



West Belconnen Community Plan

Part 4 - Housing

Client:
Riverview Projects and the Land Development Agency

Date:
29 May 2014

Contact:

Steve Rossiter
steve@elton.com.au
02 9387 2600

Sydney
02 9387 2600

Level 6
332 – 342 Oxford Street
Bondi Junction NSW 2022

www.elton.com.au
consulting@elton.com.au
Sydney | Canberra | Darwin
ABN 56 003 853 101

Disclaimer:

The development parameters, (dwelling numbers, stages etc.) referred to in this report may vary over time. The figures contained herein are estimates; they represent a good approximation of likely development outcomes to a sufficient level of accuracy for the purposes of this report.

Prepared by	Geraldine Li, Matt McDevitt and Roz Chivers
Reviewed by	Steve Rossiter and Roz Chivers
Date	29 May 2014
Document name	West Belconnen Comprehensive Community Plan Part 4 - Housing Chapter2 – Housing
Version	2

Contents

1	INTRODUCTION	5
2	HOUSING OBJECTIVES	6
3	DEMOGRAPHIC FORECASTS	8
3.1	Demographic profile of ACT	8
3.2	Population projections for the West Belconnen Project	10
3.3	Potential Residents of West Belconnen	11
3.4	Implications	13
4	UNDERSTANDING DIVERSE, AFFORDABLE AND ADAPTABLE HOUSING	14
4.1	What is housing diversity and why is it important?	14
4.2	Why is affordable housing important?	16
4.3	What is affordable housing?	17
4.4	Housing Affordability in Australia	18
4.5	Housing Affordability in Canberra	20
4.6	What is adaptable housing and why is it important?	22
5	STATUTORY AND POLICY CONTEXT	25
5.1	Federal Government	25
5.2	ACT Government	26
5.3	NSW Government and Yass Valley Council	29
5.4	Implications	31
6	MECHANISMS TO DELIVER DIVERSE, AFFORDABLE AND ADAPTABLE HOUSING	32
6.1	Land Use Planning Mechanisms	33
6.2	Financial Strategies	33
6.3	Social Housing: Public Housing and Community Housing	35
6.4	Partnerships	37
6.5	Community Title	37
6.6	Land Rent	38
6.7	Shared Equity and Community Land Trusts	39
6.8	Housing Cooperatives	41
6.9	Boarding Houses and Granny Flats	42
7	RECOMMENDATIONS	44
7.1	Land Rent	44
7.2	Social Housing	44

7.3	Community Land Trust	45
7.4	Innovation	46
7.5	Private sector investment and alternative housing models	46

8	REFERENCES	47
----------	-------------------	-----------

LIST OF TABLES

Table 1	Greenstar credits relevant to housing	6
Table 2	Development parameters for West Belconnen	10
Table 3	Demographic projections for West Belconnen	11
Table 4	Number and percentage of affordable rental properties for each household type.	21
Table 5	Overview of affordable rental housing in the region	22
Table 6	NRAS incentives	Error! Bookmark not defined.
Table 7	Actions in the ACT Affordable Housing Action Plan III	27
Table 8	Land Use Planning Mechanism applicable at West Belconnen	33
Table 9	Waiting Times for ACT Public Housing	35

1 Introduction

This report forms the fourth part of the West Belconnen Community Plan, and focuses on housing objectives, requirements and potential strategies for West Belconnen. It has been prepared to support and inform the master plan for West Belconnen, the rezoning of the site and subsequent development applications.

The development of greenfield sites, even ones that constitute the effective continuation or completion of existing urban development, presents a number of both challenges and opportunities. The Community Plan will investigate how master planning for a large land release can be utilised to promote positive community outcomes. The provision of diverse, affordable and adaptable housing is a key element of the master plan and is the focus of this part of the Community Plan.

This report provides a preliminary analysis of housing needs and strategies for housing diversity, affordable housing and adaptable housing for the West Belconnen project. Diverse, affordable, and adaptable housing is vital for sustainable communities, thus forming a core component of West Belconnen's vision to be a sustainable community of international significance in the nation's capital. Furthermore, delivering the housing outlined in this plan and achieving West Belconnen sustainability objectives will contribute to gaining recognition as a 6-star Green Star Community under the Green Building Council of Australia's Green Star – Communities PILOT rating tool.

Part 4 of the Community Plan outlines the national, state and local planning frameworks that will influence the implementation of housing strategies in West Belconnen. It then draws on current Australian models and international best practice to identify the most appropriate options and mechanisms for implementation at West Belconnen, and the implications of these for the project. The mechanisms identified include: land use planning, financial strategies, social housing, private-public partnerships, community title, land rent, shared equity, community land trusts, housing cooperatives, boarding houses and granny flats.

This report includes:

- » **Section 2:** An outline of the housing objectives for West Belconnen, including relevant Green Star – Communities PILOT credits and compliance requirements
- » **Section 3:** An analysis of key demographic forecasts to build understanding of the significance of affordable, adaptable and diverse housing in West Belconnen
- » **Section 4:** Definitions of diverse, affordable and adaptable housing and their importance
- » **Section 5:** A summary of the national, state and local planning frameworks that will influence the implementation of housing strategies in West Belconnen
- » **Section 6:** A review of the most appropriate options and mechanisms available to provide affordable, adaptable and diverse housing at West Belconnen
- » **Section 7:** An outline of the implications of these mechanisms for the West Belconnen project

2 Housing Objectives

The overarching housing objectives for the West Belconnen project include a variety of initiatives to help build a diverse and cohesive community. These are drawn from 1) the projects initiatives (listed in Part 1 of this Community Plan), 2) the project's vision (the projects objectives under the Heads of Agreement with the ACT Government), 3) government policy and the 4) Green Star Communities Pilot rating tool.

The relevant **project initiatives** include:

- » Incorporating a variety of housing types in the master plan to ensure diversity;
- » Providing a variety of block sizes and density in house and land packages to improve housing affordability and exceed government targets for affordable housing, and
- » Establishing adaptable housing to allow residents to age in place as their lifestyles change.

The guiding social objectives for housing in West Belconnen, which have been developed by Riverview in the **project's vision** and adopted by the ACT Government, are:

- » Designing for social equity, affordability, diversity and interdependence, honouring differences and catering for the needs of individuals through all stages of life
- » Maximising health, safety and comfort of the built environment to provide enduring quality of life

The relevant ACT **Government Policy**, the Affordable Housing Action Plan (outlined in detail later in this report) requires that 20 per cent of new homes within greenfield estates meet affordability thresholds (ACT Government, 2011). The West Belconnen project aims to exceed this threshold.

In NSW, the Environmental Planning and Assessment Act 1979 contains provision for affordable housing as do a range of other planning policies. A specific threshold is not stated in these policies.

The **Green Star – Communities PILOT rating tool** is an independent, national, voluntary rating tool aimed at driving the development of more sustainable, productive and liveable Australian communities. Six categories (governance, design, economic prosperity, liveability, environment and innovation) are used to define key areas of assessment under the rating tool. Within each category projects can earn credits by achieving defined levels of performance related to specific issues such as engagement, community development, and biodiversity enhancement, among others.

The West Belconnen project aims to be a world leader in the development of a green star community and achieve a 6 star rating (international best practice). To contribute to this rating and achieve the West Belconnen visions and social objectives, the project aims to achieve two credits from the economic prosperity and the liveability category that are relevant to housing. These credits are entitled 'Liv-7 Accessibility and Adaptability' and 'Econ-5 Affordability'. To achieve these credits the project must meet the criteria listed in the following table:

Table 1 Greenstar credits relevant to housing

Green Star – Communities PILOT Credit Criteria relating to housing
Liv-7 Accessibility and Adaptability
• Accessible and adaptable dwellings

- Up to four points are awarded based on the percentage of dwellings in the community that have achieved Silver level in accordance with the Guidelines for Liveable Housing 2010 published by Liveable Housing Australia. Points are awarded based on the percentage of compliant dwellings; a minimum of 50% is required to achieve one point. All four points will be awarded if all dwellings comply.
- Accessible transport, outdoor spaces, and buildings
 - Four points are awarded where the community provides accessible transport, outdoor spaces and public buildings.

Econ-5 Affordability

- Minimum Requirement - Living Affordability
 - To be eligible for this credit, projects must achieve at least two points within other categories that relate to low income family support.
- Four points are awarded where:
 - For residential spaces, projects implement at least two housing affordability strategies as described in this credit or equivalent.
 - For non-residential spaces, projects implement affordability strategies or processes within the development.

(Source: GBCA, 2012)

To achieve the housing objectives for the West Belconnen project, **housing diversity**, **housing affordability** and **housing adaptability** need to be addressed. The following sections discuss the demographic forecasts for the West Belconnen project and provide descriptions of these key terms.

3 Demographic Forecasts

In this section the current and projected demographic profile and housing needs for the ACT and West Belconnen are discussed. A strong argument for the need for affordable housing in West Belconnen is presented and an affirmation of the project's goal to exceed 20% affordable housing is also discussed.

3.1 Demographic profile of ACT

The Institute for Governance at the University of Canberra (IFG UC, 2013; IFG UC, 2014) has conducted a detailed analysis of the demographics of the Canberra-Queanbeyan region. The relevant findings are reproduced here in the following 8 points (IFG UC, 2014, pp1-4):

1. The Canberra-Queanbeyan region is one of the most economically competitive and liveable major cities in Australia:

- » Ranked 4th in the Globalisation and Cities Research Program's (GCRP's) Urban Competitiveness Index, comparing the growth of Australia's 18 major cities:
 - > Australia's most competitive city on most productivity measures, including university-qualified workers.
 - > Competitive on liveability measures such as wealth and volunteerism, but room for improvement on cost of housing.
 - > Room for improvement on sustainability measures, including water use, ecological footprint, and public transport use.

2. The Canberra-Queanbeyan region is gaining residents through internal migration:

- » Net gain of 3,900 people from across Australia between 2006 and 2011.
- » A gain from 13 of Australia's 17 other major cities, especially Sydney.
- » Gains in internal migration are projected to increase to as much as 30,500 by 2036-41.
- » 24,600 new residents to the Canberra-Queanbeyan region from overseas between 2006 and 2011

3. People movement to the ACT from the surrounding region is on the increase:

- » The ACT gained 5,558 people, and lost 7,351 people to the surrounding region¹ between 2006 and 2011.
- » This net loss of 1,793 is down from -2,714 in 2001-2006.
- » The ACT's net *gain* of residents from the surrounding region is projected to hit 3,000 by 2036-41.

¹ The surrounding region refers to the council areas of Cooma-Monaro, Goulburn Mulwaree, Palerang, Queanbeyan, Upper Lachlan and Yass Valley.

4. The ACT's overall population is on the increase:

- » The ACT population was 356,587 in 2011: up 15.3% since 2001.
- » Population growth for the surrounding region (15.3%) was identical between 2001 and 2011.
- » Using an average of seven different projections by GCRP (3), the ABS (3), and the ACT Government (1), the ACT is projected to have 427,800 residents by 2021 and 566,200 by 2041.

5. The ACT's population is ageing:

- » Proportions of ACT population aged 35-64, and 65 and over, increased between 2001 and 2011.
- » Projections suggest as much as 20% of the ACT's population could be 65 or older by 2041.

6. Dwelling choices of ACT residents vary:

- » ACT residents still typically reside in stand-alone (detached) homes (2011 data):
 - > 70.5% of dwellings in the ACT were detached,
 - > 14.8% were semi-detached (such as a terrace- or townhouse),
 - > 14.2% were part of a flat, unit, or apartment block.
- » Faster growth in the number of compact dwelling types between 2001 and 2011 than for detached homes (semi-detached homes, and flats, units and apartments will be referred to jointly as compact dwelling types):
 - > Note the increase in the number of compact dwelling types in the ACT between 2001 and 2011 was greater than the national average.
- » Small numbers of people per dwelling:
 - > ACT and Belconnen district average just 2.6 people per dwelling.
 - > More than half (50.9%) of all dwellings in the ACT contain only one or two occupants.
- » Smaller households (of 1-2 people) are more inclined to live in compact dwellings.
 - > Those aged 20-39 and 70 and over are also more inclined than the ACT average (for all ages) to live in a compact home.

