



Housing and Urban Research Institute Western Australia

Town of Vincent Affordable Housing Strategy Analysis and Prospects Discussion Report

**Research commissioned by
The Town of Vincent**

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Acronyms

AHURI	Australian Housing and Urban Research Institute
CDHP	Community Disability Housing Program
COAG	Council of Australian Governments
CRA	Commonwealth Rental Assistance
CSHA	Commonwealth and State Housing Agreements
DHW	Department of Housing and Works
DPI	Department for Planning and Infrastructure's
EPRA	East Perth Redevelopment Authority
ESD	Ecologically Sustainable Design
GSP	Gross State Product
HIA	Housing Industry of Australia
ICDA	Inner City Developers Association
NGO	Non Government Organisation
REIWA	Real Estate Institute of Western Australia
TOD	Transit Oriented Development

Executive Summary

The Town of Vincent (Town) has commissioned this report to provide a resource to develop an affordable housing strategy to ensure an adequate provision and diversity of housing for its residents.

The report offers a broad response to the brief. It suggests a range of concrete measures through which Council can achieve its priorities. This report is presented in three parts. Part One provides an overview of the changing housing and planning policy environment. Part Two analyses the key housing and demographic trends in the Town of Vincent. It identifies the critical issues for affordable housing and the challenges presented by gentrification which consequently limit housing diversity and access. Part Two also explores the relationship between affordable housing, diversity and the planning framework. Part Three considers the strategic potential of an affordable housing strategy in the Town of Vincent. It proposes a series of principles and objectives and considers the actions, stakeholders and resources necessary to achieve these outcomes in their entirety. Part Three draws together the disparate strands that constitute responsive and sustainable housing for the future, including leadership, policy, finance, partnership and resourcing.

This strategy provides a holistic overview of the foundations for an appropriate and affordable housing strategy for the Town of Vincent. It can however be used in part or staged depending upon the demand, council commitment and the availability of external resources.

In summary, the report identifies:

- Local governments in Australia have traditionally not been significantly involved with affordable housing, however this situation is changing rapidly as governments at every level begin to respond to what is increasingly understood as a widespread and protracted crisis with housing affordability.
- Federal and State government initiatives include significant additional funding and policy direction.
- The Department of Infrastructure Planning (DPI) is encouraging housing reform and is active in strategic sites such as the Leederville Train Station Precinct.
- The Department of Housing and Works (DHW) has dedicated \$450 million to the community housing sector to partner with local governments to develop affordable housing.
- In Australia, local housing strategies are currently being promoted as a way of achieving a comprehensive framework for local government housing activities' including sustainability and affordability

- An affordable housing strategy is a supplement to a local housing strategy. It focuses on resourcing and directing actions including policy formulation that address a community's needs for affordable housing.
- There are several examples of affordable housing strategies being successfully implemented by other inner city local authorities in Australia, and in response to similar housing issues and challenges.
- Much is expected of the Community Sector in responding to the housing crisis in terms of both provision and support. Policy and funding initiatives at all government levels are recognising this through increased funding and enablement policies.
- The capacity for community involvement with affordable housing in the Town is very high. There is a full range of local housing services providers, together with community oriented banking intuitions, and supporting social service organisations.
- The local community housing provider is equipped and has a development budget of \$60 million to build affordable housing in partnership arrangements with local governments together with social service providers and community organisations.
- The Perth metropolitan area is facing a server and protracted housing shortage that has emerged through continuing high rates of in-migration, and a down turn in new housing construction.
- The vacancy rate for rental property is less than one percent which is lower than any previous records. Recent rent increases in the order of 30-40% are not uncommon.
- Comparative sale price and rent data over the 1996-2008 period, indicate that housing affordability issues within the Town will tend to be more severe than for the metropolitan area generally.
- The added pressure of rising fuel and living costs will see further pressure to maximise the public transport services trough increasing residential densities in inner city areas generally.
- Although much of the newer housing in the Town is medium and higher density apartments, the developments tend to target the higher end of the rental and owner-occupier markets.
- Despite the increasing housing densities, population densities remain low with an average household size of only 2.1 persons per dwelling. 31% of all household in the Town are sole person households.
- Homeownership within the Town is beyond the means of middle income households who are not already in the market. The sharp rise in rents erodes their savings and traps these people into renting. The knock-on effects impacting

households on lower income levels, generates increasing housing stress, dislocation and homelessness.

- 52% of the population did not live at the same address five years ago, and 25% had moved within the year prior to census.
- The change in population characteristics overtime indicate a wave of higher income people (professional couples and singles) moving in, and a wave of more diverse (young singles and couples, middle income families and pensioners) moving out.
- This trend underscores similar findings that indicate that transit oriented development is attracting the more affluent population cohorts and squeezing out people who depend on public transport and those who would most benefit from living close to a transit oriented development.
- The most pronounced trends over time within the Town are also in accord with the intense level of gentrification that has characterised the nature of residential development over the past 20 years. This is in keeping with trends unfolding in other inner inner-city areas of Perth, and elsewhere in Australia and internationally.
- This finding highlights the relevance of how other inner city local governments in Australia have addressed the impact of gentrification through their respective affordable housing strategies.
- The identification of the specific impacts of gentrification within the Town serves to justify the need for focussed intervention, and gives direction to the range of possible responses.
- Site visits, together with Interviews with residents experiencing housing stress and local housing service providers informed the analysis of the Town's affordable housing needs.
- An assessment of the Town's remaining affordable stock reveals an ongoing erosion of the previously rich diversity that houses some of the most vulnerable of the Town's residents.
- Public housing production has not kept up with the surge in needs, and only seven (7) dwellings were added to the stock of public housing in the Town over a fifteen year period 1996-2006.
- The planning framework and council policy in general has not significantly worked to encourage this diversity. There are also instances where the policies directly and indirectly undermine the prospects for affordable housing development, partially in respect to private and community housing provision.
- The report concluded that there is ample opportunity within the existing framework to adopt a proactive role in respect to encouraging and facilitating affordable housing diversity. The philosophy and principles of affordability should be ideally be embedded more generally within planning policy and procedure

rather than a standalone approach in the same way as sustainability concerns are considered.

- More specifically there are both strategic and statutory planning initiatives that can be used to mitigate the negative aspects of gentrification. There are also other activities and forms of facilitation from across Council's different departments, which, in conjunction with other agencies and service providers, can achieve the desired outcomes.
- An effective affordable housing strategy will need to foster partnerships and create resourcing mechanisms that will enable and facilitate private and community provision. Policy development and finance capacity building are also key factors along with stable support from Council.
- The possibilities for addressing the current and future needs for affordable housing in the Town are outlined table format to provide an overview of how the different dimensions of an affordable housing strategy can link together and reinforce each other. Collectively they have been assembled to promote and inform discussion within Council and its departments.
- Ten recommendations have been offered for Council's consideration in respect to advancing the strategy through to implementation.
- The Town is in a strong position to encourage and facilitate the provision of affordable housing appropriate to the current and future needs of its residents. Towards this objective, there is no shortage of capacity, resources or funding within the Town's network of community service providers and agencies. What they seek most from the Council is leadership, facilitation and coordination.
- The report recommends the creation of an interdepartmental team (task group) to advance the affordable housing strategy through to implementation.

Introduction

The Town of Vincent (Town) has commissioned this report to provide a resource for the development of an affordable housing strategy to ensure an adequate provision and diversity of housing is provided for its residents. Although the study is focussed on the current and future needs of the Town's residents the report also considers the broader context in terms of housing market dynamics, the impact of government policy and the operations of allied housing support agencies and community organisations.

For local governments involved in housing, a local housing strategy is a fundamental step in moving beyond simply supporting a particular housing related project or service. Local housing strategies have been described as generally including an analysis of local housing supply and demand, future oriented demographic and market trends, as well as policy statements and recommendations for planning processes, town planning schemes, development controls and the like. As outlined by Gurran (2004:3) 'internationally and in Australia, local housing strategies have been promoted as a way of achieving a comprehensive framework for local government housing activities' including sustainability and affordability.

An affordable housing strategy is a supplement to a local housing strategy. It focuses on resourcing and directing actions including policy formulation that address a community's needs for affordable housing. Properly attuned, a local housing strategy can be useful in guiding how a municipality will develop into the future, in articulating densities, the housing mix and ensuring that particular housing needs or groups in a community can be accommodated. For example, guaranteeing development opportunities for special needs groups such as the disabled or the aged, or providing housing specifically to meet affordability guidelines.

