



Opportunity knocks for affordable housing

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New opportunities



- Commitment to develop an affordable housing strategy for NSW
- Metropolitan Strategy initiatives to improve housing affordability
- Framework for national action on affordable housing
- What is the role of the Centre?

Opportunities - the NSW strategy



- Focus on improving housing affordability for households who:
 - Have incomes up to 120% of the median (\$72,000 in GMR and \$60,000 in the rest of NSW) and
 - Are in housing stress (i.e. paying more than 30% of their income in housing costs)
- 265,000 households in total

Households in stress – who are they?

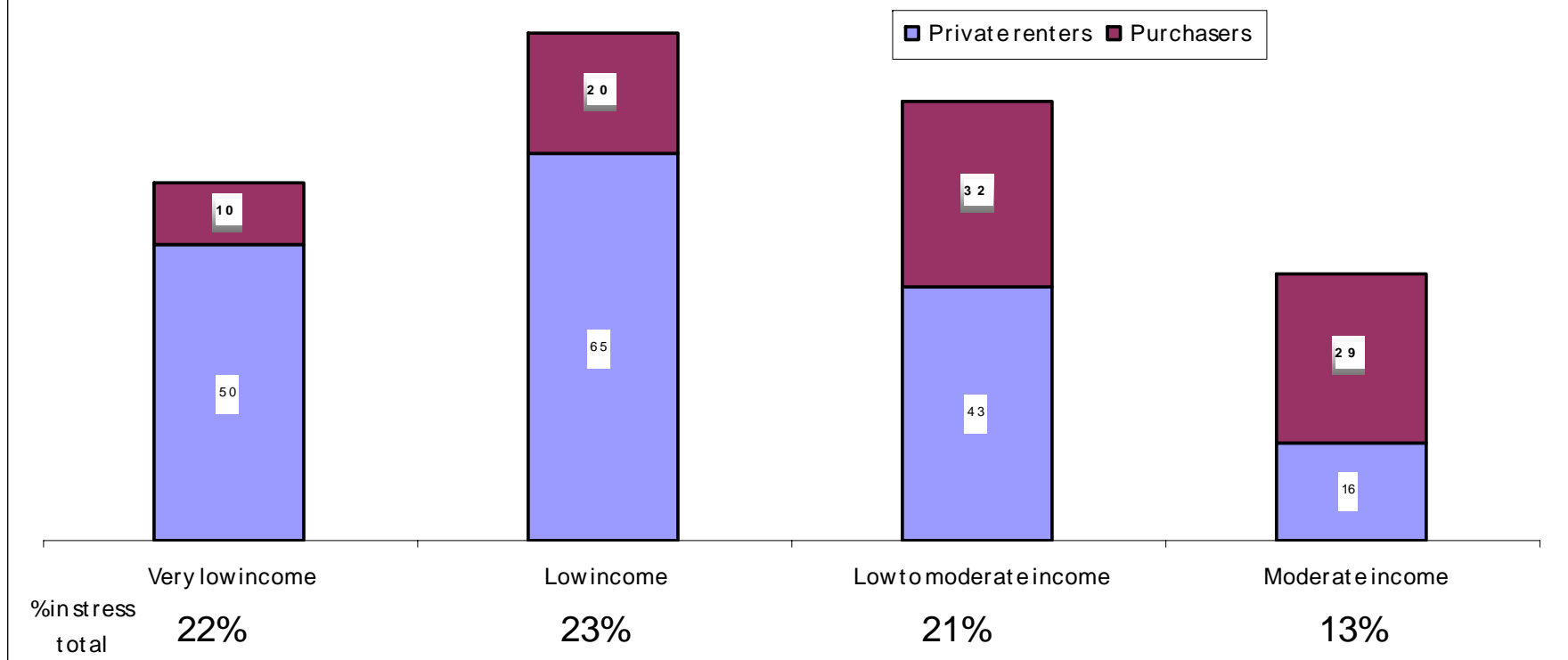


- 175,000 private renters – mostly single people, single parents and older people
- 90,000 purchasers – mostly couples with children
- Spread across income ranges and broadly distributed geographically
- Mostly in employment – 148,000 employed, 87,000 not in labour force, 30,000 unemployed
- Tend to be younger

