in substance. It does not meaningfully contribute to the supply of affordable housing, nor does it serve any identifiable public benefit. Instead, it functions purely as a mechanism to justify increased development yield. In Council's view, this is an exploitation of policy intent rather than a delivery of policy outcomes.

The 3 units nominated as “affordable housing” are wholly unsuitable, impractical to manage, and incapable of delivering meaningful affordability outcomes. This approach amounts to a tokenistic gesture that achieves little more than providing the proponent with an uplift in density. Council considers this to be a transparent attempt to game the system, rather than a serious proposal to address housing affordability.

Accordingly, Council requests that if the bonus density sought under the infill incentives provisions is to be retained, it must be contingent upon a cash-in-lieu contribution paid to Council. This contribution should be equivalent to the full cost obligation of retaining three dwellings as affordable housing for a minimum period of 15 years.

A Draft Condition of Consent is attached (Annexure 1).

This approach would result in the following outcomes:

- Council would be able to direct the funds toward the acquisition or delivery of genuinely affordable housing within the LGA, in appropriate locations, and through established Community Housing Providers with the expertise to manage them effectively.
- The proponent would be free to market and manage the entire development as a market product from completion, removing the administrative and operational complexities they themselves claim make on-site provision unworkable.

Council reiterates its strong opposition to the proposal in its current form. The affordable housing offer, as presented, is fundamentally flawed, delivers no real affordability outcome, and should not be accepted as a legitimate trade-off for increased density.

Should the proposal proceed to approval despite these concerns, Council firmly insists that the attached Condition of Consent be imposed to ensure that the development delivers a real, measurable public benefit, rather than a hollow policy compliance exercise.

Council would welcome the opportunity to meet at the Department's earliest convenience to discuss the above concerns and the attached draft condition with the SSD and affordable housing teams. For further discussion, please contact Payam Eskandari, Executive Town Planner, on 9978 4021 or [p.eskandari@mosman.nsw.gov.au](mailto:p.eskandari@mosman.nsw.gov.au).

Yours sincerely,



Vivienne Albin

**Director Environment and Planning**

## **ANNEXURE 1**

### **Additional Draft Condition – Prior to Issue of Construction Certificate**

#### **1. Provision of Affordable Housing (Infill housing bonus)**

In lieu of providing affordable housing units on site, pursuant to the bonus density sought by the proposal (under the SEPP Housing infill incentives provisions), the applicant shall make a cash contribution to Council.

The cash contribution would be equivalent to the cost obligation of setting aside the 3 units as affordable housing for 15 years.

The affordable housing contribution is –

Per unit = Weekly rent x discounted by 74.9% x 52 weeks x 15 years

Per unit = (\$4,000 per week x discounted rent of 74.9%) x 52 weeks x 15 years  
= \$3000 x 52 weeks x 15 years  
= \$2,340,000 per unit

For 3 units, the cash contribution is \$7.02m.