An affordable housing strategy can also provide the structure within which to undertake such work and dovetail with the housing strategy and other planning guidelines and bylaws. As identified by the New South Wales Department of Housing, a local housing strategy will usually combine three key elements:

- Analysis of local or regional housing needs and conditions
- Aims and a more detailed set of objectives
- Concrete measures to implement these objectives.

Scope and Objectives

This report is to inform Council's internal discussion toward the development of an affordable housing strategy appropriate for the Town's current and future housing needs. It responds to a very detailed brief that required the following tasks to be addressed

1. Define what is meant by Affordable Housing, Social Housing, Special Needs Housing
2. Identify the role of local government and various key stakeholders and agencies

3. Identify current provision of affordable, social and special needs housing within the Town and recommend appropriate responses.
4. Consider and incorporate sustainable principles and objectives
5. Review existing Residential Development Policies and other relevant legislation and statutory documentation relevant to the Town
6. Develop incentives through planning mechanisms to encourage Affordable Housing and Housing Diversity within the Town
7. Identify and assess various affordable housing models including examples
8. Prepare an Implementation Plan

Together these tasks define the scope of the report. From the outset it was recognised that several of these tasks, particularly 5-8, would require significant internal discussion and perhaps workshops and wider public discussion. Moreover, the prospect of developing an affordable housing strategy that informs policy development and recommends procedural changes should necessarily have the support of Council and staff, stakeholders and the wider community. The report is prepared as a resource for these discussions, with the consulting team readily available for further contribution.

Accordingly, the report offers a broad response to the brief, and while it does provide a series of conclusions, it stops short of presuming what Council and staff view as worthy of more focussed endeavour, once so informed. In this sense the report is intended as a resource to inform internal discussion rather than to direct Council's course of action or level of involvement. It does, however, suggest a range of concrete measures through which Council can achieve its selected and staged priorities.

Structure

One of the findings of the national research on local governments and affordable housing is that it is a relatively new undertaking with little readily available knowledge and experience to draw upon (Gurran 2003). The first of this report's three part format explores the potential for an affordable housing strategy appropriate for the needs of the Town of Vincent. It includes

- The Role of Local Government, Stakeholders and Agencies;
- Affordable Housing Strategies – the Experience;
- Housing Providers, Support Agencies and Community Partners.

The second part assesses housing affordability in the Town, analyses affordable housing supply and demand indicators, and explains the impact of gentrification in respect to the Town's current and future housing needs.

Part Two includes

- Key Market Impacts;
- Census Analysis - Distributions and Trends;
- Gentrification Impacts on the Affordable Housing Stock and its Residents.

The findings from this analysis serve to underpin and justify the Council's strategic intervention. They also give direction to the possible responses.

The third part of the report focuses on strategic and statutory considerations. It provides a range of possible strategic initiatives that are appropriate for addressing the current and future needs for affordable housing in the Town. It presents an overview of how the different dimensions of an affordable housing strategy can link together and reinforce each other. A range of principles and objectives have been outlined together with actions, stakeholders and resources. These have been assembled to promote and inform discussion within Council and its departments.

The remainder of the introduction outlines the methodology and then clarifies the terminology central to an affordable housing assessment. The definitions also include a brief explanation of what has been termed in policy circles and the media as the 'housing crisis'. In combination these definitions and explanation provide a suitable starting point to consider the prospects for developing an affordable housing strategy.

Methodology

The report draws upon a very broad range of research and policy documents, and combines them with an analysis of key census and real estate trends and distributions. It also includes more than thirty interviews with key stakeholders, council staff, and with a range of low to moderate income residents. Where necessary, the source documents and data set have been explained and referenced. With the interviews, and following standard ethical research procedure, the names and identities of the people interviewed will remain undisclosed.

The research team, together, bring over ninety years of planning and housing practise to this project. This knowledge base and experience has been harnessed to draw out the implications of the key findings, and to explain them clearly within the analysis. A CD with a copy of key reference reports and statistical data has been provided as a resource.

Key Definitions

Affordable Housing – is a broad concept which refers to housing which is reasonably adequate in standard and location for low to middle income households, and does not cost so much that such households are unable to meet other basic living costs on a sustainable basis. It can be provided by the public, community or private sectors. The 30/40 rule has been the generally accepted rule of housing affordability. This means that the bottom 40% of income earners should pay no more than 30% of their income on housing and/or accommodation, be it rental accommodation or by way of a mortgage.

It is worth noting that most of the affordable housing stock in the Perth metropolitan area has been provided by the private sector, albeit with some form of government assistance, for example Commonwealth Rental Assistance (CRA) (see below for Social Housing). Traditional supplies of affordable accommodation are rapidly diminishing through urban renewal programs and as rising housing and living costs outstrip income growth.

Social Housing - is affordable housing which is provided directly or indirectly by governments to people who are unable to sustain housing in the private sector. People on low incomes, families (with children) on low and moderate income, people with disabilities, the elderly, and others whose housing needs are not met by the market. Social Housing includes, public housing and community housing. Some definitions also include private sector housing that receives a government subsidy specifically to maintain affordability. Rental assistance supplements paid to Centrelink recipients is a common example.

Public Housing - is social housing provided (developed and managed) directly by governments. In Western Australia, public housing constitutes the housing developed and managed by Homeswest, under the DHW, and operating according to Commonwealth and State Housing Agreements (CSHA).

It is important to note that the investment in public housing has been in decline for over a decade, and that instead, CRA as a supplement to Centrelink payments has increasingly been used as a social housing measure to subsidise the cost of housing found in the private rental market.

Special Needs Housing - is housing that is dedicated to the appropriate housing of people with special needs including, those with disabilities, substance dependencies, the homeless, and the elderly. In most instances, it is also managed and supported housing, generally with professional staff and care workers in attendance. It can be owned and managed by government, community, or private sector providers.

Community Housing - covers a broad range of housing types including, affordable long term rentals for singles and families, lodging houses, special needs housing, and shared equity home ownership schemes. The defining quality of community housing is that it is owned, developed and/or managed by not-for-profit housing organizations.

Flexible combinations of public, private, and community funding sources, together with the ability to house a range of low to middle income households are characteristic features of community housing.

Housing Affordability - refers to the capacity of households to meet housing costs, while maintaining the ability to meet other basic living costs.

Measuring Housing Affordability - is an inexact process usually involving some comparative assessment of household income versus the cost of housing. As noted earlier, the standard rule of thumb is that housing costs should not consume more than 30 percent of the gross household income. This measure however, does not cope well in cases of very low or high household incomes, and it also fails to

consider the impact of other significant factors such as the number of dependants supported by the same household income.

Housing Crisis - is a term widely applied to the observation that the housing markets in most of the nation's large cities, and in many other regions, are currently experiencing a host of housing problems from which they are unlikely to recover in the medium future. There are many inter-related issues, but high demand and inadequate supply, affordability, diversity and resource efficiency are prominent public policy concerns for all spheres of government regarding housing. In particular the affordability and sustainability concerns can be summarised as;

- The next generation of homebuyers are being denied the prospect of homeownership due to the prohibitively high cost of both land and housing on the one hand (Temov 2007), while on the other, the spiralling rise of rents erodes the potential for saving a deposit, and creates homelessness (Yates et al 2007; Yates, Randolph and Holloway 2006). The risk of market stagnation and rising mortgage foreclosures are also concerns in fringe areas.
- The mismatch between the need for smaller more affordable and energy efficient homes, versus the increasing size and cost of houses has continued unabated (ABS 2006; Salt 2004). The latent demand for more housing diversity continues to be met with more of the same supply driven uniformity across ever expanding urban development fronts.
- Inner city areas have been subject to increasing levels of gentrification that has characterised the nature of residential development over the past 20 years, but in the past few years a new level of intensity has emerged. Gentrification is a market driven urban renewal process that is characterised by a new influx of people and investment that transforms and rejuvenates the built environment. Typically, older, poorer quality, cheaper housing is being replaced by newer, more expensive housing. The down side of gentrification is that it tends to create housing stress and ultimately dislodges the existing less affluent residents who may have strong social and economic ties to a community or place (Berry 2003). The elderly, young people on low and moderate incomes such as students and key service workers are among the worst affected groups.

