# Contemporary Boarding Houses: Marginal Housing or Lifestyle Choice?

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Boarding houses have long formed an important, if unglamorous source of affordable accommodation. Yet they are little known about, and come in many formats ranging from squalid bedsits with little privacy to modern self-contained units popular with young professionals. This article lifts the lid on boarding houses in central Sydney, gives practical insights from community housing landlords, and suggests best ways forward.

## What Exactly is a Boarding House?

This simple question is surprisingly hard to answer, even within a particular state. In general terms a boarding house is a building with rooms accommodating different people who pay rent. The detail, using New South Wales (NSW) examples, is more complex:

- If a tenancy agreement has been signed, the boarding house occupier is a tenant and protected by the *Residential Tenancies Act 2010*. These lucky people have greater protection against eviction, though sadly Australian tenancy law is one of the weakest in the developed world.
- Most people living in boarding houses are now covered by the *Boarding Houses Act 2012*, which applies to properties with five or more residents (a General Boarding House) or two or more people with additional support needs such as a disability (an Assisted Boarding House). Boarders have far fewer rights than tenants, and can normally be evicted within two weeks for any reason. As such, they are included in the Census homelessness count.
- Excluded from the above categories are boarding houses used for tourist accommodation, crisis shelters, student housing run by universities and 'secret'

unregistered boarding houses. Residents might have some protection under general consumer law.

Another variant is the New Generation Boarding House which emerged from 2009 NSW planning legislation — the snappily named Affordable Rental Housing State Environmental Planning Policy. These are boarding houses with self-contained rooms including kitchenettes and bathrooms, rather than shared facilities. Both old and new generation boarding houses get favourable planning benefits — such as a 20 per cent bonus floor space — provided they meet certain rules including being near to transport, with rooms between 12 and 25 square metres, and an on-site manager if more than 20 boarders.

## How Many Boarding Houses Are There?

Good question! The table shows there are just over 750 Fair Trading NSW registered boarding houses across 11 inner-city Sydney Local Government Areas (LGAs), of which nearly all are General. By contrast, the 2016 Census only picks up 394 boarding houses accommodating 6,017 people other than the owner (an average of 15 residents per boarding house). So it looks like the Census under-counts boarding housing, and there are likely a good number of unregistered or illegal boarding houses that are not picked up by Fair Trading NSW.

The total numbers of Fair Trading NSW registered boarding houses across NSW is 1,020 General and 23 Assisted. Hence around three

| Registered boarding houses, inner Sydney LGAs | | | |
|---|---|---|---|
| LGA | General Boarding Houses | Assisted Boarding Houses | Boarding houses, private hotels |
| | Fair Trading NSW | | Census 2016 |
| City of Sydney | 286 | | 192 |
| Inner West | 198 | 4 | 111 |
| Randwick | 77 | | 25 |
| Waverley | 44 | | 17 |
| Burwood | 35 | 1 | 18 |
| Canterbury-Bankstown | 34 | 1 | 6 |
| Bayside | 28 | 1 | 3 |
| Parramatta | 15 | | 4 |
| Woollahra | 14 | | 15 |
| Canada bay | 12 | | 3 |
| Strathfield | 4 | | 0 |

Source: Fair Trading NSW data, assisted by Dr Chris Martin, UNSW. Search as at 1 Sep 2018, and ABS Census 2016. The authors are grateful for Census analysis by Shaun Walsh

quarters of General boarding houses are in the inner-city areas of Sydney, but only one quarter of Assisted boarding houses.

The Census also identifies people categorised as 'homeless' in boarding houses — taken to be where boarders have no privacy and/or only short-term tenure. There were 17,503 homeless people living in boarding houses on Census night 2016, up from 14,944 in 2011 — with most of the increase coming from NSW with numbers up 19 per cent to 6,869 in 2016.

In a similar area to the LGAs shown in the table, there were 4,500 'homeless' boarding house residents in 2016. This indicates around one quarter of inner-city Sydney boarding residents were *not* classed as being homeless.

Many of the boarding houses picked-up through an analysis of Fair Trading NSW data will have been delivered under the 2009 planning legislation. Research by the University of NSW City Futures Research Centre in June 2018 showed that 300 new boarding houses with a median size of 16 rooms had been approved based on this legislation in central and southern Sydney. This amounted to 9,000 boarding house rooms, including the expansion of existing properties. Of the new boarding houses, 86 were in the City of Sydney, 54 in the Inner West LGA and 42 in the Randwick LGA. Hence the 2009 planning legislation has successfully expanded new, better-equipped boarding houses — and these now represent an important share of total boarding houses in many central Sydney council areas.