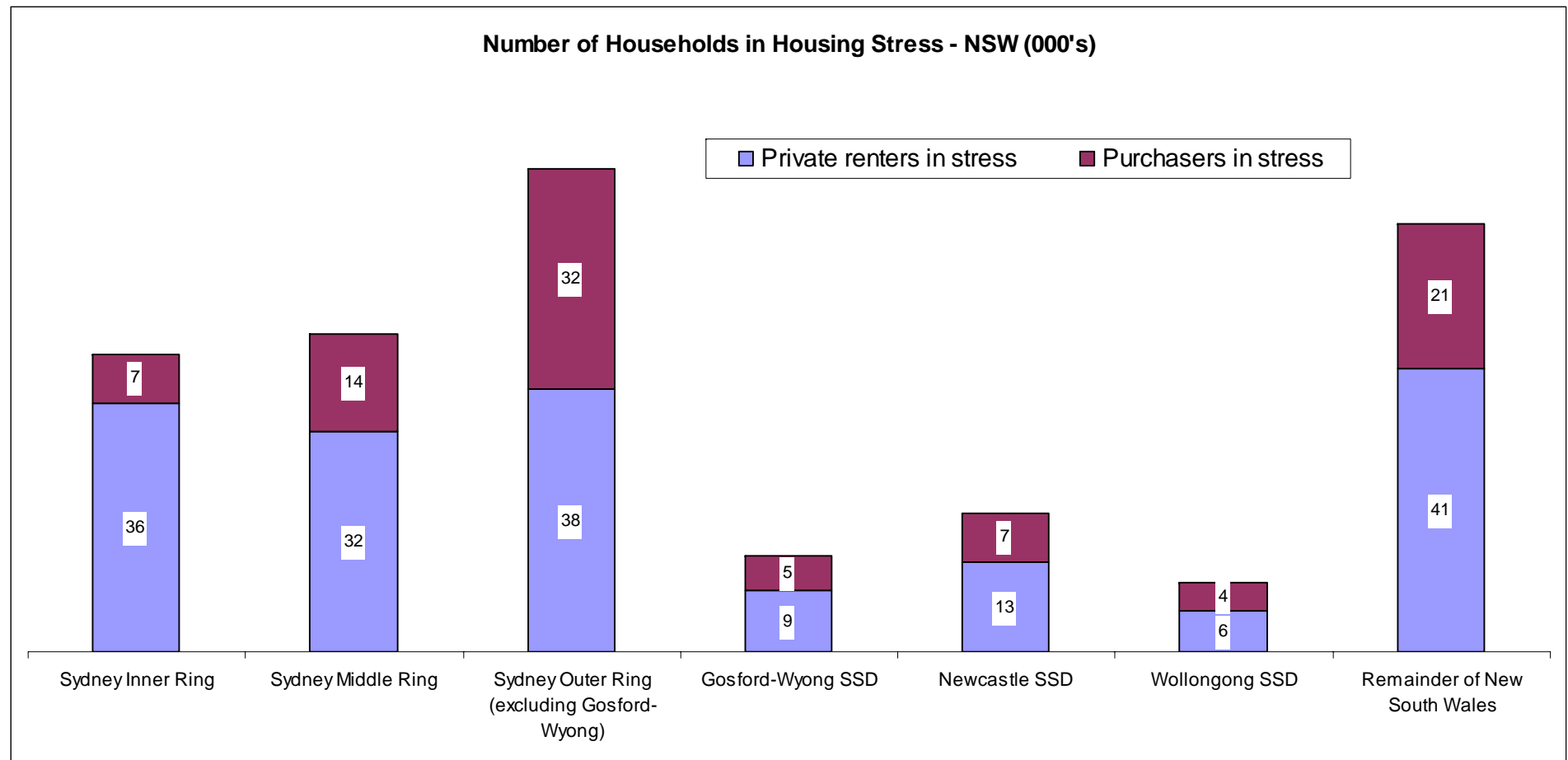
Housing stress - across all income groups