1.0 Part One: The Role of Local Government, Stakeholders and Agencies

Local governments in Australia have been besieged by a combination of increasing expectations from the public, and the ongoing cost shifting devolution of Federal and State government responsibilities (Parliament of the Commonwealth of Australia. 2003, Dollery, Crase and Johnson 2006; Productivity Commission 2007). This situation has eroded the fiscal capacity of local governments to deliver upon their expanding portfolio of responsibilities, and together with the chronic shortfall in staffing levels, it underscores the hesitancy of local governments to do any more with housing than they do.

In 2008, it is apparent that local government in Australia is at a turning point with respect to responding to a developing national housing crisis. This crisis is experienced and expressed differently in communities faced with vastly different circumstances and challenges. For local governments generally this will drive a somewhat reluctant but compelling shift towards a stronger role in coordinating locally appropriate housing reforms.

Federal and State governments are also in the process of repositioning and significantly increasing their involvement and levels of resourcing, but the diversity of the housing crisis points to the need for local leadership and facilitation. The support for local governments taking on a more significant role in respect to affordable housing will also come from a significantly more active and resourced community sector.

Although they are more the exception, there are several working examples of local government based housing strategies which are highly effective at generating positive affordable housing outcomes. This role has a charitable dimension; however it is also evident that there are strong prospects for a more entrepreneurial approach to facilitate more private sector investment, and unlock currently underutilised resources.

This research work is currently ongoing at the national level through the Australian Housing and Urban Research Institute (AHURI), and it offers an excellent resource for reporting on the growing national and international experience (Phibbs, Gurran, and Fagan, 2007).

1.1 Local Government - Overview

Although local governments in Australia have not traditionally had much to do with affordable housing; this appears to be changing, as governments at every level begin to react to the depth and breadth of the housing crisis currently enveloping the nation's cities and regions.

Properly attuned, local governments are well positioned to coordinate locally appropriate housing reforms. In addition to the new levels of resourcing and enablement that can be expected from higher levels of government, it is also clear

that the community sector is capable, and being resourced, to take on a more significant role.

There are several leading local government councils that have been active in pursuing and sustaining an affordable housing agenda. More an exception than the rule, they are the leading examples of a broader shift unfolding as governments begin to recognise and respond to their respective housing challenges.

Waverley City Council in inner south-east Sydney has a strong inclusionary zoning clause within its housing policy which requires a contribution from developers towards the development of affordable housing on or off site. The contribution is calculated in much the same way that public open space is in Western Australia.

The City of Port Philip in Melbourne has had its own community housing program since 1985 in partnership with the Port Philip Housing Association. Together they have developed 389 units, for 460 persons, in 17 projects. The Council's affordable housing policy includes a range of other supportive measures that encourage affordable housing and attract external funding.

1.2 State Government Initiatives

The Department for Planning and Infrastructure's (DPI) *Guidelines for the Preparation, Form and Content of Local Housing Strategies* (WAPC 1992) provides the most current guidelines. However, the affordable housing agenda within these guidelines remains undeveloped. In 2006, the Western Australian State government developed a Draft Housing Policy which suggested the broad development of local and regional housing strategies. The Draft Housing Policy has not yet been enacted.

The DPI is also keen to foster a broader affordable housing response through local government planning departments. In relation to the Leederville Master Plan and the DPI's *Network City* objectives, there is scope to encourage greater housing diversity while providing compact affordable living arrangements aimed at maximising benefits of Transit Oriented Development (TOD) and adding vitality to the centre.

The DHW has recently identified *Key Providers* within the community-housing sector and offered \$400 million for the sector to develop and manage affordable housing. It is worth noting here that one of only two Key Housing Providers targeted by DHW for funding, Foundation Housing, is located in Northbridge and has existing community housing sites distributed across the Town of Vincent.

The East Perth Redevelopment Authority (EPRA) has recently produced a draft Housing Diversity Policy which proposes to require developers receiving a density bonus to provide for affordable housing either on site, or where it is impractical to do so, off site as a commensurate contribution via a dedicated affordable housing fund.

1.3 Federal Government Initiatives

A new Federal Government was elected in November 2007 on a platform that includes commitments to a range of housing affordability initiatives. These include a national housing working group to coordinate housing affordability responses and

measures to increase housing supply, subsidise the development of affordable rental housing and assist first home purchasers and homeless people. A new 'National Affordable Housing Agreement' with the States is proposed to replace the CSHA from July 2009.

Indications are that there will be 'greater attention to a wider range of issues affecting buyers and renters including the impact of government's economic, taxation, infrastructure, planning and regional development policies' (Disney 2008; 255). It is mooted that it will encourage the participation of housing associations and other not-for-profit housing investment providers. The draft document has been referred to the Council of Australian Governments (COAG), thus ensuring top level government attention at a national level.

1.4 Community Housing

Federal and State government initiatives all target additional resources for the community housing sector, and this includes increasing the capacity of those working on the front lines dealing with the many issues around homelessness.

Western Australia's community housing providers are in expansion mode, and are actively seeking to partner with local authorities to develop housing projects. The DHW's identified Key Housing Providers will do their best to identify and form partnerships with local governments to develop projects, but it cannot be assumed that there are working institutional arrangements or even a knowledge base from which to begin such negotiations.

One of the recognised strengths of community housing is its flexibility - with different income levels, housing types, housing allocation and tenant placement, financial sources (government, private, community) and development models. For local governments, this flexibility facilitates joint ventures partnerships on projects with an agreed set of mutually beneficial outcomes. A full explanation of the scope and mode of operation of these partnerships is provided in the Appendix (1).

1.5 Affordable Housing Strategies – the Experience

Local governments in Australia have traditionally had little to do with affordable housing, but this situation contrasts sharply with the international experience (Gurran, Milligan, Baker, and Bugg, 2007). The leading Australian researcher in this field, Dr Nicole Gurran, has focused on the east coast and examined the extent of local government involvement in social housing, finding that examples of local initiative and coordination which have yielded significant social housing and sustainability outcomes.

In Western Australia, the situation is similar. Two of the more prominent examples have included a lodging house retention initiative undertaken by the City of Fremantle during the 1980s, and more recently the *Subiaco Housing Trust* proposal and the *Sustainable House* developed by the City of Subiaco and partners.

In the case of Fremantle during the 1980s, there was recognition of the declining numbers of lodging houses. With Council's resolve, staff from its health, welfare and planning departments worked together to retain and refurbish this segment of the city's affordable housing stock. It was a conscious stand against the impact of gentrification envisaged in the lead up to the America's Cup yacht race. At least one lodging house was purchased by Council and under peppercorn lease it was operated by a not-for-profit community housing manager.

More recently in Subiaco, the Council formulated and began to implement an effective affordable housing strategy. The strategy identified the City's considerable affordable housing needs, and that recognition led to the employment of a part time affordable housing officer. Out of this role, various regulations such as those associated with ancillary housing were modified or done away with. The R-Codes of Western Australia (WAPC 2008) as currently interpreted does not allow ancillary housing to be occupied by a non family member. Most directly, this requirement excludes the possibility of appropriate and affordable rental housing being developed within existing residential fabric.

As they currently stand, such regulations inadvertently serve to maintain the unsustainably low population densities while undermining the potential social and economic benefits that would emanate from mixed income and housing tenure. Additional car parking requirements also act to reinforce a car oriented ethos to inner city living instead of promoting and fostering transport oriented developments.

In 2005, the US town of Santa Cruz received the Planning Institute of America's award for the most innovative program for a similar initiative which involved actively promoting the development of ancillary housing (Andrews 2006). That program resulted in approximately 50 affordable housing units being developed each year, at no public cost, primarily for students accessing the Town's university.

The most ambitious initiative developed by Subiaco was a housing trust dedicated to fund affordable housing projects aligned with Council's agenda. This involved creating a flexible and accountable funding capacity that would not draw on Council's usual operating budget, and would provide charity status on tax issues. Such funding arrangements are critically important in providing the fiscal capacity to implement an affordable housing strategy.

Perhaps the most important lesson to come from these previous examples of Western Australian local government involvement in affordable housing is that the rise and decline of this agenda in these jurisdictions was very much a reflection of the respective Council's leadership and capacity at the time. As Gurran's (2003) initial study highlighted, stable council support and leadership together with the internal capacity of staff and the effective coordination of resources were key factors in the examples of success.

Elsewhere in Australia, the City of Port Philip Bay in Melbourne and Waverley City Council in Sydney have been identified as the nation's most progressive local governments involved in both affordable and sustainable housing. The following excerpt from the City of Port Philip's website has been included here to provide a sense of the breadth of possible activities, the means employed to achieve the housing outcomes and, the diversity of beneficiaries.

