

## **STUCCO STUDENT HOUSING COOPERATIVE SUBMISSION TO RWA BUILT ENVIRONMENT PLAN - 13 APRIL 2006**

### **1. Stucco Student Housing Co-operative**

Stucco is a student housing cooperative situated in a renovated glass factory at 197 Wilson st Newtown. In 1992 Stucco was officially opened for students to occupy.

From 1986 -1991 students of the University of Sydney conducted a feasibility plan, organized finance and designed the upgrade of an empty warehouse on Wilson st Newtown (a former glass factory) to be fitted out for residential use and managed as a student cooperative. The finance for the upgrade and purchase of the building was provided by the Office of Community Housing and the University of Sydney who lease the building to Stucco, the property manager, under a 21 year lease.

Housing cooperatives are designed to provide affordable community housing. In the last 12 years Stucco has consistently provided accommodation for low-moderate income students at around half the market rate (rent is presently \$70 per week). The selection process gives priority to students eligible for government housing assistance. Under the Head Lease a quota of 65% of tenants must be eligible for government housing assistance. Housing cooperatives that hold a head lease with the Office of Community housing, initiated under the NSW Cooperative Act 1992 and later legislation, generally have a variable rent structure charging 25% of tenant income as rent.

Cooperatives are community housing organizations that are managed in an inclusive and participatory manner with democratic administrative procedures. Stucco is registered with the Department of Fair Trading, through the Registry of Cooperatives section, to operate as a housing cooperative. Tenants of the building act collectively, through their membership of the cooperative, as landlords and managers of the housing cooperative. The cooperative has a set of rules (registered with the Registry of cooperatives) and by-laws that dictate the management of the cooperative. There are democratic procedures to adjust the rules or by-laws if it is appropriate to do so. As members of the cooperative, students at Stucco are responsible for organizing the day to day administration and maintenance of the building. The participatory cooperative structure delivers a high degree of control over management policy and living conditions while minimising administrative costs and therefore rents.

There are strong and clear governance structures that regulate housing cooperatives. The NSW Cooperative Act 1992 and the Co-operative Housing and Starr-Bowkett Societies Act 1998 (which are similar legislation) describe how to form and run housing co-operatives and the role that the Registry of Cooperatives plays in overseeing the correct operation of cooperatives. The legislation includes, amongst other things, the requirements to hold meetings such as fortnightly general meetings of the cooperative and annual general meetings, submit an annual return within 28 Days of the Annual General Meeting, keep a register of members, directors and assets submitted to the registry with the annual return.

The Office of Community housing is implementing a Performance Based Registration system with the Community housing sector, which housing cooperatives belong to, which

will ensure that housing cooperatives have appropriate internal structures and policies of governance and accountability. So far this process has indicated that the Cooperative sector has performed exceptionally well as community housing providers.

Reflecting the economic freedom which Stucco delivers to its residents, and the idealistic nature of the organisation, in 2003 three Stucco residents and in 2005 two Stucco residents were awarded university medals for work in their honors years.

## **2. Potential for Expansion into rail yard warehouse on Wilson st in North Eveleigh**

Stucco would like to express its interest in leasing, designing and fitting out one of the warehouses in North Eveleigh on Wilson st. This could be undertaken either through the expansion of Stucco to another property or the creation of a sister student housing cooperative to Stucco.

Stucco has the expertise in property management and community development and links with the University of Sydney and the Association to Resource Cooperative Housing (ARCH) and the OCH to organize the expansion or the creation of a new student housing cooperative. We believe that there is large potential for the further development of cooperative student housing in the area of Redfern-Waterloo, especially in the Wilson st rail-yards.

### **Increasing demand for affordable student housing in the inner city**

Average rent in the three postcodes surrounding the University of Sydney is \$159. With increasing rents in the inner-city, low-moderate income students are being priced out of the area and priced out of effective study through the financial need to work excessive hours to pay rent. We believe that affordable cooperative housing will become an increasingly important means of addressing this problem.

### **Student Cooperative Housing gives priority to those in need and builds community**

The selection policy of housing cooperatives gives priority of access to those in need. Through their selection policies student housing cooperatives prioritise the needs of students on low-moderate income or in housing stress and students who have moved to Sydney to study and are without support networks of family, work and community. The objective is to increase access and equity by providing a support platform for marginalized students to study, live and engage with the broader community. Stucco's selection policy also attempts to foster a multicultural and gender balanced community within the housing cooperative.

### **University of Sydney support for student housing cooperatives**

Through its links with the University of Sydney Stucco has access to expertise in architecture and design, construction and development and legal and finance arrangements for financing affordable housing. The University is supportive of the development of more low-moderate income student cooperative housing.

The University of Sydney has provided support to Stucco through its Properties Office, advising and overseeing Stucco regarding its building and maintenance plan. The University

of Sydney has indicated to Stucco it would be willing to expand this role to work to facilitate the expansion of student cooperative housing in the area.