7. Housing costs are outpacing income growth

- » Between 1996 and 2011, the ACT's median household income grew by 116.7%. However
 - > Median mortgage repayments increased 134.8%, and
 - > Median rent payments increased 153.3%

8. New dwelling projections for the ACT:

- » Using an average of projections by GCRP (incorporating a mix of local and national factors) and the ACT Government, it is projected the ACT will need approximately 27,800 new dwellings by 2021, and 100,600 by 2041. Of these new dwellings, it is projected that detached homes will make up only 45% between 2011 and 2021, and 38% between 2011 and 2041.

- » The ACT Planning Strategy has also established a policy of 50% infill, 50% greenfield for future residential development in the ACT. This would require land for more than 50,000 new greenfield dwellings across the ACT between 2011 and 2041.

3.2 Population projections for the West Belconnen Project

Work undertaken during the master planning process for West Belconnen on housing yield and other development parameters have resulted in the following parameters:

Table 2 Development parameters for West Belconnen

Total Dwellings (NSW and ACT land)	11,500
NSW Dwellings	5,000
ACT Dwellings	6,500
Dwellings produced/sold per annum	300
Total population	30,000
Persons per dwelling	2.6

The table below shows the population of the main service age groups over time for West Belconnen. It was produced prior to the finalisation of the housing yield for West Belconnen but adequately demonstrates the demography spread of the population over time. It is based on the following assumptions:

- » Production of 300 dwellings a year for 39 years (giving a total projected population at the completion of the development of 30,420 people)
- » An estimate of an average of 2.6 people per dwelling
- » Age profile benchmarked against Gungahlin for the first ten years and Belconnen (at year 20)
- » Age profile benchmarked against ACT Government ACT Population Projections at year 25
- » A constant age structure is assumed for year 25 onwards.

Table 3 Demographic projections for West Belconnen

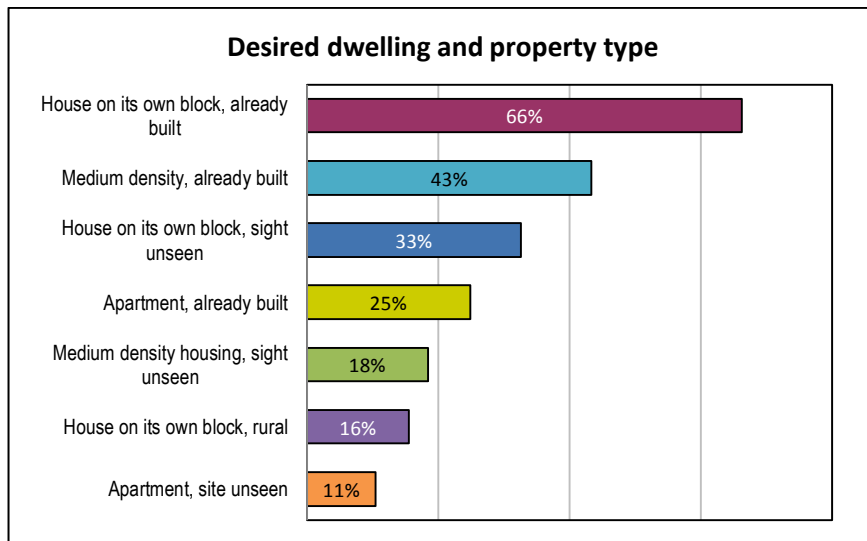
<i>Year</i>	Babies and pre-schoolers (0 to 4)	Primary schoolers (5 to 11)	Secondary schoolers (12 to 17)	Tertiary education and independence (18 to 24)	Young workforce (25 to 34)	Parents and homebuilders (35 to 49)	Older workers and pre-retirees (50 to 59)	Empty nesters and retirees (60 to 69)	Seniors (70 to 84)	Elderly aged (85 and over)	Total
Year 5	423	427	266	406	932	909	323	128	52	10	3874
Year 10	675	748	501	1086	1793	1848	579	321	105	22	7679
Year 15	924	1005	775	1526	2329	2583	1127	816	421	89	11594
Year 20	1104	1268	1047	1880	2624	3191	1845	1536	912	192	15600
Year 25	1326	1615	1336	2088	3101	3978	2262	2009	1482	273	19469
Year 30	1591	1933	1610	2506	3721	4774	2714	2410	1778	328	23365
Year 35	1856	2255	1878	2924	4341	5569	3167	2812	2075	382	27259
Year 42	2228	2706	2254	3509	5209	6683	3800	3374	2490	459	32711

NB: This table was produced prior to the development parameters for West Belconnen being finalised. Hence it indicates the development being completed in 42 years with an ultimate population of 32,711. Adopting a production rate of 300 dwellings per annum and a total housing yield of 11,500 dwellings the development would be completed within 39 year period rather than 42 year period with a total population of 30,420.

3.3 Potential Residents of West Belconnen

In November 2013 Orima Research was commissioned to undertake a project to identify respondent's house purchasing intentions, locational preferences, housing preferences and perceptions of West Belconnen. The research involved a telephone interviews with randomly selected individuals from across Canberra and the immediately adjacent areas. The relevant findings are detailed below.

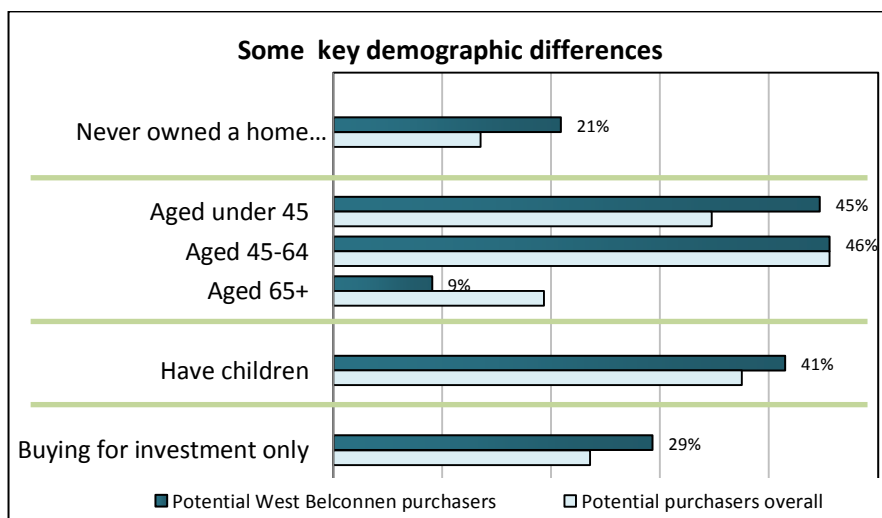
- » Downsizing was identified as a significant trend. More people want to downsize their house or block than upsize.
- » Of potential purchases 25% gave 'require a smaller home' as a reason for moving
- » Interest in apartments, terraces and town houses is increasing compared to earlier studies
- » Alternative housing affordability initiatives e.g. shared kitchens and laundries were received unfavourably.
- » Interest in land only and house and land packages is declining



The Orima research identified that the 'core market' for West Belconnen were likely to exhibit the following characteristics

- » To have a household income under \$150,000
- » To have children
- » To be employed
- » To be younger (61% under 45)
- » To have lived in their current home for less than 5 years
- » To live on a small block
- » To be a first home buyer
- » To be more price sensitive.

Affordability was a significant factor in people's decision to consider a home in West Belconnen (41%) along with location (47%). These factors were followed by housing type, quality and block size.



3.4 Implications

Key points related to the demographic projections:

- » Canberra's liveability and desirability is blighted by its affordability issues (IFG UC, 2013)
- » Canberra's population is ageing. An adequate supply of age appropriate housing is essential to allow people to age in place or in their neighbourhoods
- » Housing costs are outpacing income leading to an affordability crisis
- » People are becoming more interested in compact dwellings and different dwelling types than previously, i.e., people are more interested in diversity, affordability and adaptability potentially as a result of costs but also lifestyle changes
- » By using the population and dwelling projections listed above for the ACT and for the West Belconnen project, approximately 60 affordable dwellings per year would need to be produced to achieve the project goal of exceeding the 20% affordable housing threshold.

4 Understanding Diverse, Affordable and Adaptable Housing

4.1 What is housing diversity and why is it important?

Housing diversity has been described by best practice industry guidelines (Landcom's Housing Diversity Guide, Landcom, 2011) as important because it enables neighbourhoods to provide for changing demographics, lifestyles and life stages and is an important influence on affordability. A greater diversity of housing type can add richness to the community by encouraging residents at different life-cycle stages and of household types into the neighbourhood. More diversity can cater for households on a range of income levels. It can also contribute to the visual interest of the streetscape and neighbourhood, countering the homogeneity of built form which can occur when all the dwellings are of a similar type.

The Housing Diversity Guide provides information on key aspects of a building design that can encourage housing diversity. In particular it highlights small house size (floor space ratio) and compact lots (minimum lot size) as the most critical development controls that influence diversity and affordability (Landcom, 2011, pp9-10):

Affordability

Affordability is one of the main drivers of the demand for smaller homes on compact lots. The design of new house types needs to take into consideration all aspects relating to cost – including the base land cost, building cost and design efficiency. Housing affordability can be improved most significantly by reducing the size of the land.

Protect amenity

Just because homes may be smaller and/or clustered more closely, this does not mean that amenity for residents and their neighbours is automatically reduced as a consequence. Well-designed homes will ensure that privacy, both visual and acoustic, and solar access to private open space and internal living areas, are successfully achieved.

Provide choice

The housing market for smaller homes is not limited to one particular house type or lot size. A wide range of housing product needs to be delivered to ensure that there is adequate choice for homebuyers, and to contribute design variation to new neighbourhoods.

Integrate

Smaller homes and lots should be integrated into new and existing neighbourhoods in a way that protects or improves streetscapes and amenity. Good planning and design can ensure that mixed-housing neighbourhoods have a quality character with good public and private amenity.

'Salt-and-pepper'

It is important that smaller homes should not be grouped in only one location in a development, but 'salt and peppered' in a variety of locations. There may be localised 'clustering' of housing types, however, this should not be to an extent which clearly identifies an area as being different to otherwise similar areas. The secret to successful housing diversity is to normalise it.

It should be noted however that this is to an extent contrary to one of the most fundamental principles of integrated land use and transport planning namely to *develop concentrated centres containing the highest appropriate densities of housing, employment, services and public facilities within an acceptable walking distance — 400 to 1000 metres — of major public transport nodes, such as railway stations and high frequency bus routes with at least a 15 minute frequency at peak times* (NSW Department of Urban Affairs and Planning 2001). It is also inconsistent with the Statement of Strategic Directions for the Territory plan which states *higher density development will be encouraged within and near major centres, and in other suitable locations that are well served by public transport*.

For West Belconnen therefore this control should be read that the affordable housing should be appropriately located on major transport routes and near facilities and designed in a manner that the dwelling is not obviously an affordable housing product.

Allow for tenure variety

A variety of tenure options will help meet people's changing needs at different stages of their housing career. Housing diversity will help provide for renters, recent purchasers, homeowners, investors and social housing tenants. It will also provide choice at different life stages.

Environmental sustainability

New homes should be designed to maximise their environmental performance. For example, consideration should be given to the orientation of homes and open space, building materials and insulation. Small clusters of homes can also be designed in a way that achieves sustainability gains on a larger scale.

Opportunities for the provision of housing diversity should be considered through the strategic planning process, particularly at the local level and during master planning of development projects. Once housing needs have been identified the provisions regarding minimum lot sizes and floor space ratio should be drafted in the concept plan and the estate development plan (in the ACT) and the local environment plan and the development control plan (in NSW) to ensure that housing diversity objectives are able to be delivered. It is also important that the concept plan (ACT) and the local environment plan (NSW) provide for adequate housing diversity and facilitates the provision of affordable housing.

Other development controls that influence diversity and affordability include:

- » Integrated housing controls
- » Site coverage
- » Landscaped area controls
- » Building envelope and setback controls
- » Solar access

Diverse housing options

The Housing Diversity Guide provides seven examples of diverse housing products. For each example Landcom describe the typical development controls that would be appropriate for the house type.

Examples include:

- » Secondary dwellings or 'Granny Flats
- » Cottage lot detached dwellings
- » Duplexes or semi-detached dwellings
- » Terraces or townhouses
- » Stratum titled studio housing
- » Zero lot detached dwellings
- » Triplexes and 'Manor Homes'.