The City of Port Phillip's Community Housing Program is the largest local government housing program in Australia. The Program is a partnership between Council and the Port Phillip Housing Association. The council has been a direct provider of community housing since 1985 with the Association being the property and tenancy manager since 1986 and itself a direct provider since 1998. Achievements of the program include:

- Provision of 389 units for 460 persons in 17 projects. This includes Excelsior Hall rooming house in Port Melbourne (15 units in a recycled historic hall), Liardet Project in Port Melbourne (6 singles units built in air space over a community centre), the Woodstock rooming house in Balaclava (31 units built in air space over a council car park) and Chelmsford rooming house in St Kilda (36 units).*
- 36% of units have been for older persons, 19% for families, 33% for singles wanting rooming house accommodation, 5% for singles in self-contained units, 5% for disabled persons in dedicated, universally designed units and 2% for young people.*
- Projects have ranged from 6 to 56 units. In addition, the council entered into a 245 unit joint venture with a private developer involving mixed private and social housing called Inkerman Oasis.*
- Since 1985, the program has attracted over \$26.9 million of joint venture funding from the Commonwealth and State governments and contributed \$17 million in cash contributions and \$5.2 million in land (St Kilda Depot site).*
- Entering into joint ventures or partnerships with private developers with two projects, 'The Regal' rooming house (property packaging and partnership) and 'Inkerman Oasis' (developer provided community housing mixed with private housing on the former St Kilda Depot site).*
- The provision of value-added features such as tenant involvement in housing design, integrated art, Ecologically Sustainable Design (ESD) compliance with disability access standards and historic building preservation.*
- Winning 10 awards for ideas, ESD, building design, planning and excellence in asset management and overall management.*

What these examples of affordable housing projects demonstrate is the diversity of housing types and needs that can be addressed through an affordable housing strategy. They also demonstrate that even in inner city contexts, there are resources (e.g. the air space above council car parks and facilities) that can be transformed into affordable housing opportunities. Moreover the projects demonstrate the potential range and scale of external sources of investment that can be attracted to such developments, through working in partnerships.

The City of Waverley in Sydney also plays a strong leadership and coordination role in respect to affordable and sustainable housing. As an inner city local government they have developed a deep understanding of the housing issues affecting their community, and have pioneered a range of planning mechanisms, controls and

incentives that are specifically designed to facilitate affordable housing outcomes. This has included inclusionary zoning provisions, which are common in the USA, and whereby the developer directly contributes to the construction or funding of affordable housing units as part of the development application review process.

This is a potentially very important mechanism for the Town of Vincent given that it can be anticipated that parts of the Town will continue to see increasing densities with residential and commercial development. Rising oil prices, the preferences among developers and investors and encouragement through DPI policies will all work to consolidate this trend. This situation will deliver a windfall for existing land owners, and the Town through increases to its rates base. In this context, there is a case for sharing the development bonus with the people who are likely to be most disadvantaged by such redevelopments.

EPRA is intending to apply inclusionary zoning as a mechanism to ensure that a small percentage (10%) of the housing produced will include affordable housing on or off site. Typically such provisions provide a standard calculated format for determine the level of affordable housing commitment that a development would be required to make. According to the Housing Industry of Australia (HIA), where inclusionary zoning is used, its measures should be matched with development incentives in the form of floor space or density bonuses, provided that such incentives are applied in an open and transparent manner so as to maintain community trust.

In addition to the statutory provisions that need to be put in place, it is also necessary to develop ways to monitor the outcomes and to create a way for the funds generated to be dedicated and used to develop affordable housing. A partnership with a community housing provider can be developed to channel the funds, and to develop and manage the housing according to the Council's defined priorities.

In the USA, commercial development and affordable housing linkage programs operate in a similar to inclusionary zoning aligned with residential development; linkage is a concept that requires any large scale commercial developments receiving a significant development bonus, to dedicate a small portion of the financial gain towards affordable housing purposes. The thinking behind the schemes operating in Boston and San Francisco is that commercial developers and business operators all rely upon a labour force and a customer base whose housing needs are increasingly not being met by the market.

A similar initiative was proposed to the City of Perth several years ago but the Mayor of the day was against it even if others were not. At the time, the spokesperson for the Inner City Developers Association said that most developers would not mind sharing a small portion of their bonus, but they would prefer that it was a defined mechanism rather than a 'debated circus' about how much and what exactly it was used for. In the past the City of Perth has used a similar argument to offset the negative aspects of high rise towers (shadowing and wind tunnelling). Such mechanisms and negotiations have generated a series of public benefits – including a pedestrian overpass and thoroughfare in one instance, and a popular public plaza in another. The main issues are accountability, transparency, consistency and expediency

Another innovative provision developed by the City of Waverley allows for the reclassification of some Council Reserves to Council Operations, which serves to unlock some of Council's previously underutilized resources for affordable housing purposes. In effect the City of Waverley has adopted an entrepreneurial civic welfare approach to fostering affordable housing by both creating and redistributing resources through its regulatory processes.

There are many other initiatives and mechanisms that local governments can develop to resource an affordable housing strategy. In the USA it is common for local governments to identify abandoned buildings and to consider their potential as resources for affordable housing purposes, at times by offering incentives to assist otherwise protracted redevelopments, sometimes by imposing significant fines because of the detriment to the adjacent community, and at times through direct procurement and redevelopment.

Within the Town, buildings such as 441 and 386 William Street have been chronic problem sites for vagrancy, arson and graffiti for years. The Council's Substandard Audit Information Paper lists nine sites including 14 buildings. The current level of financial recoupment for the Council does not meet the costs it incurs in the ongoing monitoring and response by Council's officers. The sites themselves remain problematic. If even one of these sites could be converted into affordable housing production, it would remove blight, and generate an asset. This may be the case now with the Western Australian Planning Commission (WAPC) owned properties on East Parade in Mount Lawley, but with an active affordable housing strategy this may not have taken so long.

The identification of such sites, in all their different forms - abandoned buildings, underutilised public open space, car parks, and old sumps etc - across the Town is a significant undertaking. The potential resources that can be generated from such an initiative are considerable. During the late 1980s the City of Boston identified 747 buildable lots in its review and channelled those through to the community sector, which by the mid 1990s had developed and were managing over 4,000 affordable housing units.

Collectively, the prior research indicates that on the one hand, local level coordination of resources and institutional arrangements can deliver a host of housing benefits including those that address affordability and sustainability. On the other hand, the research also suggests that these instances are more the exception in Australia, rather than the norm as is the case internationally (Gurran et al 2007).

Although the use of the urban planning system in Australia to proactively encourage affordable housing has been limited, examples such as the City of Port Philip Bay and Waverley City Council show there have been successes for other local governments to emulate. Moreover, as Gurran et al (2007:71) suggest, 'there is also considerable potential to draw upon international work to develop a spectrum of approaches that are adaptable to individual contexts and market conditions, but supported by a strong and consistent policy framework'. It is also clear that the role of the community sector is critical.

1.6 Local Support Agencies and Community Partners

As the previous sections have illustrated, much is being expected of the not for profit sector in terms of responding to the national housing affordability crisis. Federal and State government initiatives have directed additional resources to the sector, and this includes increasing the capacity of those working on the front lines dealing with the many issues around homelessness.

One of the Town's strengths is that it harbours many of the agencies and community based organisations that support and otherwise service people experiencing housing stress from across the Perth metropolitan area. Organisations such as Foundation Housing and the Salvation Army have their headquarters in the Town, while others such as WesleyCare and Anglicare manage housing and operate a range of allied support services locally.

The broad range of community organisations that the Council currently has existing relations with can help both define and assist with the servicing of local housing needs (Town of Vincent Service Directory, 2007). Partnerships between community service organisations and community housing providers to achieve specific community defined housing outcomes are in operation in many other Western Australian jurisdictions and integrate directly with health, education and other community service functions and outcomes.

The existing network also includes the services and agencies based within the City of Perth such as Saint Bartholomew's night shelter, ShelterWA, and the Ruah Centre. Collectively these agencies and non-profit service providers represent a significant potential resource for the Town to both draw on and support in respect to pursuing any expansion of its affordable housing agenda.

The Bendigo Bank also has a strong local community focus to its investments. The bank has a dedicated community banking arm that is attuned to the needs of community oriented partnerships and trusts. There are existing links between the Town, the local Bendigo Bank and the local community housing provider that can be developed further.