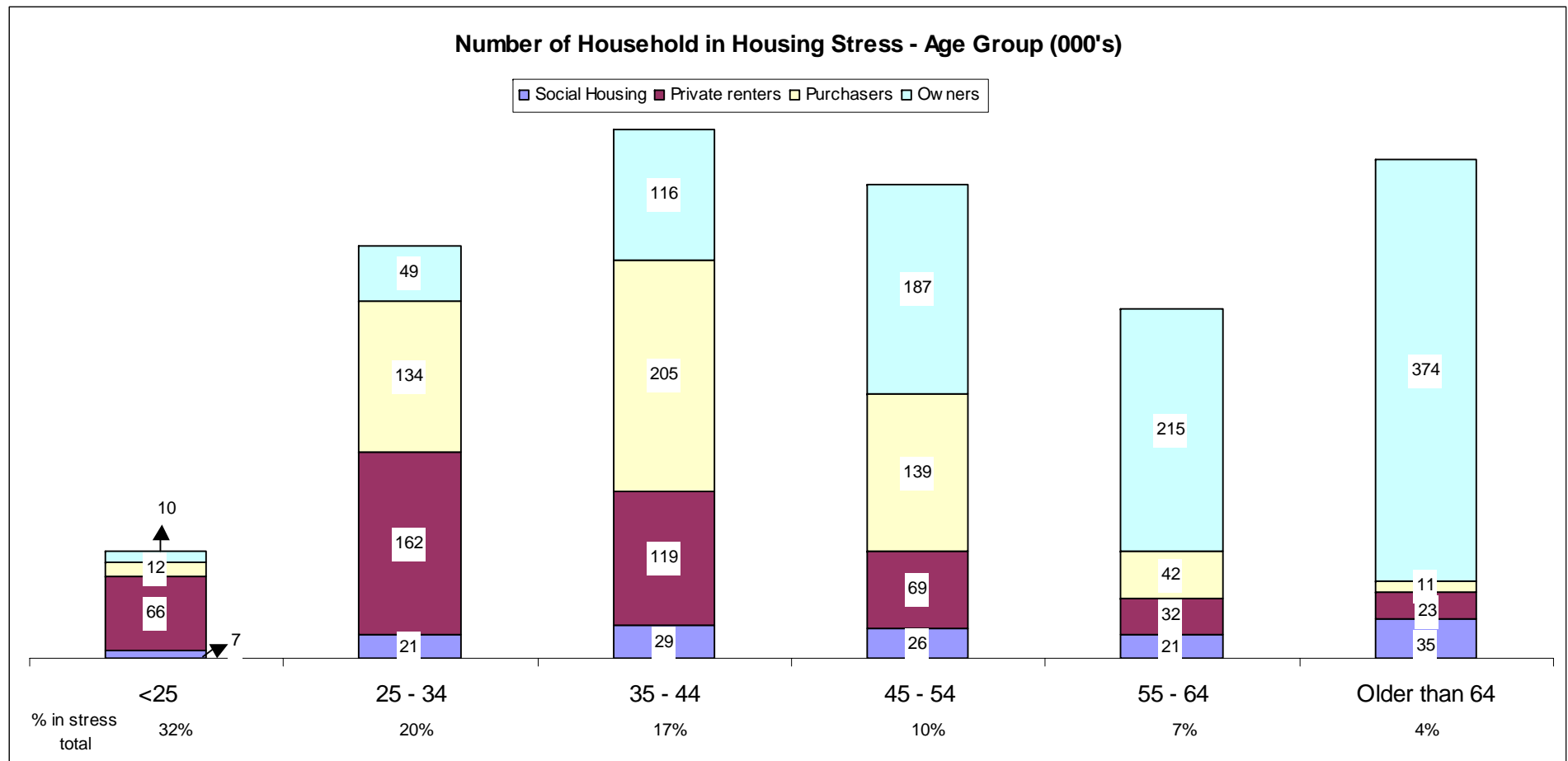
Number of Households in Housing Stress - Private renters & Purchasers (000's)