The close proximity of the University of Sydney can also provide support to residents of student housing cooperatives in the area by providing access to counseling, financial and welfare advice, employment opportunities through its student employment services office, and various other social services and networks, both formal and informal.

### **Student Cooperative Housing lends itself to investment by various stakeholders**

Stucco was created and financed as a partnership between the University of Sydney and the Office of Community Housing. Stucco is exploring possibilities with various stakeholders to form a new student housing cooperative based on a similar partnership model.

### **Potential for self-sustaining growth of affordable housing through cooperative housing**

In approximately three years Stucco, having paid down debts related to the creation of the cooperative, will begin to generate surpluses from its rental income. The head-lease of Stucco states that these surpluses will be pooled in a 'foundation' controlled by the University of Sydney for the creation of more affordable housing for students. This constitutes income which can be dedicated to the creation or expansion of student cooperative housing in Wilson st railyards. This structure, if expanded through the creation or financing of expansion of a new housing cooperative may create some capacity for self-sustaining growth of community housing in the area.

## **3. Benefits of Cooperative Housing for the Redfern-Waterloo Area**

### **Social benefits**

- 1) Membership of a housing cooperative allows low-moderate income groups to survive in the inner city with a high degree of control over their housing almost equivalent to homeownership without having to accumulate large sums of money to enter the housing market. This may help to maintain a social mix in the inner city to balance gentrification and increasing housing prices.
- 2) Affordable rents enable students to study full-time, without the necessity of working excessive hours.
- 3) Housing cooperatives philosophy and practice stresses engagement with the community.
- 4) The cooperatives housing sector has the potential be used to provide marginalised groups of people such as students from rural areas, who do not have strong links to the inner city to develop social networks and increase social capital.
- 5) Effective utilization of university of Sydney support services, networks and employment opportunities.
- 6) Fosters a multicultural community.
- 7) The built environment of Stucco was designed to provide historical and architectural continuity with the area. Any development of the rail yard warehouses into student cooperative housing would also be undertaken using these principles.

### **Economic benefits**

- 1) Affordable rent for tenants because housing cooperatives are managed on a not for profit basis.
- 2) Housing Cooperatives are relatively cheap to set up. Many are joint enterprises which have been financed as an initiative of a number of stakeholders and sectors that the cooperative serves.

### **Environmental benefits**

- 1) In 2003 Stucco won a City of Sydney Watershed Eco-homes award on the basis of its water recycling system which uses rainwater tanks to provide water for gardening and cleaning.
- 2) Stucco pays a premium to use energy derived from environmentally friendly sources.
- 3) **Car use amongst residents is minimized** because of the proximity of the University of Sydney. This is particularly important given the present character and density of Wilson st and its status as a cycle way.
- 4) The architecture of Stucco reflects the philosophy of cooperative living, utilising shared gardens, a courtyard, community hall and garage in a medium/high density living environment. The warehouse that Stucco was converted from is approximately the same size as the 4 bedroom terrace houses neighboring it. There are approximately 13 people living in these 4 terrace houses whereas Stucco houses 38 students. Given that high density living is considerably more resource efficient than lower density living, Stucco offers a model for environmentally sustainable collective living.

### **The Sector Wide View**

ARCH provides resources and administrative support to housing cooperatives and groups interested in setting up housing cooperatives. Information about ARCH, including contact details, is available online at <http://www.arch.asn.au/>

## **4. General Comments on RWA Built Environment Plan - *The Importance of building affordable housing into the Plan from the beginning***

- The built environment plan aims to transform the Redfern-Waterloo area into a cultural, economic and service centre by increasing the density and availability of housing, services and office space in the area. Research by the Reserve Bank of Australia has shown that centralization of services and density of housing in Australia's major cities, are key determinants in areas of increasing rents and house price inflation<sup>1</sup>. This makes it imperative that affordable housing is clearly and aggressively planned for in the initial development plan of the area.
- As it stands the built environment plan dedicates inadequate attention to planning for affordable housing.
- The development of 10 story apartment buildings on Wilson st does not fit with the

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<sup>1</sup> See Marion Kohler and Kylie Smith (2005) *Housing and Household Wealth Portfolio: The Role of Location* in RDP2005-10 available from <http://www.rba.gov.au/PublicationsAndResearch/RDP/>

current usage and character of the area, especially its role as a cycle highway. It is unlikely that the area, which is predominantly residential without multi-lane access roads, has the capacity to cope with the increased car usage this will bring. The area is naturally suited to moderate density living and alternative transport use and pedestrianism.

- The built environment plan should increase the density of housing available on the block to enable the Pemulwuy project to go ahead.
- As a general principle development should be made to suit the objectives of the present community of the Redfern-Waterloo area accommodating expansion as a second priority.

If you have any further queries regarding this submission on the built environment plan do not hesitate to contact Huon Curtis on 0405770064 or Chris Jefferis on 0400489982  
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Yours Sincerely,

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