To help gauge the level of interest and support for the Town's endeavours in respect to affordable housing, a range of service providers were interviewed to solicit their opinions. The agencies contacted do not fully span the diversity reflected in the local network however the information collected to date does raise some key points and these are outlined below:

- The supply/demand housing shortfall is massive and ever increasing with no ease in sight. Perth is beyond crisis point. Each private housing sector cohort has displaced the cohort beneath. Inner ring suburbs have lost and continue to lose lower socioeconomic residents vital for local area diversity and core employment services (retail, tourism etc).
- All agencies (State, Local & NGOs) are under-resourced and stretched to capacity. One service provider reported that, in the four hours that they operate, 60 people in search of crisis accommodation had been turned away, which equates to approximately one person every four minutes.

- Strategic planning, capacity and knowledge building, and long term commitment have been difficult to establish. Local area housing needs have not been well understood. At times there is poor inter-agency communication and coordination has resulted in current *ad hoc* accommodation supplies. For example a complete social housing inventory is yet to be established but is fundamental to coordinated and efficient service delivery.
- Long term political commitment is essential to successful strategy development and implementation. Local council support has in the past been difficult to inspire. Affordable housing misconceptions and NIMBYism are significant issues to be overcome.
- Affordable housing is about more than just rates relief. Holistic service delivery embraces a wide range of methodologies (e.g. inclusionary zoning, Public Private Partnerships etc). Australian best practice examples and international successes should be sought, analysed and replicated where appropriate.
- Affordable housing should be located to take best advantage of existing support networks and public transport. Yet to be compiled, an inventory of support networks and their services is fundamental for the appropriate location of affordable housing.
- A successful strategy will put in place mechanisms that: identify and protect existing assets; replace assets lost through development; and grow an asset portfolio over time.
- Challenging and promising times are ahead. All interviewees agree that with recent changes (service restructuring, increased state funding) there has never existed a greater need or more opportunities for better service delivery than present.

More broadly it is apparent from the interviews that, in keeping with the shift going on in higher levels of government, there is a growing expectation and preparations for a greater involvement in affordable housing. Direct service providers see no end to the unmet housing demand. The housing crisis is such that a wide spectrum of the local housing market is experiencing housing stress, and more than before there is a compelling case for multilevel intervention and reform.

Overall it is clear from the interviews that the Town has a wealth of potential partners who are both willing and able to assist in the formulation and implementation of an affordable housing strategy to service the needs of the Town's residents.

2.0 Part Two: Assessing Town's Affordable Housing Stock and the Needs of its Residents

The following sections provide the background data and analysis related to assessing the Town's current and future needs for affordable housing. Collectively the data and analysis establishes that 1) there are significant levels of housing stress being experienced by the Town's residents and 2) that there is a strong case for local strategic intervention.

The analysis begins by acknowledging the key regional and local issues impacting on the housing market, and which in effect pose the Town's broader contextual challenges. This is followed by an analysis of demographic and housing trends and distributions within the Town. The census data has been supplemented with real estate data to analyse trends on housing prices and rents. Overall this part of the analysis confirms the results of gentrification where the Town's older housing stock and lower income residents are being replaced with new housing and more affluent population cohorts.

Although such statistics can shed light on the key trends, the associated dynamics and human impacts often remain unclear. This is particularly important in the context of any consideration of ameliorative strategies. To help bridge this gap, interviews were conducted with current and former residents, and also with affordable housing providers from the private, community and public housing sectors. This material provides a focused account of the impact of gentrification on the Town's residents and housing stock, and it also serves to further justify the need for strategic local intervention.

The final section of the Town's housing needs assessment, examines the diversity of the affordable housing stock. Traditionally, the Town has a rich housing diversity that is not well understood within the existing planning framework. The approach here is to identify different types of affordable housing models and to explain their particular roles and any specific issues or challenges that relate to their positioning within the existing planning framework.

2.1 Housing Market Impacts

Around the nation there is a growing urgency to respond to the rapid escalation in housing costs and the prospect of chronic levels of housing stress among a broadening range of low to middle income households. For some, the rising rents erode their savings and homeownership aspirations, others face financial hardship in meeting basic living costs, and for some there is the risk of homelessness. With the tightening market, higher income market segments are displacing those beneath. Inner ring suburbs have lost and continue to lose lower socioeconomic residents vital for local area diversity and core employment services (retail, hospitality, transport etc).

Housing affordability, or rather unaffordability, in Australia over the last decade has reached unprecedented levels due to a variety of factors including increased net

overseas migration and natural increase (ABS 2007), a strong economy while major economies such as Japan and the United States have experienced down turns, sharp increases in world prices for the commodities Australia exports in large quantities, and inadequate land supply (Beer 2007; Residential Development Council 2007; UDIA 2007; Yates et al 2007). While incomes have, on average, doubled since 1985, housing prices have increased 400 per cent (AMP NATSEM 2008).

2.2 Regional Impacts

A chronic housing shortage has developed across the metropolitan area, largely due to three main factors

- High immigration rates - international and interstate,
- High development costs due to high land and construction costs, and to some extent taxes
- Generally low occupation rates and dispersed patterns of settlement.

The Western Australian population has been increasing for more than fifty years but the last two years has seen unprecedented growth with the population increase in 2006-07 the highest in the nation (2.4 per cent) (ABS 2008). The Western Australian economy has doubled in size over the past 16 years (ABS 2007).

The cost of housing has increased to, on average, 7.4 times the average annual disposable income, up from 4.6 times in 1995-96. It is therefore not surprising that the census data is showing that increasing numbers of Australians are entering home ownership at a later age, or not at all (ABS 2007; Baxter & Macdonald 2005).

The Perth metropolitan area is facing a severe and protracted housing shortage that has emerged through continuing high rates of in-migration, together with a down turn in new housing construction. It follows an investment surge in housing which left first homebuyers out of the market. The corresponding, and some would say underpinning, high land values created high development costs, and these are in the process of being recouped by sharp rises in rents. The vacancy rate for rental property is less than one percent which is lower than any previous records. Rent increases in the order of 30-40% are not uncommon (The West Australian, May 24:12),

The mid to long term prognosis suggests no relief in sight. Housing prices may stagnate on the fringe, but inflationary pressures, particularly those associated with energy and fuel bills, will see no reduction in the cost of housing or living. There may also be a drop off in migration rates, but only because of the prohibitively high living/housing costs acting as a disincentive. The employment market also remains strong.

Given the intractable nature of some of the causal influences of the housing crisis, inner city areas are likely to experience intensifying pressure to accommodate the necessary reforms related to housing affordability, urban consolidation and energy efficiency.

2.3 Local Impacts

The most acute impacts of this housing shortage will be felt in inner city areas due to:

- Very high development costs as a result of high land and construction costs, and reduced site availability;
- Increasing demand for inner city living - as a lifestyle choice, and as a necessity to access transport, employment, education, and service amenities; and
- Gentrification - whereby older cheaper and more diverse housing is being replaced by newer significantly more expensive housing, leading to the loss of housing diversity, together with reduced social and economic diversity. This impact of gentrification on the Town's residents is explained in some detail below.

Real estate trends showing comparative sale price and rent data for 1996-2007 period indicate that housing affordability issues within the Town are likely to be more severe than those experienced by the metropolitan area generally.

The trends for unit prices indicate the influence of new high-end apartment sales in other affluent areas of the metropolitan area, for example, inner city locations and river and coastal areas. Real Estate Institute of Western Australia (REIWA) and Australian Bureau of Statistics (ABS) data clearly illustrates the rapid rise in prices that can be attributed to a investor driven market that prevailed during much of the past decade, but particularly since 2001. Sales data for each of the main suburbs within the Town for the period 1996-2007 were analysed to reveal no significant departure from the Town's averages.

In respect to the rental market, the trends demonstrate the comparatively high rents paid by tenants within the Town. Of particular note is the relatively recent and rapid rise in rents after 2005. This corresponds with the price rises that started earlier, which for investors must be reconciled with rent increases to service the significantly larger debt.

Data on rents is generally not good. For this reason, rent data was compiled from the To Let listings from the West Australian 2001-2008. The number of listings has declined considerably over the period and further indicates the continuing tight market. The 2007-2008 figures indicate a sharp rise, owing to the weighting of top end properties currently listed within the Town.