Additional options that could be considered in the Canberra context which have been effective in other developments include:

- » Apartments
- » Bungalows
- » Group homes
- » Shop top apartments

Housing diversity is one of the core objectives of the West Belconnen project and the principles of diversity and housing options listed above will be central to achieving this objective. Housing affordability is critical to achieving this diversity.

4.2 Why is affordable housing important?

Declining housing affordability is an important issue facing local governments, states and territories in Australia. Households in lower income brackets, both renters and purchasers, are finding it difficult to meet their housing needs. A growing number of households, particularly those on lower incomes, are paying what is considered to be an unsustainably high proportion of their incomes on housing. When factoring in the wider costs of living, such as electricity, water and transport costs, many first home buyers are unable to enter the market due to unprecedented increases in the purchase price of houses, and the associated pressures on the already stretched rental market.

At the same time, governments have become unwilling to build new public housing and have strict criteria for homes that are available to those in severe need. The result is that the remaining stock of public housing is now reserved for those in severe need. Low to moderate income households are often caught in the middle between social and above average market housing, and left without housing provision or housing support.

The limited availability of affordable housing poses economic, social, spatial and environmental problems. High housing costs lead to more personal borrowing and the economy becomes more sensitive to rising interest rates. Labour mobility diminishes and areas become spatially polarised between the rich and the poor. For some families the diminution of disposable income and over-crowding can affect their quality of life, health and social interactions.

A lack of affordably priced housing can have an acute impact on key sectors in a local community. Key workers - those people who provide an essential service such as nurses, home and community care workers, police officers and teachers - are typically low-paid and can be priced out of a local housing market. Pressure on key workers to seek more affordable housing further away from their place of employment can cause problems for the communities they live in or leave behind.

4.3 What is affordable housing?

A national approach to describing and analysing affordable housing provides a consistent process to identifying housing need and informs the range of tenures, products, and price points necessary to deliver housing to meet those needs.

The following terminology and affordability benchmarks have been agreed within the framework of the National Affordable Housing Agreement².

Affordable housing

Affordable housing is:

- » appropriate for the needs of a range of low and moderate-income households; and
- » priced so that households are able to meet other essential basic living costs (Gurran, 2008).

Appropriate housing

Appropriate housing:

- » is appropriate for that household in terms of size, quality, accessibility and location;
- » is integrated within a reasonably diverse local community;
- » does not incur unreasonable costs relating to maintenance, utilities and transport;
- » provides security of tenure and cost for a reasonable period.

Low and moderate-income households

Low and moderate-income households have incomes below 120 % of the gross median income of all households. The category may be sub-divided for some purposes into:

- » households with incomes below 50 % of the median ('very low-income')
- » households with incomes between 50 and 79 % ('low-income')
- » households with incomes between 80 % and 119 % ('moderate-income').

Level of housing costs

There is no precise measure of the affordability of housing costs. A widely-used indicator (the General Affordability Indicator) is that mortgage or rental payments should be less than 30 % of household gross income. Other indicators are sometimes used in response to particular circumstances, policy goals or administrative considerations.

Housing stress

A term first used in Australia by National Housing Strategy (1991/92) to refer to lower income households with high housing costs. It has since been widely used as a (de facto) standard for

² The National Affordable Housing Agreement defines the objectives, outcomes, outputs and performance indicators, and clarifies the roles and responsibilities, that guide the Commonwealth and the States and Territories in the delivery of services across the housing and homelessness services sector. The aspirational objective is that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation. The NAHA is an agreement by the Council of Australian Governments that commenced on 1 January 2009, initiating a whole-of-government approach in tackling the problem of housing affordability.

assessing affordability problems in Australia. The two most widely used approaches to defining households in housing stress are:

- » Those households whose gross income falls in the bottom 40 % of the income distribution and who are paying more than 30 % of their household income to meet their housing costs (this is sometimes referred to as the 30/40 rule); or
- » The (larger) group of households who have gross incomes below 120 % of the median household income and who are paying more than 30 % of their household income to meet their housing costs.

Target groups for affordable housing

Households that are likely to require affordable housing can be grouped into three categories according to the kind and duration of housing response that may be required. The commonly used target groups for affordable housing include (Milligan, 2005):

- » Very low-income households with multiple disadvantages: The need for housing assistance is likely to be significant and ongoing for these households.
- » Low-income households: These are households who face a housing affordability problem because they have low incomes. They may, or may not, be employed.
- » Moderate-income households: These are households with somewhat higher incomes (up to 120% of the median) but whose circumstances place them below the margin where they can afford market housing, especially in higher cost locations.

4.4 Housing Affordability in Australia

The performance of Australia's housing market has been mixed, with some sub-markets – in terms of tenure type, location, and quality – performing better than others. On the whole, Australia has had strong house price growth over the past decade, largely reflective of increases in the prices of established houses and land rather than construction. Despite house price falls that accompanied the Global Financial Crisis (GFC), house prices are experiencing growth once again (National Housing Supply Council, 2012). However, despite a relatively stable macroeconomic environment characterised by income and population growth and low unemployment, there are a number of factors causing the housing market to soften.

These factors include:

- » affordability issues
- » consumer caution
- » fewer investors.

Generally, there has also been strong economic and employment growth over the last decade. Combined with financial deregulation and product innovation in financial markets, this has caused an increase in the ability of households to borrow for housing. This has meant that a larger number of households are able to access credit and enter the home ownership (or investment) market.

Despite these strong housing market and economic and employment conditions, the number of lower and middle income households having difficulty meeting their housing costs, or meeting the full cost of becoming home owners, is increasing.

Research literature shows that over the last two decades property prices have increased faster than wages, entry to home ownership is hard for many groups and there are shortages of affordably priced rental accommodation. The result is that Australia has some of the worst affordability problems in the developed world, according to many surveys (Demographia, 2014).

Key trends over this period show that:

- » average house prices relative to income have almost doubled
- » average monthly payments on new loans have risen more than 50% (\$500)
- » the proportion of low-rent homes has fallen by at least 15%
- » opportunities to rent public housing have fallen by at least 30%.

The result is that housing stress has increased even though incomes have risen (Yates & Milligan, 2007). In the last decade house prices in Australia grew by 147% and household income grew by just 57% (National Shelter 2013). Across Australia more than one in ten households are in housing stress, equating to over 850,000 households who, after paying for housing costs, are at risk of financial hardship and poverty. The highest rates of housing stress are felt by renters and first home buyers, with 26% of renters and 15% for first home buyers in housing stress. (AAH, 2012). Many other owners, purchasers and renters have to live in unsuitable housing to avoid unaffordable rent or mortgages. These "hidden" victims may already out-number those who are paying above the benchmark (Disney, 2007).

Key 2012 indicators for housing supply and affordability for purchasers across Australia (NHSC, 2012) show that:

- » 48% of lower income households with a mortgage faced direct housing costs of more than 30% of gross income in 2009-10. 27% faced costs of more than 50% of income.
- » 42% of mortgage-holding households in the bottom half of the income distribution (at or below the 50th percentile) faced costs of more than 30% of their income.
- » 19% of mortgage-holding households in the bottom half of the income distribution faced costs of more than 50% of their income.

For renters, there have been increases in the number of lower income households facing high housing costs in the private rental market. Rental affordability deteriorated across both cities and regional areas of Australia. The key findings (NHSC, 2012) for renters show that:

- » 60% of lower income private tenants paid rents in excess of 30% of their income in 2009-10, and 25% paid in excess of 50%.
- » 68% of private renters wholly reliant on government income support, paid rent in excess of 30% of total household income (factoring in Commonwealth Rent Assistance)
- » 28% paid in excess of 50%.

As part of a stocktake of the broader rental market, the National Housing Supply Council assessed how many properties were affordable and available for lower income groups. The key findings of this analysis show that in 2009-10, there were 1,256,000 private rental dwellings that were affordable for the 857,000 private renter households with incomes at, or below, the 40th percentile. Of these, 937,000 were occupied by households in higher income groups. As a result, the apparent surplus of affordable rental dwellings for the lowest two income quintiles was actually a major shortfall of 539,000 dwellings (over 60% of underlying demand).

Australia's underlying demand is projected at current trends to increase by nearly 3.3 million households between 2010 and 2030. Although housing supply will also increase over this period, it will do so at a slower rate than underlying demand. As such, supply is projected to continue to fall

short of the growth in underlying demand. These trends suggest that housing affordability will continue to be a major issue for years to come.

4.5 Housing Affordability in Canberra

Housing options for low to moderate income earners are highly constrained in the ACT with housing affordability being a significant issue. According to ACT Shelter 2013 Fact Sheet on housing and affordability in the ACT:

- » In the six years to 2012 housing costs increased 63% making Canberra's housing market one of the country's least affordable for low and moderate income earners. Canberra has the highest median house price in the country after Sydney.
- » Mortgage repayments have increased rapidly since the mid-2000s. In 2001 the median house price was 3.4 times the annual average income. This increased to 6.2 times the annual average income by 2013.
- » Between 1991 and 2011 house prices in the ACT increased by 263 percent while after tax income increased by just 95%.
- » The supply of social housing has decreased in real terms over the past 20 years. The impact of the large scale sale of public housing properties during the 1990s and 2000s is yet to be reversed, and limited investment in public and community housing since this time means that the ACT's social housing system cannot deliver sufficient affordable housing to meet demand or need (ACT Shelter, 2013).

The HIA-Commonwealth Bank affordability index for the March Quarter 2014 reveals that "apart from Hobart, the ACT is now the nation's most affordable capital city market for housing. Affordability improved by 7.7 per cent in the ACT during the March 2014 quarter and stood some 17.6 per cent more favourable than a year earlier. As well as the reduction of mortgage interest rates to record low levels over the past year, the ACT market has seen earnings creep up by 1.7 per cent over the past year. This is despite the programme of Commonwealth government cutbacks which have had a disproportionately large impact on the ACT economy.

The acceleration in home prices across much of Australia over the past year by-passed the ACT market, with the Commonwealth government budgetary situation contributing to falling home prices in the Territory.

All of these factors have combined to significantly improve the affordability of ACT dwellings. Affordability in the March 2014 quarter showed its most favourable result in fourteen years. It remains to be seen how further fiscal retrenchment will affect affordability in the ACT house market".

Rentals

The ACT private rental market is one of the most expensive in the country and vacancy rates are among the lowest. In the private rental market more than 40% of low to moderate income earners experience housing stress (ACT Shelter 2013).

The 2014 annual Anglicare Australia Rental Affordability Snapshot confirmed that there is a chronic absence of affordable housing in Canberra-Queanbeyan particularly affordable rentals. Properties were identified as being affordable if the rental price fell at or below 30 percent of the family income for a range of household types. These included a family of four reliant on the Newstart allowance, a couple on the aged pension and a single student on Austudy.

The study revealed:

- » There are practically no affordable rental options found in Canberra or Queanbeyan for any low-income households with the exception of shared housing for singles
- » There has been a significant increase in the number of rental properties available overall
- » Singles with a minimum wage could afford lower-priced share housing but no 'live alone' private rental options
- » There were slightly more properties affordable to couple on the Age Pension compared to 2013. However the proportion of the market has not yet hit 1%. Nearly all properties found available for this group were in Queanbeyan
- » All properties found affordable for single aged pension were in shared accommodation, which is unlikely to be a realistic option
- » There are no properties affordable to a single parent with a child even if that parent has a full time waged job.
- » Low paid and particularly part time workers are unable to afford housing in this market.
- » The current definition of 'affordable rent' set at 74.9% of market rent is in many cases still too expensive for people on low, fixed incomes.
- » The housing affordability crisis in Canberra is worsening. This is placing significant pressure on government housing programs as well as contributing to financial stress and social exclusion in families unable to access subsidised housing.

Table 4 Number and percentage of affordable rental properties for each household type.