Housing stress – spread geographically

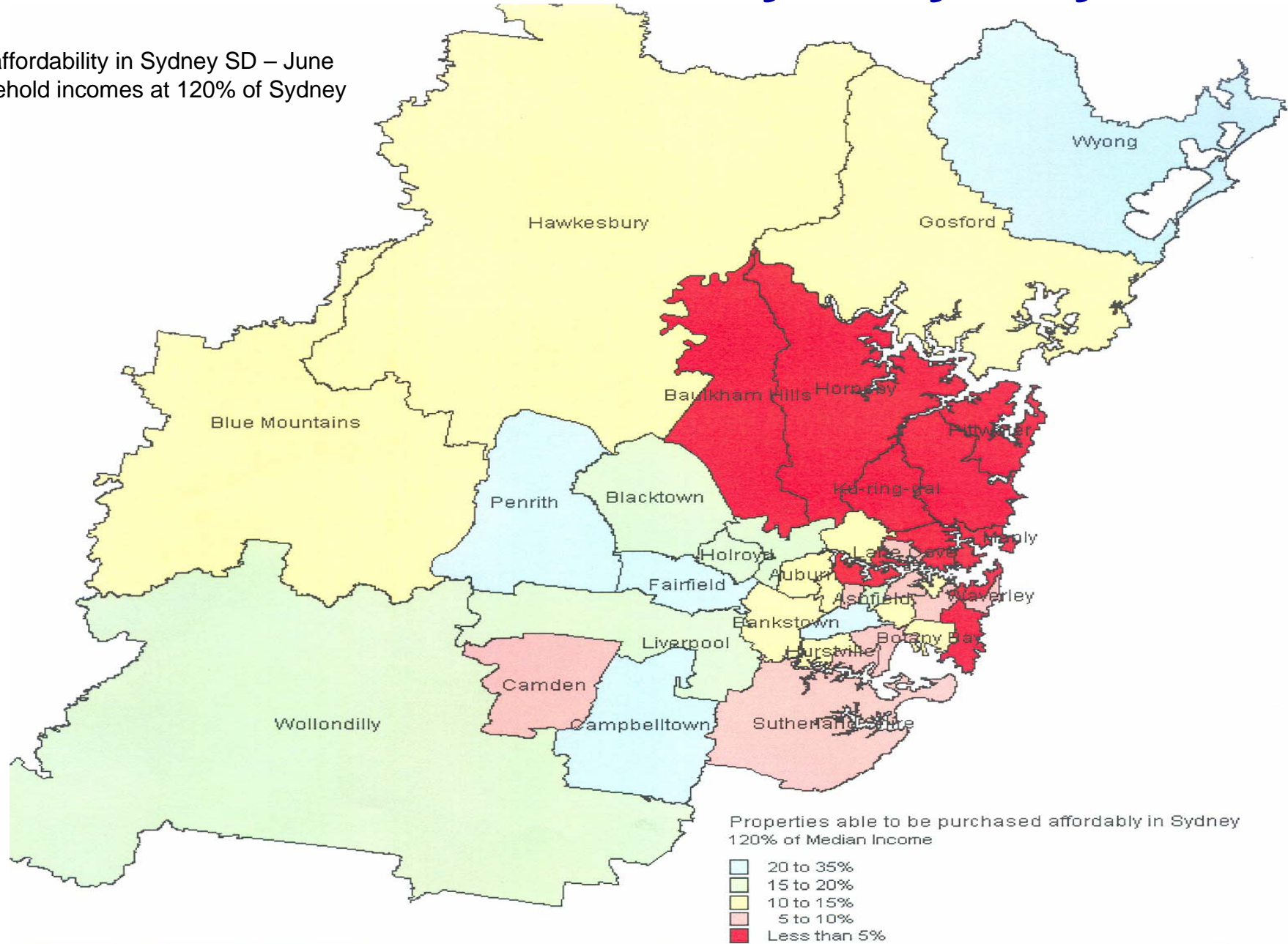


Housing stress – younger people at risk



Purchase affordability in Sydney

Purchase affordability in Sydney SD – June 2005 household incomes at 120% of Sydney Median



NSW Affordable Housing Strategy



Improve Affordability of Housing

- Establish Affordable Housing Interdepartmental Committee
- Prepare initial NSW Affordable Housing Strategy by mid-2006
- Act on work program identified in Framework for National Action on Affordable Housing
- Encourage Commonwealth government to support and improve affordable housing initiatives
- Incorporate affordable housing objectives into urban renewal planning

NSW Affordable Housing Strategy...



- Redevelop and regenerate Department of Housing housing estates and stock
- Government to provide advice on planning mechanisms for affordable housing
 - Negotiated developer agreements
 - Density bonus schemes
 - Inclusionary zoning / affordable housing levy
 - Affordable housing included in LEPs

Opportunities – the Metropolitan Strategy



- Announces three key sets of initiatives for affordable housing, those that:
 - identify the extent of need
 - raise the profile of affordable housing
 - improve affordability

Identifying need



- Local government housing kit:
 - step by step methodology for housing market and housing needs analyses
 - guidance for analysis of the fit between current stock, forecast supply and projected need
 - web based data set for each LGA
 - guidance on preparing a local housing plan to respond to identified needs

Raising the profile



- Including affordable housing provisions in the standard LEP
- Incorporating housing affordability objectives in urban renewal planning e.g. City West and Redfern Waterloo

Improving affordability



- Increasing land supply to moderate affordability pressures
- Using planning mechanisms:
 - advice on planning agreements and density bonus schemes
 - allow inclusionary zoning in urban renewal centres, corridors and major sites (where rezoning occurs and value increment is sufficient)

Framework for national action



- Three year program of action
- First year activities are:
 - Creating a National Sector Development Plan for not for profit housing providers
 - Adopting a national approach to defining and analysing affordable housing need
 - Reviewing current subsidy streams
 - Identifying mechanisms and initiatives to deliver an increase in affordable housing
 - Evaluation of potential benefits of a National Affordable Housing Agreement

The role of the Centre for Affordable Housing



- We work with a range of players including local government to create more affordable housing by:
 - Contributing to the development of state and national affordable housing policies
 - Developing tools to assist local government plan for affordable housing
 - Offering a range of services to potential affordable housing partners

Policy development



- The Centre has played a lead role in developing the National Framework for Action on Affordable Housing
- The Centre has undertaken analysis of the housing market and housing stress for the NSW Affordable Housing IDC
- The Centre is examining a range of policy options to improve housing affordability in NSW

Tools for better planning



- The Centre commissioned the local government housing kit
- The Centre proposes to develop planning agreement models (e.g. linked to social impact assessment)
- Other tools include density bonus calculator and affordable housing management agreement templates

Services provided



- The Centre offers services including:
 - Technical advice - specialist skills can be utilised
 - Project feasibility analysis - to determine viability of proposals
 - Brokerage - bringing potential partners together
 - Good practice advice - successful approaches already in place