2.4 Key Findings from Census Mapping Analysis

- At least half of the collector districts (CDs) areas within the Town have between 15-35% of households paying more than 30% of their gross income on housing cost. Based on the earlier definition, housing is not affordable for this cohort and they are likely to be experiencing housing-induced stress.
- There is a generally widespread distribution of low income households across the Town, albeit with lower concentrations in Mount Hawthorn and Leederville.

- This distribution suggests a mix of lower income types, such as pensioners, young people, students, unemployed people, and those in public housing.
 - The distribution of unemployed people is largely concentrated in the eastern half of the town
- The distribution of the people most in need of assistance is concentrated near the centre of the town in North Perth.
 - These people comprise of those who are neither pensioner homeowners or in public housing, but have similar income level as those who are. Accordingly, these tend to be younger lower income households, many of them are employed to some extent, but are paying higher rents and subject to the insecurities of the private rental market.
- The highest concentrations of people in housing stress are in Northbridge and Highgate.
 - These statistics understate the level of housing stress that has developed since 2006, which is significant because the surge in home prices continued well beyond the census period, and the knock-on rent increases will take several years to reflect the rise due to current lease arrangements with existing tenants.
 - Most of these will be renters, and some will be low income (pensioners) owner/occupiers. It will also include a small number of recent first homebuyers who are facing hardship meeting their rising mortgage commitments.
- Generally there are low to moderate concentrations of public housing 2-9%, except in parts of Highgate and near the intersection of Fitzgerald Street and Walcott Street.
- Generally there are high concentrations (35-45%) of lone person households, particularly in Highgate, Mount Lawley, North Perth and Leederville.
 - This distribution of lone households is different from the distribution of high and medium density housing, and there appears to be high concentrations of lone persons among single detached dwellings.
- The distribution of medium and high density housing is clustered to the south of Vincent Street, and along Oxford Street.
 - Although there is a strong positive relationship between medium/higher density housing and the location of public transport routes, the relationship between non car owning households and public transport is much less defined.
- Generally, there are high concentrations of people attending tertiary Institutions particularly in the south and east of the Town.

- The distribution of students appears to be closely related to distributions of medium/higher density housing, rental housing, and public transport routes.

A comparative table of demographic and housing indicators for the Town, each of the main suburbs within the Town, together with metropolitan averages has been prepared and included within the Appendix (3). This is a developing resource, which underpins the strategy and can be further enhanced over time. The census maps analysed are provided in the Resource CD.

2.5 Key Findings of Trend Analysis

Although much of the newer housing in the Town is medium and higher density apartments, the developments tend to target the higher end of the rental and owner-occupier markets. Much of the existing housing stock has seen major extensions, renovations, and refurbishment. Underutilised old commercial sites have been transformed into apartment complexes and town houses. Accordingly, significant demographic and housing trends have emerged in paralleled with these development trends, and have direct relevance for the affordable housing strategy:

Population

- The total population increased 9.4 % since 2001 to 27976 persons, inclusive of the new boundaries.
- The average household size is stable at 2.1 persons

Dwellings

- The total housing stock increased 11% since 2001 to 12764 dwellings inclusive of the new boundaries.
- Single detached increased slightly 2.4%
- Semi detached increased significantly 37%
- Unit/Apartments increased significantly 36%
- Public housing increased by 7 dwellings since 2001 to a total of 300 dwellings

Incomes

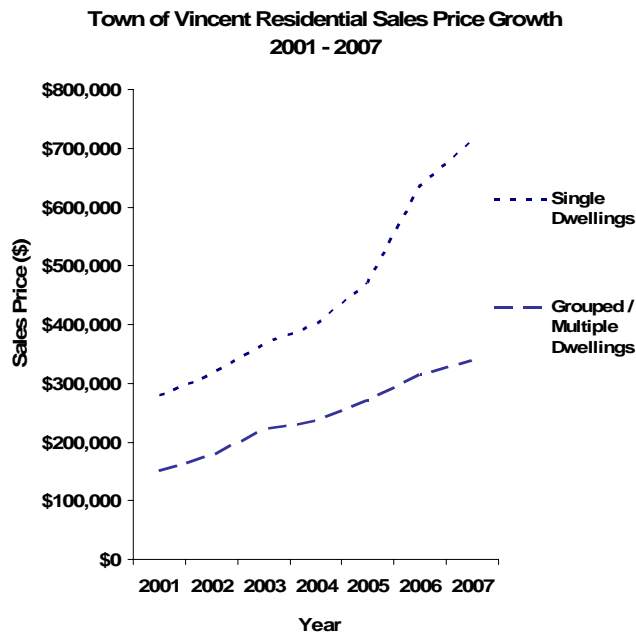
- 48% decline in low to mid-income households
- 780% increase households earning more than \$2000pw often professional couples



Employment

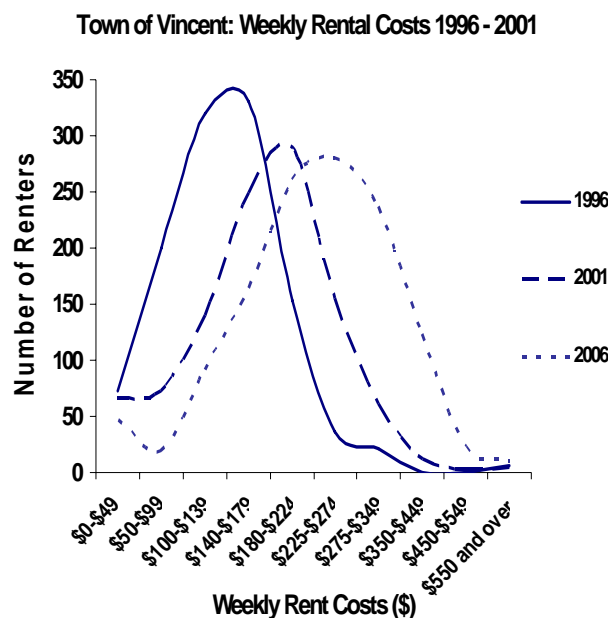
- The number of unemployed has dropped from 10.2% of the labour force down to 3.4%
- The rate of part time employment 25% has remained steady, and is on par metropolitan averages.
- Professions make up the largest occupation type.

Housing Costs



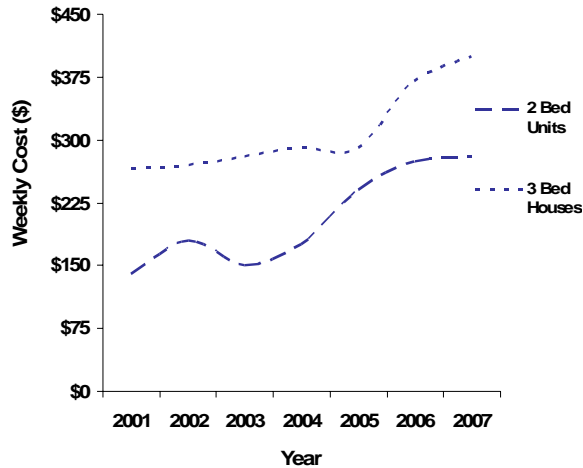
- 285% growth in single dwelling sale prices between 2001 and 2007
- More than 50% growth in single dwelling sale prices since 2005
- 234% growth in grouped and multiple dwelling sale prices between 2001 and 2007
- Single dwelling sale prices outgrew grouped and multiple dwelling sales prices by 51%

Rentals



- 73% decline in properties \$139pw and less
- 36% increase in properties \$140pw - \$224pw
- 97% increase in properties \$225pw and more
- 1300% increase in properties \$350pw and more

Town of Vincent: Median Weekly Rental Costs by Dwelling Type 2001- 2007



- Rents for three bedroom houses grew by 43% between 2003 and 2006 but have stabilised
- Rent for two bedroom units grew by around 38% since 2006

Population Change

52% of the population did not live at the same address five years ago, and 25% had moved within a year prior to census. Given that the Town's population increased by only 11% during the period, and notwithstanding some degree of internal moves within the Town, these high rates of moving reflect a wave of people moving in, and a different more diverse and less affluent wave moving out

Since the 2001 census, the following family compositions have emerged

- Couples with no children significant increase 11%
- Couples with children increased 8%
- Single parent families declined -2.1%
- Other families declined -16%
- Single households remained stable at 31% of the total population

The trends confirm that the new housing being developed within the Town is dominated by expensive town houses and apartments that do not serve the diversity of the Town's remaining low and moderate income households.