Household Type	Payment type	Number affordable and appropriate	Percentage affordable and appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart allowance (both adults)	0	0.0%
Single, two children (one aged less than 5, one aged less than 10)	Parenting payment single	0	0.0%
Couple, no children	Age pension	22	0.7%
Single one child (aged less than 5)	Parenting payment single	0	0.0%
Single one child (aged over 8)	Newstart allowance	0	0.0%
Single	Age pension	97	2.9%
Single aged over 21	Disability support pension	0	0.0%
Single	Newstart allowance	1	0.0%
Single aged over 18	Youth allowance	0	0.0%
Single in share house	Youth allowance	0	0.0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A	14	0.4%

Household Type	Payment type	Number affordable and appropriate	Percentage affordable and appropriate
10)			
Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A & B	0	0.0%
Single	Minimum wage	280	8.3%

Anglicare Australia: 2014 annual *Anglicare Australia Rental Affordability Snapshot pp25-6*

Table 5 Overview of affordable rental housing in the region

	CANBERRA / QUEANBEYAN	WAGGA WAGGA	GOULBURN	SOUTH COAST
Average weekly rental	\$595	\$295	\$268	\$220
Main rental cluster	\$470-\$540	\$230-\$280	\$250-\$265	\$200-\$250
Total number of rentals	114	265	27	91
# Affordable properties	0	50	10	2

Anglicare ACT

4.6 What is adaptable housing and why is it important?

Adaptable housing units are designed in such a way as they are, or can be easily modified in the future to become, accessible to both occupants and visitors with disabilities or progressive disabilities. Current best practice in the design of adaptable housing is embodied in the Australian Standard AS 4299, published in 1995, and in Livable Housing Australia's Design Guidelines.

Livable Housing Australia outlines 7 core design elements of liveable housing, including:

1. A safe continuous and step free path of travel from the street entrance and/or parking area to a dwelling entrance and/or parking area to a dwelling entrance that is level
2. At least one, level (step-free) entrance into the dwelling
3. Internal doors and corridors that facilitate comfortable and unimpeded movement between spaces
4. A toilet on the ground (or entry) level that provides easy access
5. A bathroom that contains a hobless (step-free) shower recess
6. Reinforced walls around the toilet, shower and bath to support the safe installation of grabrails at a later date
7. A continuous handrail on one side of any stairway where there is a rise of more than one metre (Livable Housing Australia 2012).

Under Livable Housing Australia's requirements all 7 core design elements must be met in order to achieve the Silver performance level.

Under the Greenstar Communities Pilot up to four points are awarded based on the percentage of dwellings in the community that have achieved Silver level in accordance with Livable Housing Australia's 2010 guidelines. 50% compliance will achieve 1 point, 60% compliance achieves 3.4 points and 83% complying will achieve 4 points.

Research and international practice in adaptable housing is increasingly being broadened to include a number of related concepts such as flexible and universal housing and connected neighbourhoods. As the structural ageing of Australia's population places increasing pressure on the provision of social and economic infrastructure, the urban environment, transport and housing, it is important that planning for new neighbourhoods, as well as the construction of individual dwellings, is done so in the context of accessibility, adaptability and connectivity.

Common terms used in relation to adaptable housing include:

Universal:

Universal housing refers to homes that are practical and flexible, that meet the needs of people of different ages and abilities over time. A universally designed home generally avoids barriers that may discriminate against people living in or visiting the home. Universal housing is designed to be useable by most people over their lifetime without the need for major adaptation or specialised design. Universal design includes many of the features specified in AS 4299.

Accessible:

An accessible house is generally a purpose built dwelling for a person or persons with a disability. AS 1428.1 Design for Access and Mobility specifies design requirements applicable to new building work, but excluding work to private residences, to provide access for people with disabilities. AS 1428.1 is referenced by AS 4299.

Adaptable:

An adaptable house is a dwelling with design features that are adaptable to flex with the changing needs of the occupants, as specified by an Australian Standard. AS 4299 Adaptable Housing specifies performance requirements for adaptable housing. It includes three classification levels: a Class A adaptable house includes all essential and desirable features; a Class B house includes all essential and 50% desirable features; a Class C house includes all essential features.

Flexible:

Flexible housing is housing that can adapt to the changing needs of users. Definitions of flexible housing are typically broad and include the ability to adjust one's housing over time, to incorporate new technologies over time, to adjust to changing demographics, or even to completely change the use of the building from housing to something else. It is important to note that flexible housing relates to a wider category than that of adaptable housing, which as noted above is the term generally used to denote housing that can adapt to users' changing physical needs, in particular as they grow older or lose full mobility.

Liveable:

A liveable home is designed and built to meet the changing needs of occupants across their lifetime. Liveable homes include key easy living features that make them easier and safer to use for all occupants including: people with disability, ageing Australians, people with temporary injuries, and families with young children. A liveable home is designed to: be easy to enter; be

easy to navigate in and around; be capable of easy and cost-effective adaptation, and; be responsive to the changing needs of home occupants (Livable Housing Australia, 2012).

Housing-for-life:

An important aspect of adaptable housing provision includes identifying a variety of house designs for different life stages and family sizes. Peoples needs change over time: young couples may have children and find they need a bigger space to live in; older people whose children have left the family home i.e. 'empty nesters' may find their house is too big for their needs but it is unviable to sell the property. These need to be considered so these key groups in the community are addressed. Housing must be able to respond to changing lifestyle needs.

5 Statutory and Policy Context

5.1 Federal Government

National Affordable Housing Agreement

The ongoing National Affordable Housing Agreement (NAHA), effective from December 2012, is a Council of Australian Governments (COAG) commitment to the provision of affordable, safe and sustainable housing for all Australians that contributes to social and economic participation.

The NAHA defines the objectives, outcomes, outputs and performance indicators, and clarifies the roles and responsibilities that guide the Commonwealth and the States and Territories in the delivery of services across the housing and homelessness services sector. The aspirational objective is that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation.

The NAHA provides \$6.2 billion to states and territories to provide housing assistance to low and middle income Australians in the first five years.

National Rental Affordability Scheme

The National Rental Affordability Scheme (NRAS) commenced on 1 July 2008, and sought to stimulate the supply of 50,000 new affordable rental dwellings by the end of June 2016. NRAS was a potential mechanism that the West Belconnen Project could have utilised for affordable housing development. However, the discontinuation of this scheme was announced in the 2014-15 Federal Budget. The Australian Government failed to articulate a strategy on housing for the nation as part of the 2014-15 budget with no new initiatives offered.

White Paper on Homelessness

Released in 2008, *The Road Home* White Paper on homelessness outlines the Australian government's vision for a "dramatic reduction in the number of people who become homeless" (FaHCSIA, 2008). The White Paper outlines the Australian Government's goal, with the agreement of state and territory governments, to halve overall homelessness by 2020.

In relation to housing affordability, the White Paper emphasises the link between the availability of affordable housing and homelessness. It particularly points to the importance of an increase in the supply of affordable housing in order to achieve its goal of a long-term reduction in homelessness.

Our Cities, Our Future: National Urban Policy

Our Cities, Our Future sets in place the Australian Government's objectives and directions for Australia's cities. It recognizes the critical roles that State, Territory and Local Governments, the private sector and individuals play in planning, managing and investing in cities.

The objectives and priorities that relate to affordability are summarized below:

- » To facilitate the supply of appropriate mixed income housing by:
 - > encouraging a range of housing types to suit diverse households across metropolitan areas;
 - and

- > supporting the development of aged persons accommodation, including medium and high care.

5.2 ACT Government

The Canberra Plan 2008

The Canberra Plan was first released in 2004, to guide the growth and development of Canberra. The Canberra Plan 2008, *Towards our second century*, continues to build on this strategy, and also responds to new challenges such as housing affordability.

The Plan identifies a nationwide increase in housing prices, and the impact that this has had on the ACT. The Plan highlights improving housing affordability in the Territory as one of its highest priorities. The strategies outlined in the Plan target land release, home ownership, private rental accommodation, community and not-for-profit housing, public housing and supported and aged accommodation.

Initiatives include facilitating home ownership through accelerated land supply and providing land rent, shared equity and financial concessions to ease the up-front costs of home ownership.

The Canberra Plan is supported by the Canberra Social Plan, the ACT Planning Strategy and the Affordable Housing Action Plan, discussed below.

Canberra Social Plan

The vision of the Canberra Social Plan 2011 is based on the themes of connection, belonging and collaboration. An important element of this vision identified within the plan is access to affordable, secure and appropriate housing.

The Plan highlights access to affordable and appropriate housing as a basic right, and identifies this as one of the ACT Government's highest priorities.

Diversity of housing is also identified as a key priority of the ACT Government, to meet the needs of people of all ages, abilities and lifestyles. The focus is on the development of sustainable, universally designed houses, apartments and town houses to enable ageing in place.

ACT Planning Strategy 2012

The ACT Planning Strategy 2012, *Towards 2030, looking to 2060*, establishes how the ACT will develop into the future to meet the aspirations of the people and the environmental, social and economic challenges of the 21st century. It is based on five outcomes (A to E) that the ACT wants to achieve and nine strategies to achieve them. It also addresses the challenges faced in Canberra currently and how these can be met. Outcome A and Strategy 3 specifically refers to housing, affordability and diversity as follows:

Outcome A: In 2030 Canberra will be a city that makes it easy for people to make more sustainable living choices and has the resourcefulness and capacity to manage change.

Within Outcome A, a key indicator is that there is greater diversity in the types of dwellings within each district in Canberra with an increasing percentage of attached housing.

Strategy 3: Provide more cost effective and sustainable living options by improving the existing housing stock and establishing more choice in housing types in a variety of locations.

Key actions for Strategy 3:

- » Investigate a schedule of incentives to reward residential developments that incorporate 'universal' dwelling design, more affordable housing and innovations that will improve environmental sustainability.

The Planning Strategy identifies West Belconnen as an urban investigation area. West Belconnen has great potential to substantially contribute to the achievement of these strategies.

Affordable Housing Action Plan Phase III 2012

Phase III of the Affordable Housing Action Plan introduces a set of 14 new actions aimed at improving housing affordability in the ACT. The key objectives of the plan are to increase the amount of affordable rentals, improve utilisation of land in established suburbs and expand the mix of affordable properties for sale. The outcomes of Phase I and Phase II have been incorporated into Phase III, which continues to require that 20 per cent of housing in greenfield developments is reserved to meet government affordable housing criteria.

Table 6 Actions in the ACT Affordable Housing Action Plan III

Number	Action	How will West Belconnen contribute to these?
1	Reduce land tax on properties with average unimproved land values between \$75,000 and \$390,000.	Purchasers at West Belconnen will benefit as the majority of blocks will be available between these price points.
2	Encourage institutional investment in affordable rental properties.	Opportunities exist for a variety of investors to provide affordable housing options at West Belconnen. With the abolition of the NRAS scheme other mechanisms to encourage this must be explored.
3	Increase the supply of affordable rental properties through transfer of land or surplus properties to the community housing sector.	Opportunities exist for the transfer of land to the community housing sector – including potentially a Community Land Trust. Pricing of the land will need to be determined with the ACT Government. However the land rent scheme may be applicable. The land could be released via the 'direct sale' method rather than placed on the open market
4	Investigate a requirement for the delivery of public and community housing stock in large infill and greenfield residential developments.	Opportunities exist for land to be made available for public and community housing stock. Discussions with both groups have indicated an interest in establishing in West Belconnen.
5	Provide grants to small clubs to assess the viability of their sites for residential	Not applicable

	development.	
6	Assess and consider options for facilitating residential development on underutilised community facility sites.	Not applicable
7	Offer a lease variation charge remission to facilitate redevelopment or adaptive reuse of commercial accommodation that delivers affordable housing.	Not applicable
8	Introduce variable thresholds for affordable housing based on dwelling size.	Government mechanism. Would apply to West Belconnen.
9	Commence abolition of stamp duty.	Government mechanism commencing in 2012-13 budget and continuing in the 2014-15 budget which also saw the introduction of the Over 60s Home Bonus Scheme provides concessions for people over the age of 60 who may find stamp duty an impediment to downsizing and moving to accommodation more suited to their needs. Canberrans eligible for full concession will only pay \$20 in stamp duty.
10	Increase property and income thresholds for the Home Buyer Concession Scheme.	Government mechanism. Could apply to purchases at West Belconnen.
11	Explore options for extending the OwnPlace scheme into englobo and joint venture developments.	All OwnPlace house and land packages have now been allocated to eligible purchasers. However if the Government extends the program there are opportunities to deliver this scheme at West Belconnen
12	Investigate higher targets for affordable housing requirements in englobo releases.	Riverview are committed to exceeding the 20% target for affordable housing
13	Develop a Sustainable Land and Affordable Housing Guide.	Government mechanism. However Riverview could partner in the development of this guide
14	Release land for short term accommodation.	Opportunity exists to employ this mechanism at West Belconnen. The purpose of the short term accommodation would need to be determined along with potential funding and operational aspects.