## The Role of Community Housing Providers

As evidenced by the Fair Trading NSW register the vast majority of boarding houses are owned and managed by private owners or private developers. Tenants NSW's research indicates that up to 50 per cent of boarding houses are not registered. This is of concern considering historically boarding house accommodation has served a housing need for vulnerable people including homeless people

in terms of affordability and accessibility.

Even if a boarding house is registered: the level of security of tenure can be minimal depending on the type of agreement signed by the resident meaning they may have little or no recourse to addressing issues such as repairs, rent increases etc, without risking eviction. The notice period in certain cases can be immediate, there is also no set definition as to what is 'reasonable' notice.

Given private market failure, is there a role for community housing providers to manage more boarding houses?

## Hume Community Housing Case Study

Hume Housing currently manage two new generation boarding houses constructed under the 2009 planning legislation. Being responsible for the management of allocations and tenancy management teams and having worked in large scale supported accommodation in the United Kingdom, co-author Julie Davenport recalled some level of apprehension around some of the challenges that may emerge or need to be mitigated.

Hume found equal levels of demand for their boarding house in Ashfield close to the city compared to a site in Merrylands, Western Sydney.

Both sites are managed on behalf of developer/owners with the Ashfield site having 20 units, and ten units at Merrylands. In line with Hume's commitment to offer appropriate and secure housing and opportunity to customers, they have opted to provide security of tenure by use of 12-month Residential Tenancy Agreements. Across both sites both male and female customers of varying ages are accommodated, with people employed in a variety of settings including hospitality, local council, the finance sector, the education sector and part time employed and studying. In general Hume's residents pay up to 30 per cent of their income in rent.

It is apparent from Hume's market testing that there is much demand for this type of accommodation, and more recently for low to moderate

income earners seeking affordable accommodation in new generation boarding houses and micro apartments. Key delivery considerations include:
- the potential impact of poor design and how liveable the spaces are
- if units are not self-contained how adequate is the common space and amenities, that is, are there enough for the number of units in the complex to share without inconvenience?
- what cohort is this type of accommodation suited to and what might their support needs be to ensure tenancies are sustainable?
- what can we do to increase security of tenure and support customers when it is appropriate to exit into sustainable long-term housing?
- how to combat the stigma and nimbyism associated with boarding houses?

Pro-active consideration needs to be given to the above points to ensure housing providers can provide high quality, well designed and well managed products that are far removed from historical or privately managed boarding houses. Organisations need to provide safe, affordable and contemporary accommodation, designed to meet the needs of customers in assisted and general boarding houses.

One Sydney site that Hume Housing manages received initial opposition from the local council and having progressed to being built by a developer with a commitment to delivering high quality boarding house accommodation has now become a flagship complex. The design and management have become of much interest to the local council who have visited with their planning staff and local services.

When local residents were asked which complex on the street was a boarding house, they were not able to identify the complex as it conforms to the character of the area and proactive planning and management have resulted in no tenancy management concerns or complaints since its acquisition four years ago. Hume Housing provided occupants with Residential Tenancy Agreements

to provide them with increased security of tenure, and as with all new developments we ensure we have in place a transparent letting strategy and clear complex rules to support community cohesion.

This site as with others has met an increasing need for affordable and convenient housing for low to moderate income earners. Residents are diverse and include men and women aged 19-40, who experienced homelessness as a result of relationship break downs, bereavement, or who simply found the accommodation attractive as a first time tenancy upon moving out of home in a secure and exemplary complex close to work and study.

Based on a recent survey, Hume Housing's residents are 100 per cent satisfied with their accommodation, which is close to the Sydney central business district, and has 20 units and an onsite volunteer care taker. The units are self-contained and built to a high standard as well as being designed to make the most of the space. Customers generally live there for one to two years and 100 per cent

of the customers who have moved out have moved to private rental accommodation. Less than 25 per cent of customers remain since the project started in 2014 and we have experienced no challenges around marketing and re-letting the studios as vacancies arise.

## A Better Way Forward

Although boarding houses are often accessed by marginalised people, with good design and management they do not have to be marginal housing. There is much demand for well-designed and well managed shared and self-contained accommodation both by vulnerable customers — including those eligible for social housing due to income — and also low to moderate income working single people and couples.

The community housing sector is well positioned to accommodate and support vulnerable residents with funding for support, as well as manage the ongoing need for affordable housing by people who would not consider themselves marginalised but who cannot access appropriate or affordable

accommodation at a point in time in their lives.

Community housing providers need to collectively advocate for State Government incentives that encourage developers to include their input into the design construction and management of boarding houses. They also need to lobby government to enable construction and management of their own boarding houses, including via incentives such as financial grants and land contribution.

Boarding houses are not an inherently flawed model of delivering affordable housing. What we need is better design, improved management, and a greater role for not-for-profit housing organisations.

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*The views expressed in this article are those of the authors, not necessarily their organisations.*