It is also evident that the number of no-car households in areas around public transport nodes is decreasing as higher income multi-car owning households move in. This trend underscores similar findings by Holling, Haslam McKenzie and Affleck (2007). They found that transit oriented development is attracting the more affluent population cohorts and squeezing out people who depend on public transport and those who would most benefit from living close to a transit oriented development.

The most pronounced trends over time within the Town are also in accord with the intense level of gentrification that has characterised the nature of residential

development over the past 20 years. This is in keeping with trends unfolding in other inner inner-city areas of Perth, and elsewhere in Australia and internationally (Holling, Haslam McKenzie and Affleck 2007; Eringa 2006). Those most adversely affected by gentrification are

- Younger low and moderate income earners - students, apprentices, early career professionals
- Middle aged low and moderate income earners - city based key service workers (i.e. hospitality, maintenance, and transport workers)
- Low to moderate income seniors on fixed private or government pensioners as either renters or homeowners
- Middle income single headed families
- Centrelink recipients who are eligible for public housing but are currently residing in private rentals

As existing residents of the Town these people are under increasing housing stress and are at risk of being displaced, while their replacement counterparts will be discouraged (excluded) from moving in due to the lack of affordable housing choices. This is covered in more detail below

2.6 Gentrification: Assessing the Impacts on the Town's Affordable Housing Stock and its Residents

Gentrification is a market driven urban renewal process that is characterised by a new influx of people and investment that transforms and rejuvenates the built environment. Typically, older poorer quality cheaper housing is replaced by newer more expensive housing. The down side of gentrification is that it tends to create housing stress and ultimately dislodges existing long term less affluent residents.

Those that are likely to be under pressure to leave the Town because of gentrification include: young low-moderate income earners, in training or as students; foreign students; early career professionals; key workers on moderate often fluctuating incomes such as cafe and hotel workers, cleaning staff, retail and transport service staff; part time and casually employed people; those on low to moderate fixed incomes such as the unemployed, on sickness benefits, and pensioners.

Gentrification also tends to discourage a range of people from moving into an area who otherwise would choose to do so were it not for the high housing costs. In its early to mid stages gentrification tends to create a diverse social mix of people and incomes, however as the process unfolds, population diversify declines as the less affluent are displaced or are excluded. The long term outcome is a loss of social and economic diversity and many of the opportunities that define the robust of inner city communities (Berry, 2003, Atkinson, Dalton, Norman, and Wood. 2007).

Although the statistics do highlight some compelling trends and distributions they do not easily reflect how it is that gentrification impacts on the lives of people or the stock of affordable housing where they reside. Accordingly what follows is analysis of impact of gentrification on the Town's affordable housing stock and its residents. The background research included site visits and interviews with current and former tenants, together with public, private and community housing providers.

2.7 Homeowners

Established homeowners and investor owners in every area of the Town have experienced significant capital gains over past 10 years, in the order of 250% for a median priced home. Those who bought a median priced unit even five years ago would have seen values increase by some 130%.

Among senior homeowners on low to moderate incomes, however, the increase in property values can also add pressure for them to relocate out of an area that they may have lived in for all of their life. They may be described as house rich but income poor residents (Hamilton and Hamilton 2006). Pensioners can find life very difficult to afford, particularly with big maintenance and rates bills. Others may have health issues and other such complicating issues. As a consequence, there is often pressure on the elderly to sell the home and release the equity that would make their remaining years more liveable.

To have affluent singles and couples, some with children, move into the homes vacated by the elderly can be good to enliven streets and stimulate new investment in refurbishing and replacing ageing housing stock. In this way the suburb is regenerated physically and socially. The main problems arise when the elderly have to leave their community and familiar surrounds, as is often the case, when they vacate their home.

Profile 1 *Tony 42 lived all his life in his family home in North Perth, but moved to Balcatta a year ago after what had been a very worrying period. He had lived with his father Giuseppe, who died two years ago. They had lived together for eight years after the mother/wife had died. Tony had never lived away from home. He suffers from anxiety attacks, and on his own is not comfortable venturing beyond a few kilometres from his home. He has maintained steady employment in the local car service industry, at times running his own small business.*

He had to move because his brothers wanted to sell the family home once his father died. It sold for \$620,000, but split three ways it did not give him enough money to buy anything locally with a backyard. He likes where he lives in Balcatta, he still does not drive very far by himself so he misses his friends from his old neighbourhood.

Profile 2 *Colin moved into his wife's very basic family home in 1948. He had his own small business within the Town. Over the years he renovated and extended the home to a fine standard. His wife died several years ago, but he copes well as a single 84 year old pensioner with two prosthetic hips. He manages weekly living costs on the single person's pension, but with large bills he is lucky that he can draw upon some savings, and his adult children are supportive if needs be. Maintaining his health is his main concern, so he can hopefully stay where he is.*

All the literature suggests that ageing in 'place' among familiar surrounds is essential for longevity and wellbeing (Oldsberg 2005; Davey et al 2004; Warren, 2006). In turn this suggests the need for more aged accommodation units scattered throughout the Town, but particularly where there are concentrations of aging homeowners. It should also be recognised that much of the age focused housing that does exist in the Town caters for the metropolitan market, and as such, proximity does not necessarily equate with access. Leederville Gardens is an exception with 66 self contained units for local seniors.

Some new homeowners are servicing large monthly mortgages and are financially stretched each month as inflation and interest rates rise. Many young first time homebuyers will be in this situation. Although there is a strong employment market, a divorce, illness, or extra dependent can create real hardship even for higher income families. The Town will have relatively few of such cases of mortgage stress, protected to a large extent by the comparatively robust local property market, reflecting one of the benefits of gentrification.

2.8 Private Rentals

Most of those on low to moderate incomes who are renting are likely to be facing steeply rising rents and living costs. Accordingly they will need to reconsider their current housing and living arrangements. Selling a car or adding an extra person/income to a group household, are options people consider. Other options include shifting to lower cost rental accommodation in the same area, or shifting out of the area to access lower cost housing choices elsewhere.

As a generalisation, newer (mostly younger) renters tend to have trouble finding places that they can afford, while middle aged and older established renters face the hardship of moving from long held homes and a strong attachment to an area (Yates, Milligan, Berry, Burke, Gabriel, Phibbs, Pinnegar, and Randolph. 2007). One of the characteristics of the Town is that it has traditionally had a high proportion of long term renters – career hospitality service workers, arts and culture professionals, health workers, together with the remaining pensioners who have lived most of their lives in the area. Research by Yates et al (2007), suggests that the established renters generally pay lower rents for better properties than newer renters. Young people, particularly foreign students, generally pay higher rents for the same quality of the housing, partly reflecting their higher turnover rates and less familiarity with the market.

Profile 3 *Donna is aged 46 and single. She is currently a full time student. She has lived in the Town in six different homes mostly in Northbridge and Mount Lawtey, since she moved out of her suburban family home when she was sixteen. In the past, she managed many arts and entertainment venues. She is eligible for sickness benefits because she has a chronic illness but as a fulltime student her income is the AUSTUDY allowance, together with some casual work.*

Donna manages a modest but comfortable life on her low income. What has made it possible, particularly when her ailment was most acute, was the fact that she has shared her home with a stable housemate for over 16 years. Greg has been employed in the same job

as a machine operator for the 16 years. He has been saving a deposit for his own home but as he says 'he has been saving against a rising price tide'.

Housing stress came to this household as early as 2001 with the knowledge that the owner had plans to renovate and sell their home of eight years. They worried about that prospect for five years before moving out of the Town in 2006 to another rental in Inglewood for \$280pw. They searched for months within the vicinity of their former home, but could find nothing comparable that they could afford.

Collectively the low-moderate income households that are renting are in fewer numbers than they were five years ago because now they cannot compete with those on higher incomes who are seeking to move into the area. In many cases their vacated house and flats have been fully refurbished or replaced altogether typically by newer apartments or town houses. In terms of the changing population composition, there has been growth in the number of young professionals couples in particular and singles and older singles and couples, who have either bought the property as an investment, or are moving in as homeowners.

Profile 4 *Alex 48 is a well known inner city character who until 2007 lived around Northbridge and North Perth in various cheaper rentals. He never had any trouble finding good rental deals directly from landlords by paying punctually and in cash. The reason he had to move is that he had trouble finding good reliable people to share with, and he found it hard to meet all the costs by himself. Then the rent increased by \$50 to \$270pw.*

He makes his living as a house painter and as an artist. He is not a qualified painter so he cannot charge trade rates and is confined to small jobs or working as a trades assistant for considerably lower wages. He holds exhibitions most years, and his paintings and photographs of Perth's buildings and landscapes generate much needed additional income. He generally uses the money to purchase motor vehicles or other more urgent living expenses.