The proposed development at West Belconnen will contribute to the achievement of the Affordable Housing Action Plan III in a variety of ways. The introduction to the market of a very large supply of housing through the rezoning of land at West Belconnen will have a significant impact on price based on the principle that as supply increases there is downward pressure on prices. This should thereby help to slow the rate of rise of house prices in the Territory. Other applicable measures have been highlighted in the table above.

5.3 NSW Government and Yass Valley Council

Environmental Planning and Assessment Act 1979

The NSW *Environmental Planning and Assessment Act 1979* (EP&A Act) provides the legislative framework for planning in New South Wales.

The provisions and maintenance of affordable housing is one of the objectives of the EP&A Act. The NSW Government supports and provides guidance on planning policies that encourage the development of affordable housing whilst taking into account the impacts on local needs and character.

The overall objectives of the EP&A Act are set out in Clause 5 and include:

“(a) to encourage:

- (i) The proper management development and conservation of towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,
- (ii) The promotion and co-ordination of the orderly and economic use and development of land,
- (iii) The provision and maintenance of affordable housing”

The plan-making provisions of the Act also state that local instruments may include arrangements for “providing, maintaining and retaining, and regulating any matter relating to, affordable housing” (s 26D).

When assessing a development application, a consent authority is required to consider any environmental planning instrument, or draft instrument, as well as “the likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality” (s 79C). Such impacts could include the social impacts of development likely to reduce opportunities for low cost housing.

The EP&A Act also includes a provision that enables a consent authority, when granting consent to a development application, to include as a condition of that consent the dedication of land, or payment of monetary contributions, for affordable housing (s 94F-G). The provision applies with respect to a development application to carry out development within an area is a State Environmental Planning Policy identifies that there is a need for affordable housing within the area, and the proposed development:

- » is likely to reduce the availability of affordable housing within the area or
- » will create a need for affordable housing in the area or
- » is allowed only because of the initial zoning of a site, or the rezoning of a site.

Affordable housing is defined in the EP&A Act 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”.

Adaptable housing is not referred to in the Act.

The EP&A Act remains current, although it will likely be replaced by the Planning Bill 2013, discussed below.

NSW Planning Bill 2013

The NSW Government intends to introduce new legislation, the *Planning Bill 2013*, to replace the current *Environmental Planning and Assessment Act 1979*. The Bill is currently being considered within the NSW Parliament.

The proposed legislation will be an ‘enabling’ Bill that will establish the broad framework for the planning system. The Act will not include detailed prescriptive controls, instead these details will be covered by guidance and good practice advisory notes. The objectives of the Bill will emphasise in particular the role of planning in facilitating and managing growth and economic development.

The five pillars of the new system will be:

- » Community participation
- » Strategic planning
- » Streamlined approval
- » Provision of infrastructure
- » A ‘delivery’ culture

If passed in its current version, the Bill will include a number of components related to affordable housing.

The objects of the law will likely include: “promote the timely delivery of ... housing opportunities (including for housing choice and affordable housing)”.

Under the Bill, local plans may include planning control provisions to provide, maintain and retain affordable housing and encourage housing choice. The Bill also allows for developers to make voluntary contributions, under a planning agreement, for the provision of affordable housing (Shelter, NSW 2014).

The Bill includes an amendment regarding procedures that can be used when assessing development applications, to ensure that affordable housing is included. This amendment allows a consent authority (e.g. a local council or state-government agency) to impose an obligation on a developer to fund the provision of affordable housing (Shelter NSW, 2014).

NSW 2021

NSW 2021 is a 10 year plan prepared by the State Government to rebuild the economy, return quality services, renovate infrastructure, restore accountability to government, and strengthen the local environment and communities. It replaces the State Plan as the NSW Government’s strategic business plan.

NSW 2021 provides a clear mandate for sound urban planning that encourages an urban form consistent with the principles of new urbanism.

The plan contains 32 goals and 180 targets with priority actions to support the achievement of each target. Goal 5 of the plan is to ‘place downward pressure on the cost of living’ by providing support to people in need and dealing with the underlying causes of rising household costs. This

goal aims to increase the supply of land for housing and provide incentives to help make housing in NSW more affordable and housing stock more appropriate for people's needs.

Yass Valley Council Community Strategic Plan 2013 – 2030

Prepared by Yass Valley Council, the Community Strategic Plan 2013 – 2030 is intended to guide Council and address the long term needs of the community.

The Plan identifies the need for diversification of housing types within the region. The Plan also highlights the need to increase local availability of rental accommodation and affordable housing as a key priority for the future.

Yass Valley Local Environmental Plan 2013

The 2013 Yass Valley Local Environmental Plan (LEP) aims to make local environmental planning provisions for land in Yass Valley.

It outlines 11 aims of the LEP, one of which (2c) is to "encourage housing diversity" (Yass Valley Council, 2013).

5.4 Implications

Key points related to the statutory and policy framework are:

- » Housing affordability is a major challenge that requires a coordinated response from all levels of government, not-for-profit and the private sectors.
- » The supply of housing that is coordinated with infrastructure provision is essential for creating sustainable, accessible and viable communities.
- » Mechanisms employed in the West Belconnen project must be consistent and align with the broader policy frameworks of the ACT, NSW and Yass Valley Council. They must also be long range and flexible enough to fit within potential future changes to these frameworks.
- » Engagement with local communities, stakeholders and members of the public at the strategic planning stage plays an important role to ensure housing strategies are tailored to the local context and ultimately accepted by the community.

6 Mechanisms to Deliver Diverse, Affordable and Adaptable Housing

The provision of affordable housing is one of the biggest challenges facing many local areas across Australia. The process of securing the right type of affordable housing that meets local needs, in a manner that is compatible with local character, is complex and is strongly influenced by the local housing market, demographic, economic and development industry conditions.

A range of strategies are needed to respond to this challenge. According to the NSW Centre for Affordable Housing - Local Government Housing Kit (Housing NSW, 2014), these responses should:

1. **Stimulate** the provision of affordable housing
2. Better **match** the existing supply of affordable housing with the changes that are occurring in the profile of local households and their needs and preferences
3. **Increase** the overall supply of affordable housing, both lower cost market housing and a variety of forms of subsidised housing.

Agencies in all spheres of government can contribute to these strategies in various ways.

At the local level, awareness of the housing needs of local households and of prevailing trends in local and regional housing markets are particularly important in making plans and setting actions for new residential areas. Responding to housing affordability problems in the ACT means understanding the market processes that drive these problems.

To be most effective, initiatives at the local level need to be linked to policies and strategies being pursued by other levels of government, by the housing industry, and by not-for-profit housing providers (Housing NSW, 2014).

Although the ACT has higher than average incomes and a lower than average long term unemployment rate (see Affordable Housing Action Plan Phase III, p2), the strength in the purchase and rental markets means that housing affordability remains a key issue for many Canberra residents. The ACT Government's Affordable Housing Action Plan Phase III addresses some of the local affordability problems, which are relevant to the West Belconnen project.

In this section the potential mechanisms to deliver diverse, affordable and adaptable housing that may be relevant to the West Belconnen project have been grouped under the following categories:

- » Land use planning mechanisms
- » Financial strategies
- » Social housing: public housing and community housing
- » Partnerships
- » Community title
- » Land rent
- » Shared equity and community land trusts
- » Boarding houses and granny flats

6.1 Land Use Planning Mechanisms

Whilst the planning system alone cannot deliver affordable housing, it does play a major role in facilitating the delivery of new housing - thus helping to address mismatches between supply and demand - and can be used to help to stimulate the delivery of more affordable housing product. It can also help promote greater housing diversity in terms of size of units, location and price point.

However, planners do not build houses – there needs to be sufficient market demand from purchasers and capacity within the construction sector.

Research on national and international practices in planning for affordability suggests that planning approaches related to the delivery of new affordable housing can be grouped under five strategic objectives. Each of these planning mechanisms is most effective, and produces different results, in different local or regional housing markets and depending on whether the area is experiencing low, medium or high growth. The mechanisms and their applicability at West Belconnen are outlined in the table below.

Table 7 Land Use Planning Mechanism applicable at West Belconnen

Mechanism	Application at West Belconnen
Mandatory inclusion - seeking a dedicated affordable housing supply in new developments	As a new development, the mandatory inclusion mechanism is relevant to West Belconnen. Mandatory inclusion of affordable housing is an objective of West Belconnen project. Riverview has committed to supply more than 20% of the development to meet the government's affordable housing criteria.
Increasing general housing supply through land supply and development policies	The scale of the development at West Belconnen, 11,500 dwellings in total, will play a significant role in increasing the general housing supply in the ACT and immediately surrounding area.
Encouraging new affordable housing through planning incentives and negotiated agreements	Use of direct sales and land rent can be applied at West Belconnen. Other mechanisms such as the Home Buyer Concession Scheme, reduction in stamp duty also apply.
Reducing barriers to affordable housing development	Barriers are being addressed through the Affordable Housing Strategy. Changes in Federal Government policy will also need to be considered. In the short term these are potential barriers to affordable housing delivery in West Belconnen and elsewhere.
Protecting and offsetting against the loss of low-cost housing.	Not applicable. West Belconnen will not result in the loss of any low cost housing

6.2 Financial Strategies

Financial strategies are one element of a structured package of financial and non-financial levers used to finance and deliver affordable housing. A wide range of financial strategies can be employed by governments, financial intermediaries and housing providers to support the growth of affordable housing (Milligan *et al*, 2009).

Some of these financing mechanisms include:

- » Grants
- » Discounted land price
- » Public loans
- » Protected circuits of savings for specified investments
- » Superannuation funds invested in affordable housing
- » Private loans
- » Interest rate subsidies
- » Tax privileged private investment
- » Tax privileges for providers of affordable housing
- » Government secured private investment.

One of the strongest emerging trends is the use of mixed public and private finance (Milligan *et al*, 2009). In particular, not-for-profit housing developers are emerging as an important player in the development of affordable housing. Until May 2014 not-for-profit housing developers could access additional revenue streams through the National Rental Affordability Scheme (NRAS) to subsidise development and deliver more affordable dwellings. With the scrapping of this scheme in the 2014-15 Federal budget the ability of many not-for-profit housing developers to expand their portfolio may be limited. The cessation of the scheme may also reduce the likelihood of the new not-for-profit housing developers emerging. This may make the development of significant numbers of affordable dwellings difficult in the short term at West Belconnen. However use of other mechanisms such as superannuation funds should be explored in more detail.

CHC Affordable Housing

Existing community housing providers are beginning to finance projects by using assets as security for loans and further investment. This approach is being used by Compass Housing in NSW and CHC Affordable Housing in the ACT.

Discussions with CHC have indicated that they may be interested in a joint venture opportunity at West Belconnen and are interested in engaging with Riverview during rezoning to discuss opportunities in more detail. The model used at Crace is unlikely to be attractive to CHC for West Belconnen.

CHC have indicated that they would be interested in providing affordable retirement living in the form of independent living units – not high care. This development of this type of project would be beneficial for West Belconnen. The demographic research undertaken by the Institute of Governance at the University of Canberra for the West Belconnen project revealed that as much as 20% of the ACT's population could be 65 or older by 2041. Orima's research also indicated that downsizing was a significant trend with more people wanting to downsize their house or block than upsize. Of potential purchases 25% gave 'require a smaller home' as a reason for moving. The reason behind this downsizing was related to both cost and ageing.

CHC are somewhat constrained in their operations at the present time. Due to a heavy capital program for calendar years 2016 to 2019 they may be unable to progress any new development in the early stages of West Belconnen. They are also constrained in their area of operation to the ACT at present by a loan agreement. However by the time the West Belconnen development crosses the border CHC may be able to operate in NSW.

6.3 Social Housing: Public Housing and Community Housing

There has been considerable confusion over the terms 'public housing' and 'community housing' and they are often used interchangeably. To belay the confusion ACT Shelter has described the difference:

Public housing is housing that is subsidised, managed and owned by government, which is intended to ensure that people on low incomes or otherwise disadvantaged in the housing market can access safe, appropriate and affordable housing.

Community housing is an additional social housing option to public housing. It is distinct from public housing because it is provided by (not-for-profit) non-government agencies, and because tenants in community housing are eligible for Commonwealth Rent Assistance (ACT Shelter, 2013, p8).

The terms together can be referred to as social housing.

Between 1997 and 2007 the number of public housing properties in Australia fell by 30,000, while over the same period the population grew by over 2 million (Wood and Ong, 2012). Although the ACT has more public housing stock than other states and territories, stock growth has not kept pace with population growth (ACT Shelter, 2014). Despite significant investment in social housing through various government funding packages including the Nation Building and Jobs Economic Stimulus Package (where more than 400 new public housing dwellings were constructed in the ACT), Australia still has fewer public housing units than in 1996. Overall there is less low cost rental housing to go around. Waiting times for ACT public housing in 5 May 2104 were:

Table 8 Waiting Times for ACT Public Housing

Application Category	Waiting List	Average Waiting Times (days)
Priority housing	137	119
High Needs Housing	1,493	681
Standard Housing	697	741
Total	2,327	

ACT Government Community Services Directorate [Online
http://www.communityservices.act.gov.au/hcs/social_housing/waiting_lists. Accessed 14 May 2014]

Australians for Affordable Housing, a coalition of national housing, welfare and community sector organisations, report that there are currently 173,000 Australians waiting for public housing (AIHW, 2010) and an overall shortage of 493,000 low cost rental properties that are available to low income households (NHSC, 2010).

Public housing in Australia has become 'residualised'. This means properties are increasingly allocated to tenants with high and often multiple/complex needs and rents are income based. The result has meant that state and territory housing authorities have been under increased pressure, with around 80% of Australian public housing tenants in the 'high need' category (in the lowest 20% of income) (Jacobs, et al., 2010).

One of the emerging solutions has been stronger federal and state support for expanding affordable housing provision through growing the non-profit community housing sector (Milligan et al., 2009).

Community housing offers secure, affordable, long-term rental housing for people on low to moderate incomes, with a housing need. The types of community housing providers include housing associations, housing co-operatives, religious/fait-based providers and crisis accommodation providers.

Not-for-profit community housing organisations have a charter to manage housing for low-to-moderate income and special needs households. Many of these organisations have built their internal capacity, raise private finance, employ skilled senior staff, and have started to operate over wider jurisdictions (Gilmour, 2009). They have specific skills and experience in tenancy and property management of affordable housing.

With more than 900 community housing organisations in Australia, there are many opportunities for the private sector, government, or both, to partner with community housing providers to deliver affordable housing. The role of partnerships between the public, private and not-for-profit sectors in housing and urban policy has been stimulated by policy initiatives such as the National Affordable Housing Agreement (NAHA), National Rental Affordability Scheme (NRAS) as reforms to encourage diversity and growth among community housing providers.

According to ACT Shelter (2013), the ACT has the highest proportion of social housing in the country with 8% of households living in public housing. Community housing providers manage more than 662 dwellings and the government manages 11,063 public housing dwellings (ACT Shelter, 2013, p17). There are six organisations managing community housing in the ACT and reporting to the ACT Government:

- » Havelock Housing Association (HHA)
- » Environmental Collective Housing Organisation (ECHO)
- » Capital Community Housing (CCH)
- » Argyle Community Housing
- » Tamil Senior Citizens Association
- » Salvos Housing

These community housing organisations are funded by the ACT Government. For most, if not all, their ability to expand their operation into West Belconnen will be dependent upon additional ACT Government funding and the organisations interest in expansion.

Some community housing is charged at 74.5% of market rent while some is charged at the same rate as public housing i.e. 25% of income. If eligible, some community housing organisations may require tenants to pay an amount equivalent to 100% of any Commonwealth Rent Assistance entitlement. They may also charge tenants a rental bond. Housing ACT may be able to provide a bond loan to assist with access to community housing

Some community housing organisations also offer group share options, where tenants have their own bedroom but other facilities such as the bathroom, kitchen and laundry may be shared. Whilst Orima's research found that alternative housing affordability initiatives e.g. shared kitchens and laundries were received unfavourably for home purchases they are more likely to be considered favourably by the low and moderate income renters as detailed in the Anglicare Australia study (see section 4.5).

CHC Affordable Housing is not included in the list above as it has a unique funding model. CHC Affordable Housing is a well-known provider of affordable housing in the ACT and describes themselves as a not-for-profit development company that delivers affordable properties for sale and rent to the ACT community. They were established in 1997 as a peak not-for-profit housing organisation with the ability to construct dwellings to be managed by other community housing providers. Their mandate changed over time to include affordable private sale and the management of affordable rental tenancies, charging up to 74.9% of market rent. CHC Affordable

Housing works within the framework of the ACT Government's *Affordable Housing Action Plan*, and successfully utilises and benefits from the ACT Government's Land Rent Scheme to deliver affordable rental housing. More information on the potential role CHC Affordable Housing could play at West Belconnen is available section 6.2.

6.4 Partnerships

Partnerships between community housing providers, state and local government, not-for-profit organisations and the private sector can be successfully utilised in the delivery of affordable housing. A diverse range of models and frameworks are being developed in Australia and overseas that encourage collaboration in long-term partnerships on the grounds of mutual benefit. Collaboration provides a basis for innovation, skills transfer and transformation of traditional structures and frameworks for implementation (Pinnegar, *et al.*, 2011).

The role of partnerships between the public, private and not-for-profit sectors in housing and urban policy has been stimulated by policy initiatives such as the NAHA, NRAS and other reforms to encourage diversity and growth among community housing providers.

NRAS in particular has provided a clear direction in terms of commitment to growth in the community housing sector and a view that not-for-profits should play a leading role. However, the partnership models being explored in the context of NRAS remain at an 'emerging' rather than an 'established' stage (Pinnegar, *et al.*, 2011). This means that there is space for innovation in partnership models. Pawson *et al.* (2013) point to the examples of local governments in Port Philip, Brisbane and City of Salisbury who have spearheaded innovative partnership models for the delivery of submarket rents to targeted groups. A wide range of models are emerging that aim to bridge investor need and policy objectives for the provision of affordable housing.

Partnership mechanisms, in enabling a greater role for community housing providers, have been generally well-received. A recent study conducted by the Australian Housing and Urban Research Institute has found that a clear majority of tenants found that community housing offers a more personalised, responsive style of provision, and may contribute to place- and community-building efforts (Pawson, *et al.*, 2013).

A partnership approach, using the other mechanisms listed in this section, is likely to be an effective way to deliver affordable housing in West Belconnen. In particular, a partnership between the developer, the government and a community housing provider should provide a powerful mechanism to deliver affordable housing for West Belconnen. As indicated in section 6.2 CHC Affordable Housing could potentially be interested in a partnership at West Belconnen.

6.5 Community Title

Strata Community Australia (2014) describes community title as property which has been divided into individual lots with common areas and shared services. Developers are increasingly opting to use community title as a means of establishing market differentiation and consumer appeal.

The developments can be highly complex because they involve not only the common property, but also the common services and additional responsibilities that go with the community common areas and non-common property. Community title schemes are normally responsible for their own roads, parks and gardens maintenance, garbage collection and potentially delivery of some utilities. Their funding comes from levies which are then used to run the scheme the same as strata schemes (Strata Community Australia, 2014).

Some schemes are so large they actually are a suburb in their own right. This means they have massive amounts of infrastructure to maintain. In some cases they are also required by the local

council to provide public access which can cause issues with insurance especially around public liability (Strata Community Australia, 2014). Furthermore, in community title developments community title levies as well as council rates are required. Because of this, residents may become uncertain about who is paying for what service and to whom (UDIA NSW, 2008).

The ACT Government's community title scheme applies 'when two or more separately owned lots share at least one communal space/amenities lot that is jointly maintained by the owners through a body corporate' (ACTPLA, 2014). ACTPLA provides the following examples:

- » an apartment building with each apartment owned separately, but with common property such as a swimming pool or gym
- » a group of townhouses, each owned separately, but with a common space such as parkland, swimming pool, children's park and BBQ area.

The ACT Government describes the following requirements for a community title in the ACT (ACTPLA, 2014):

- » The land involved in a community title scheme must be in a single area. It cannot be divided by anything other than a road, a body of water (other than a lake within the meaning of the Lakes Act 1976), or an area defined in the relevant regulations.
- » The community title scheme must be registered and include each of the lots involved in the scheme. The body corporate, which maintains the common property, is established on registration of a community title scheme.
- » A community title scheme development may be built in stages.
- » Undeveloped, partially developed or fully developed land may be included in a community title scheme. Lots may be added or removed from a community title scheme on approval of the Planning and Land Authority, provided at least three leases remain in a single area, one of which is common property.
- » Two or more community title schemes may be amalgamated subject to approval by the Planning and Land Authority.

Community titling does not automatically result in more affordable housing. In fact depending upon the facilities provided in the common space parkland, swimming pool, children's park and BBQ area, the size of the dwellings and the location amongst other factors this may be a less affordable option for many than a traditional title (Crown lease in the ACT).

It is unlikely that this would be a suitable option for West Belconnen unless an affordable housing provider was involved and the types of facilities are restrained.

6.6 Land Rent

In the ACT the Land Rent Scheme is part of the ACT Government's Affordable Housing Action Plan. The Land Rent Scheme gives a lessee the option of renting land through a land rent lease rather than purchasing the land to build a home. The ACT Government (2014) explains that:

- » Under the scheme, purchasers of a single dwelling residential block (previously unleased land) sold by the Land Development Agency (LDA) have the option of applying for the crown lease to be issued as a land rent lease. The advantage for potential lessees in taking up this option is the reduction of the up-front costs associated with owning a house. That is, lessees will not need to finance the cost of the land, only the costs associated with the transfer of the land (such as duty) and the construction of the home.

- » Land rented under a land rent lease is subject to payment of an annual land rent charge. In addition, the lessee will be liable to duty on the grant of the land rent lease, rates, and, if applicable, land tax.
- » Duty is payable on the land rent lease on the same basis as applies to the grant of a nominal crown lease. The dutiable value is not reduced by virtue of the lessees taking a land rent option.
- » As of 1 October 2013, entrance to the Land Rent Scheme is restricted to low to moderate income households eligible for the discount land rent rate of 2 per cent. The standard 4 per cent rate of land rent will no longer be available to new entrants to the Scheme.
- » Any new block of land released by the ACT Land Development Agency (LDA) to the public will be available for land rent.
- » Only single residential dwellings can be built on land rent blocks. Units or attached dwellings cannot be built on land leased under the scheme. Planning and quality controls applying to land rent blocks will be the same as for land held under traditional crown leases.

Purchasers at West Belconnen will be able to utilise the Land Rent Scheme under the rules applying at the time of purchase.

6.7 Shared Equity and Community Land Trusts

Shared equity is defined as the 'division of value of a dwelling between more than one legal entity' (Whitehead & Yates 2007, p.6). Shared equity enables a person to buy a share in their home when they cannot afford a mortgage on the current total value.

In 2010 the Australian Housing and Urban Research Institute undertook research into shared equity schemes in Australia. The study *Innovative financing for home ownership: the potential for shared equity initiatives in Australia* examined two different models:

- » The *individual equity* model, which allows individual households to enter arrangements with equity partners in order to reduce mortgage repayments and the size of the deposit. At the time of sale, the partner recoups their equity loan plus a proportion of the capital gain. In some variants of this model there is an opportunity for households to *staircase* their way to ownership by progressively buying out their partner.
- » The *community equity* or *subsidy retention* model, which preserves ongoing affordability by limiting the resale value of properties through the use of a predetermined formula

AHURI found:

- » Shared equity schemes have the potential to facilitate home ownership for those households who may have difficulty purchasing a home through the open market.
- » Shared equity schemes vary in detail but broadly allow the consumer to obtain part equity in a home by sharing the overall cost with an equity partner—either a financial institution or a government backed provider. The involvement of an equity partner helps to reduce the overall costs involved in a mortgage, and thus improves housing affordability.
- » Variants of the individual equity model are currently operational in most Australian jurisdictions. Private-sector led products, such as the *Rismark-Bendigo* scheme, have been launched. More substantive engagement has occurred in jurisdictions where *government-backed* but arms-length agencies, such as *HomeStart* in South Australia (SA), remain an integral part of local institutional and mortgage finance frameworks.
- » There is consumer appetite for shared equity schemes in Australia, with particular interest in models that keep *normal home-ownership* within reach. For this reason, there is interest in

schemes that allow the consumer to: *staircase* up to full ownership at a later stage; choose their own house on the private market (rather than be limited to particular stock); and capture equity gains by selling into an open market.

- » Potential consumers distinguished between the individual equity model and the community equity model. They perceived the individual model as helping them become a normal, home owner, providing them with not only the security of ownership but with the potential of wealth creation.
- » The community equity model is perceived as an affordable, secure housing option and seen more as: a 'good idea, but not for me'. Key reasons included that it was 'more like renting, but you're getting a proportion of the rent back at the time you move out'. There was no potential to buy the equity partner out, and consumers were limited in terms of choice within the housing market.
- » Most of the shared equity schemes currently in place in Australia provide those features. Private sector institutional investors and lenders are interested in shared equity schemes, however private financiers remain cautious due to uncertainty and unfamiliarity with the product.
- » Government-backed agencies have been instrumental in driving innovation and establishing shared equity schemes, especially in states with a good track record of affordable home finance provision. Governments have offered supports and government guarantees to facilitate the creation of these schemes, however they operate on a commercial basis.
- » Purchasers need to have the long-term financial capacity to service housing related debt. Therefore targeted eligibility criteria are important. Schemes need to be geared towards those with incomes below, but not significantly below, median incomes and enable purchase of properties in the lower quartile to median price range. Shared equity schemes should not be driven by a policy to assist those in most housing need.
- » Shared equity schemes have yet to get a substantial track record in the eastern states.

The 2007 ACT Affordable Action Plan signalled that there may be an opportunity for shared equity to address affordable housing issues in the ACT. However at the present time a Shared Equity Scheme is available only for some public housing tenants. It is described as follows:

- » An alternative home purchase opportunity for social housing tenants. The Scheme began operating in May 2010 and has been made possible through a partnership between Housing ACT and IMB Limited.
- » The Scheme provides for eligible head tenants to purchase 70% of their Housing ACT property upfront, with IMB providing the finance. The remaining 30% equity of the property remains with Housing ACT. The purchaser agrees to progressively purchase this equity from Housing ACT over a maximum 15 year period.

Government leadership will be required for a broader shared equity scheme in the ACT unless a financial institution such as Bendigo Bank or IMB become involved. At this stage there are limited opportunities for West Belconnen to benefit from this scheme.

A **community land trust** is a type of shared equity housing. The Australian Housing and Urban Research Institute explains that community land trusts (CLTs) are a model of community-based, perpetually affordable housing that have been in operation in the United States for the past 30 years, established more recently in the United Kingdom, and being discussed in Australia as a possible affordable housing model (AHURI, 2014).

Crabtree *et al.* (2012) provide the following description of CLTs and their relevance to housing affordability in Australia:

Community Land Trusts (CLTs) are not property trusts as defined by Australian Trust law. CLTs are a form of common land ownership where land is usually held by a private non-profit organisation and leased on a long term basis to members of the community or other organisations. Buildings and services on that land are then held as owned or leased properties by residents, businesses and/or other community housing providers. Ground leases are inheritable, and properties on leased land can be bought and sold at prices determined by a resale formula spelt out in each CLT's ground lease. This arrangement can offer many of the widely acknowledged benefits of home ownership, including resident control over a dwelling, security of tenure and transfer of occupancy rights, and the potential for asset wealth building. CLTs are specifically designed to achieve these benefits under financing, pricing and regulatory arrangements that improve affordability for residents, while also protecting the long term affordability of the housing that is held for future generations. Various models of CLTs have succeeded overseas, especially flourishing in the United States of America (US) where there are over 200 CLTs currently in operation. These provide affordable rental housing, cooperative housing and resale-restricted home ownership. More recently, CLTs have begun to develop in the United Kingdom (UK), where the sector is growing rapidly.

CLTs may have widespread potential application in Australia to address affordable home ownership concerns, increase the range of housing tenure options available, foster community development and social capital, and maintain a stock of perpetually affordable housing options. CLTs simultaneously address affordability issues and foster and sustain an ongoing relationship between resident households and their community. This is because they carry a dual focus on ongoing affordability and community development that enables substantial flexibility in their operation. Hence, while largely promoted or perceived as a home ownership model, CLTs can and do provide boarding houses, affordable rentals, cooperative housing and mortgage home ownership, as well as community, commercial and open spaces. Most CLTs provide more than one of these tenures options across diverse portfolios of non-contiguous sites, and many partner with other organisations to address relevant issues in individual CLT jurisdictions, such as youth unemployment, drug and alcohol issues, food security, child care and so forth (Crabtree *et al.* 2012, p1).

Crabtree *et al.* (2012) further explain that there are a number of issues that would need to be considered for the model to be advanced in Australia, including legal, financial, governance, scale, context, viability, unfamiliarity and market issues. In relation to the ACT, the Crown owns all ACT land and banks lend on a 99 year Crown Lease arrangement. This may make the consideration of community land trusts more familiar for ACT residents since community land trusts normally operate on a 99 year lease arrangement (Crabtree *et al.* 2012).

There are currently no CLTs in Australia though a number of associations have formed in some jurisdictions to progress this model. Further investigation of this option may be warranted for West Belconnen.

6.8 Housing Cooperatives

The National Association of Housing Cooperatives (USA) describes a housing cooperative (co-op) as being:

formed when people join with each other on a democratic basis to own or control the housing and/or related community facilities in which they live. Usually they do this by forming a not-for-profit cooperative corporation. Each month they simply pay an amount that covers their share of the operating expenses of their cooperative corporation. Personal income tax deductions, lower turnover rates, lower real estate tax assessments (in some local areas), controlled

maintenance costs, and resident participation and control are some of the benefits of choosing cooperative homeownership (NAHC, 2014).

In a housing co-op a person owns shares in the co-op rather than owning real estate. Ownership of these shares gives the owner exclusive rights to live in one of the units established under an occupancy agreement and managed by the co-op. Monthly maintenance fees pay for the running costs of the property and the co-op, such as mortgages, taxes, insurances, etc. There are generally three types of housing co-ops:

1. Market rate housing cooperatives – shares can be bought or sold at market rate
2. Limited equity housing cooperatives – there are restrictions on the sales of shares, but is more affordable
3. Leasing, zero-equity or non-equity housing cooperatives – co-op leases from an investor, more affordable rent.

In Australia most housing cooperatives are non-equity and are available to low income residents eligible for social housing, which excludes moderate to higher income earners (Gilmour, 2012). Examples of long term cooperatives can be seen across Australia, however, as Gilmour explains: 'While cooperative housing will play only a boutique role in the affordable housing spectrum, it offers advantages that other housing providers have started to follow. Through involving residents in decision making, cooperative values are spreading across the wider community housing sector' (Gilmour, 2012, p1).

There are at least two cooperative housing developments in the ACT these include Urambi Village in Crozier Street, Kambah established in 1976 and Wybalena Grove in Cook established in 1975 by the Cook-Aranda Housing Co-Operative. They were developed by a group of people who wanted to explore the idea of 'living cooperatively' and/or saw the Cooperative as a means to reduce building costs by using the same materials and building at the same time. There are also a number of cooperative housing opportunities available for students through the Canberra Student Housing Cooperative.

Co-op housing is a possibility for West Belconnen. However actively pursuing the development of a co-op would not be a high priority in addressing housing affordability.

6.9 Boarding Houses and Granny Flats

Boarding houses usually provides tenants with an individual room and shared facilities, including kitchen, laundry, and often communal living rooms. These may be private or community owned. A study from the Australian Housing and Urban Research Institute has found that boarding houses are valued by low-income Australians for affordability, convenient locations, flexibility, and access to services within walking distance (Jones *et al.*, 2007). Family-provided housing such as granny flats provides low cost housing for low-income older people, and has the potential to combine care, support and housing (Jones *et al.*, 2007).

In NSW boarding house funding is available through the NSW Centre for Affordable Housing's Boarding House Financial Assistance Program for Housing NSW. This funding stream offers grants to boarding house owners for fire safety upgrading. Housing NSW is considering expanding the Program to provide financial assistance to developers of 'new generation' boarding houses that provide self-contained boarding rooms, whether in new projects or as extensions to existing boarding houses. Responsibility for administration of the Program lies with the Centre for Affordable Housing. The Government also encourages retention of boarding house accommodation through the Office of State Revenue's land tax exemption for boarding houses.

Research undertaken for the West Belconnen project and by ACT Shelter for the project on older women's' housing vulnerability in the ACT revealed that there is not much appetite for boarding house accommodation.

Secondary residences such as granny flats and 'Fonzie flats' are another option for providing affordable housing. With the commencement of variation 306 to the Territory Plan secondary residences, most often referred to as granny flats, are:

- » developed only in association with single dwelling housing
- » the maximum dwelling size of a secondary residence is 90m. For the purpose of this rule, dwelling size is the floor area measured to the outside face of external walls (including internal walls between the living areas and garage) but excludes the garage
- » the minimum gross floor area of a secondary residence is 40m².
- » the minimum block size for secondary residence is 500m²
- » a secondary residence complies with Australian Standard AS 4299 Adaptable housing (Class C).
- » subdivision to provide separate title to a secondary residence, including subdivision under the Unit Titles Act 2001, is not permitted

The update of this option is likely to be primarily through private purchasers at West Belconnen. However community housing providers and Housing ACT may also be interested in this option to ensure a greater housing mix to meet client needs.

7 Recommendations

This section addresses the implications of the housing affordability mechanisms discussed in the previous section for the West Belconnen project. It centres on four key recommendations: land rent, community housing, public housing, and community land trusts. These mechanisms offer potential to meet the project vision and objectives while simultaneously achieving relevant credits under the Green Star – Communities PILOT rating tool. Alternative models, such as boarding houses and housing cooperatives, may become more relevant at a later stage of the development given their required proximity to established community services and facilities.

This part of the West Belconnen Community Plan is based on a strategic analysis of affordable housing options for West Belconnen, and has included preliminary consultation with agencies and other stakeholders. In order to meet the project vision and objectives further detailed analysis of preferred options and more detailed discussion with agencies, community housing and infrastructure providers will be needed during the rezoning and development process.

7.1 Land Rent

The Land Rent Scheme is part of the ACT Government's Affordable Housing Action Plan. The Land Rent Scheme gives a lessee the option of renting land through a land rent lease rather than purchasing the land to build a home. Under the scheme, purchasers of a single dwelling residential block (previously unleased land) sold by the Land Development Agency (LDA) have the option of applying for the crown lease to be issued as a land rent lease.

The advantage for potential lessees in taking up this option is the reduction of the up-front costs associated with owning a house. That is, lessees will not need to finance the cost of the land, only the costs associated with the transfer of the land (such as duty) and the construction of the home.

Land rent will be available for eligible purchases of ACT land.

7.2 Social Housing

Social housing (including both community and public housing) will be an important mechanism in the delivery of affordable housing in West Belconnen.

Opportunities exist to enter into an arrangement with CHC (a not-for-profit development company) to develop affordable housing at West Belconnen. CHC have indicated that they are interested in a possible joint venture at West Belconnen potentially including affordable retirement living (independent living units). Detailed discussion of opportunities would be welcomed during the rezoning and early development stages.

In addition to the provision of affordable rental housing by CHC there should also be discussion with the ACT Government (Community Services Directorate and/or Treasury) about the opportunity

of providing additional government funding to allow the existing or new community housing providers³ to develop/purchase and manage properties at West Belconnen. This would ensure:

- » that there is greater diversity in housing options reflecting differing needs and preferences of potential tenants,
- » a larger number of people will have access to affordable rental accommodation because there is greater supply and the income barrier (gross maximum income) applying to rental housing assistance is broadened (CHC has a higher maximum income level than government subsidies social housing).

If the ACT Government indicate that additional funding may be available discussions should commence with the existing providers to determine their interest in expanding their operations to West Belconnen. If existing providers are not interested, providers from NSW could be approached.

If funding is not available from the ACT Government other means should be examined in more detail such as Superannuation funds. Alternatively this could be pursued concurrently to ensure that Riverview's affordable housing target is achieved.

Preliminary discussions with Housing and Community Services ACT have revealed an interest in pursuing public housing opportunities at West Belconnen. ACT Housing has a preference for purchasing blocks of land rather than a land and house package. Alternatively they could utilise a model where a large block of land is set aside specifically for public housing. This would be large enough to allow for up to 16 townhouses or houses in a row (or slightly higher if the development was to be targeted at aged public housing tenants). Dwellings would not be easily identified as public housing and would be built to a contemporary design with universal/liveable design features. Public housing should be salt and peppered through the development but close to public transport and employment, community facilities and shops. As with CHC, detailed discussion of opportunities would be welcomed during the rezoning and early development stages. The discussions with Housing and Community Services ACT could also progress the community housing issue detailed above.

7.3 Community Land Trust

There are two community land trust (CLT) models with potential in the Australian context (Crabtree *et al.* 2013). The first of these is a long-term leasehold model, where the CLT is the registered owner of the premises (house and land) and grants a long-term lease to an eligible resident who will become the CLT lessee. While this model is viable in NSW, it is not currently possible to implement long-term leasehold CLTs in the ACT. The second option is a shared equity model where the CLT and the resident share ownership of the property and any house erected on the land. This model is viable in both NSW and the ACT. However the implementation of a community land trust model would require further investigation as there is a range of legal, financial, governance, scale, viability, and market issues to consider. Given the complexity of introducing this model into Australia further work is required to determine its applicability to West Belconnen. The proposed company and board that is to be established to oversight the environmental trust could be tasked to look into this in more detail.

³ These community housing providers report to and are funded by the ACT Government, whereas CHC is a not for profit development company that reports to a Board. Whilst the business models are different, their primary purpose is the same i.e. to provide affordable rental accommodation

7.4 Innovation

West Belconnen provides the ACT Government with the opportunity to showcase innovative approaches to affordable housing delivery. In addition to the approaches highlighted above there are also opportunities for West Belconnen to demonstrate innovation through the:

- » use of alternative and more affordable building techniques and materials
- » adoption of policies/codes to facilitate the delivery of quality housing on smaller lots (with conceivably no minimum area requirements) compact dwelling typologies on lots in the 150m² to 350m² range) that will contribute to overall housing diversity, meet the increasing demands of smaller households, improve the sustainability of communities and deliver improved housing affordability.

The Land Development Agency, as the developer, should explore opportunities for the delivery of affordable “for sale” dwellings at West Belconnen with the planning authority and other key stakeholders such as the HIA and MBA.

Riverview and the LDA should aim to include a demonstration project in the early stage of the development.

7.5 Private sector investment and alternative housing models

Riverview and the ACT Government should maintain an ‘open-door’ policy to attract private sector investors and groups interested in alternative housing models for example co-operative housing organisations. Actively pursuing these groups is not warranted at this stage with land rent and the various social housing options available. If the affordability targeted is not being met Riverview and the ACT Government may wish to investigate a more active marketing approach to attract these groups.

8 References

- AAH, 2012. Australians for Affordable Housing. [Online: <http://housingstressed.org.au/about-us/>, accessed 26 Feb 2014].
- ACTPLA, 2014. Community Titles. [Online: http://www.actpla.act.gov.au/topics/design_build/begin_project/community_titles, accessed 25 Feb 2014].
- ACT Government, 2014. Land Rent. [Online: <http://www.revenue.act.gov.au/home-buyer-assistance/land-rent-scheme>, accessed 25 Feb 2014].
- ACT Government, 2011. ACT Affordable Housing Action Plan Phase III, Economic Development Directorate, ACT Government, Canberra.
- ACT Government, 2011. *Canberra Social Plan 2011*. Canberra: ACT Government
- ACT Government, 2008. *The Canberra Plan 2008: Towards our second century*. Canberra: ACT Government.
- ACT Shelter, 2013 *Housing and affordability in the ACT fact sheet*
- ACT Shelter, 2013. Community Housing in the ACT: Options for Growth and Viability, Discussion Paper, Canberra.
- AHURI, 2014. Community Land Trusts and Indigenous Housing Outcomes. The Australian Housing and Urban Research Institute. [Online: <http://www.ahuri.edu.au/publications/projects/p70639>, accessed 25 Feb 2014].
- AHURI 2009 Final Report: No. 137: Innovative financing for home ownership: the potential for shared equity initiatives in Australia [Online: <http://www.ahuri.edu.au/publications/projects/p70394> accessed 14 May 2014]
- AIHW, 2010, Public rental housing 2008-09. Cat. no. HOU 218. Canberra: Australian Institute of Health and Welfare AIHW. [Online: <http://www.aihw.gov.au/publication-detail/?id=6442468326>, accessed 26 Feb 2014].
- Anglicare Australia 2104 Rental Affordability Snapshot http://www.anglicare.asn.au/site/rental_affordability_snapshot.php, accessed 9 May 2014
- Crabtree, L., Phibbs, P., Milligan, V. and Blunden, H., 2012. Principles and practices of an affordable housing Community Land Trust model. Australian Housing and Urban Research Institute, UNSW-UWS Research Centre, Sydney. [Online: <http://www.ahuri.edu.au/publications/projects/p70639>, accessed 25 Feb 2014].
- Crabtree, L., H. Blunden, P. Phibbs, C. Sappideen, D. Mortimer, A. Shahib-Smith and L. Chung, 2013. *The Australian Community Land Trust Manual* (Sydney: The University of Western Sydney)
- Council of Australian Governments 2012. *National Affordable Housing Agreement*. [Online: www.federalfinancialrelations.gov.au/content/national_agreements.aspx, accessed 19/02/2014].
- Demographia, 2014. 10th Annual Demographia international housing affordability survey. Ratings for metropolitan markets in Australia, Canada, Hong Kong, Ireland, Japan, New Zealand, Singapore, United Kingdom, United States. Belleville, Illinois: Demographia.

Department of Families, Housing, Community Services and Indigenous Affairs 2008. *The Road Home: A National approach to reducing homelessness*. Canberra: Australian Government.

NSW Department of Urban Affairs and Planning 2001 *Integrating land use and transport: Improving Transport Choice — Guidelines for planning and development* [Online: http://www.planning.nsw.gov.au/programs/services/pdf/prg_transport.pdf accessed 13 May 2014]

Department of Social Services, 2013. National Rental Affordability Scheme. [Online: www.dss.gov.au/nras, accessed 26/02/14]

Disney, J., 2007. Affordable Housing in Australia: Some Key Problems and Priorities for Action, Presentation to the National Forum on Affordable Housing, Australian Housing and Urban Research Institute, Melbourne, 19 April 2007.

GBCA, 2012. GreenStar Communities Places for People: PILOT Submission Guideline, Green Building Council of Australia. [Online: <http://www.gbca.org.au/shop/technical-manuals/>, accessed: 18 Feb 2014].

Gilmour, T., 2012. Common Equity NSW - We're all landlords and tenants: Contemporary housing cooperatives building sustainable communities. Housing Action Network. [Online: http://www.housingaction.net.au/sites/default/files/research/censw_report.pdf, accessed 25 Feb 2014].

Gilmour, T., 2009. Network power: An international study of strengthening housing association capacity. [Online: www.ahuri.edu.au].

Gurran, N., 2008. Affordable Housing National Leading Practice Guide and Tool Kit. Sydney: National Commitment 2 Working Group.

HIA-Commonwealth Bank Affordability Index March Quarter 2014 (released May 2014)[Online: <https://www.commbank.com.au/corporate/research/economics/business-and-industry-surveys/hia-housing-report.html> accessed 20 June 2014]

Housing NSW, 2014. Centre for Affordable Housing. [Online: <http://www.housing.nsw.gov.au/Centre+for+Affordable+Housing/>, accessed: 26 Feb 2014].

IFG UC, 2013. Housing and Sustainable Development in the Canberra Region: A Research Report for The Riverview Group's West Belconnen Housing project. Globalisation and Cities Research Program ANZSOG, Institute for Governance, University of Canberra: Canberra.

IFG UC, 2014. Demographics information for the ACT and West Belconnen regions [Fact Sheet]. Globalisation and Cities Research Program ANZSOG, Institute for Governance, University of Canberra: Canberra.

Jacobs, K. et al., 2010. What future for public housing? A critical analysis, AHURI Final Report No. 151. Melbourne: Australian Housing and Urban Research Institute.

Jones, A., M. Bell, C. Tilse, and G. Earl, 2007. *Rental housing provision for lower-income older Australians*, AHURI Final Report No. 98 (Melbourne: Australian Housing and Urban Research Institute)

Landcom, 2011. Housing Diversity Guide, Paramatta.

Livable Housing Australia (2012), Livable Housing Design Guidelines, 2nd Edition, Sydney. [Online: http://livablehousingaustralia.org.au/wp-content/uploads/2013/07/Livable_Housing_Design_Guidelines_Web.pdf, accessed 18 Feb 2014].

- Milligan, V., 2005. "Directions for Affordable Housing Policy in Australia: Outcomes of a Stakeholder Forum". Background Report for Collaborative Research Venture, 'Housing Affordability for Lower Income Australians'.
- Milligan, V., Gurrin, N., Lawson, J., Phibbs, P. and Phillips, R., 2009. Innovation in affordable housing in Australia: Bringing policy and practice for not-for-profit housing organisations together. Melbourne: AHURI.
- NHSC, 2012. Housing Supply and Affordability – Key Indicators, 2012. National Housing Supply Council. [Online: <http://www.treasury.gov.au/PublicationsAndMedia/Publications/2012/NHSC>, accessed 26 Feb 2014].
- NHSC, 2010. State of Supply Report. National Housing Supply Council, Commonwealth of Australia.
- NAHC, 2014. Buying into a Housing Cooperative. National Association of Housing Cooperatives. [Online: <http://www.coophousing.org/DisplayPage.aspx?id=90#one>, accessed 25 Feb 2014].
- National Shelter (prepared by Shelter WA) Housing Australia Fact Sheet. 13 December 2013 [Online <http://www.shelter.org.au/>, accessed 13 May 2014]
- NSW Department of Premier and Cabinet 2011. *NSW 2021 Plan: A plan to make NSW number 1*. Sydney: NSW Government
- NSW Department of Planning and Infrastructure 2013. *White Paper – a new planning system for NSW*, Sydney: NSW Government
- NSW Government. *Environmental Planning and Assessment Act 1979*. [Online: www.legislation.nsw.gov.au, accessed 30/04/2014]
- NSW Government. *NSW Legislation: Yass Valley Local Environmental Plan 2013*. [Online: www.legislation.nsw.gov.au, accessed 20/01/2014]
- Pawson, H., V. Milligan, I. Wiesel and K. Hulse, 2013. *Public housing transfers: past, present and prospective*, AHURI Final Report No. 215 (Melbourne: Australian Housing and Urban Research Institute)
- Pinnegar, S., I. Wiesel, E. Liu, T. Gilmore, M. Loosemore, and B. Judd 2011. *Partnership working in the design and delivery of housing policy and programs*, AHURI Final Report No. 163 (Melbourne: Australian Housing and Urban Research Institute).
- Porter, 2014. West Belconnen Age Structure: Projection. George Porter: Canberra.
- Shelter NSW 2014. *Shelter information sheets about the Legislative Council amendments to the Planning Bill 2013*. [Online: <http://www.sheltersnsw.org.au/>, accessed 20/02/2014]
- Strata Community Australia, 2014. Community Title. [Online: <http://www.stratacommunity.org.au/understanding-strata/community-title>, accessed 25 Feb 2014).
- UDIA NSW, 2008. Common Ground: The Costs and Provision of Community Infrastructure in Community Title Schemes in NSW. Urban Development Institute of Australia at the University of New South Wales, NSW.

- Whitehead, C. & Yates, J., 2010. Intermediate housing tenure – principles and practice, in Monk, S., & Whitehead, C. (eds) Making housing more affordable: the role of intermediate tenures. Wiley-Blackwell, Oxford.
- Wood, G. and Ong, R., 2012. Sustaining home ownership in the 21st century: emerging policy concerns, AHURI Final Report No.187. Melbourne: Australian Housing and Urban Research Institute.
- Yates, J. and Milligan, V., 2007. Housing affordability: A 21st century problem. Melbourne: AHURI
- Yass Valley Council 2013. *Community Strategic Plan 2013 – 2030*. Yass: Yass Valley Council



www.elton.com.au