Alex currently lives in a shed behind someone else's home on a rural property near Busselton in the south west. It is affordable at \$100 pw and comfortable. However, there has been little local house painting work lately so he has been coming to Perth for work, and sleeping at the premises or on a friend's couch.

The student population is an important consumer base and potential workforce for the local economy. Over 20% of the Town's total population are either full or part time students, However, the numbers of Australian-born students that have traditionally lived in the older rental share houses and apartments have begun to decline as the overall housing stock is upgraded. Centrally located students access public transport facilities and employment and cultural opportunities. The close proximity to such amenities serves to offset their modest incomes. The current demand for university provided housing on and off campus is such that there are strict rationing policies whereby students can only stay a maximum of 18 months before they must leave to find housing in the market (*The West Australian* 10/05/08:57)

The number of foreign students in the Town has been on the rise over the past decade but more recently there is some evidence of their numbers showing a decline. The number of language schools and other education/training facilities within the Town and adjacent inner city areas that have been established and grown over the period are dependent on this market. One of the attractions for overseas students, (who have the additional burden of high tuition fees), was the relatively affordable cost of Perth's housing market. In recent years this has become comparatively expensive, with the higher local rents being compounded by the increased value of the Australian dollar, which makes living and studying in Perth significantly more costly by international standards.

Profile 5 *Su Lin is 24 and from Malaysia. She came to Perth to study architecture like her father had done 30 years before. She is currently renting with two friends who are also students. They are paying \$360pw for a three bedroom town house. The rent increased by \$60pw last year. She works part time in an architect's office and her parents cover her fees and some other living expenses. She has to work part time for both the experience, and to assist her parents and younger sister who is expected to arrive in Australia next year. She works locally to save on time and transport costs.*

2.9 Social Housing

Public housing tenants are largely protected from the process of gentrification. However, those that are eligible for public housing such as pensioners, and those on unemployment or sickness benefits, but who are renting in the private market, are among the people that have the most pressing needs for housing assistance.

The rental assistance subsidy that is provided by Centrelink as a rental supplement to welfare payments has been significantly outstripped by the rapid rise in rents (Johnston. 2007; Anthony 2006). The maximum rent supplement is \$55 per week while rent rises of \$100 per week are not uncommon. More pervasively, once such low income households lose an affordable housing opportunity, they will have difficulty finding another because their income and housing profiles are not competitive in this tight market. For people experiencing such circumstances the risk of homelessness is high.

Profile 6 *Jenny 36 works as a florist and at times as an exhibiting artist. She moved into Highgate seven years ago after living in a flat in Nedlands during her time as a student. During some short periods of unemployment, she has received Centrelink payments including the rental subsidy. Jenny runs a tight household budget efficiently, but has experienced several periods of housing stress. She has been lucky finding good houses and landlords, but the problems came when her housemates or live-in boyfriend relocated. To maintain the lease, she has to cover all the rent \$280 and bills until she can find someone else suitable to share with.*

2.10 Share Houses, Lodging Houses, Houses of Multiple Occupation

Compared to the metropolitan averages (3.8%), the Town has more than double the concentration of group households (9.1%). These are distributed among the student share houses, and among the stock of aged housing, lodging houses, backpackers and other forms of multiple occupancies. It is the shared amenities and space economies with common areas that underpin the potential affordability of these housing options.

Collectively this broad category of housing stock spans a wide range of possible structures, management and resident typologies including - aged housing, special needs housing, supported housing, community housing, institutional aligned housing, private lodging houses and backpackers. In its various forms, it is integral to the physical and social makeup of the inner city character of the town. The concentration of older cheaper rental housing, the proximity to employment and cultural opportunities; the clustering of commercial, social, and health services, and the central access to the city's radial public transport system, are all factors that consolidate this tradition.

The group household/multiple occupancy housing stock adds a critically important depth to the Town's housing diversity particularly with respect to providing affordable options. However it is seldom adequately appreciated or discussed collectively, largely because it is so diverse. It is also generally poorly accounted for, partly as result of the problems with definition. Nevertheless, it houses some of the most vulnerable populations such as mental health outpatients and marginally homeless older single men. In other forms, it also houses foreign students and backpackers.

Backpackers often fall into the category of regulated commercial oriented housing. Structurally, they may be the same as lodging houses but they can be differentiated by the type of clientele / residents that are housed and the manner in which they are managed. Traditionally, lodging houses cater to local Australian residents while backpackers tend to focus on the tourist market for budget travellers. The number and range of backpackers has grown considerably over the past 15 years in the Town and elsewhere.

The cheapest options are dormitory beds, while the more expensive rooms are similar to that found in budget hotels. A relatively new trend is for greater numbers of longer term residents, including foreign students, employment oriented travellers, and some younger interstate mining related workers. These days the difference between the operation and structure of a budget hotel, a backpackers lodge and a centrally managed share house is minimal.

Profile 7 *The Witches Hat on Palmerston Street currently operates as a Backpackers. Until the mid 1990s, it was the former location for Palmerston House, a housing and support facility for people recovering from substance abuse.*

In many cases the same buildings have been used for different roles/tenants over time. For example, backpacker lodges have often been developed from gentrifying old boarding houses, supported housing hostels, or large old houses previously occupied as student share-housing. Much of it is managed as an interim or short

term rental nature, although in practice tenants can be there for months if not years, and yet many residents will not be covered by a lease agreement as such.

Lodging houses are defined under the Health Act (W.A. 1911) as dwellings where more than six unrelated individuals are housed together, usually with varying shared bathroom and/or kitchen facilities. The Health Act requires routine inspections by local government health surveyors, and further defines appropriate management guidelines and minimum standards for health and safety and in particular the risk of fire. Boarding Houses are virtually the same as lodging houses except that when they were prevalent in the 1890s through to the 1960s, it was common practice for there to be in-house meals and live-in owner/managers.

The declining numbers of lodging houses in metropolitan Perth has been a growing concern for a number of years in terms of offering affordable housing for marginally homeless people (ShelterWA 2006). The Town has one of the highest concentrations of remaining lodging houses in the State, with only some officially approved. The change in hotel laws in the 1980s was instrumental in the loss of this form of accommodation. The changes allowed hotels to dispense with the cheap rooms that previously they had to maintain as part of their license. More recently, the disappearance of lodging houses from inner city areas is through conversion into backpackers.

The Town's rates database identifies twenty two properties licensed as lodging houses, but fifteen of these are backpackers. Of the others, five are managed by community housing providers, and two are privately operated businesses. Some residents in these lodging houses are marginally homeless, alternating from sleeping rough, to night shelters, and finding a more stable lodging house if they can. By contrast, other lodging house residents are long term tenants by choice. There are virtually no vacancies for this type of accommodation, and waiting lists are long.

Of special interest are the many share houses that perform a similar role and function as lodging houses, but comprise of six or less unrelated individuals, and as such are not subject to the same level of official scrutiny. Some of these operate as traditional lodging houses, while more recently others are targeting international students or migrant workers. For many (in the order of 100+persons) they are a critical last before or first after homelessness.

Profile 8 *Frank, fit and in his 70s, is the owner and manager of eight properties in the Northbridge and North Perth areas; at least five of which he operates as share houses for up to six non related individuals. His clientele are some of the toughest tenants to house and he maintains a regular presence. The tenants are almost always men, and those recently released from jail, and/or with mental health, and substance abuse issues. Frank combs the streets of Northbridge looking for these kinds of tenants willing to pay the \$120-140 pw upfront for a room inclusive of utilities and access to shared amenities.*

Several local governments in Australia including the City of Port Philip have an active lodging house retention strategy, as did the City of Fremantle. These serve to encourage new developments and support existing lodging houses with maintenance grants and approvals on upgrades.

Other forms of this broad category of housing may be better described as supported group housing set up to service a particular segment or client group – such as women escaping domestic violence or recovering substance abusers. In such cases it can be described collectively as special needs housing. The Town also has a relatively high concentration of these housing facilities; some operate as short term emergency housing, while others provide long term options.

Profile 9 *The Secret Street Women's Refuge was developed by Foundation Housing to service the needs of women escaping domestic violence. Six women live in separate one bedroom apartments as part of the same secure compound. The units are managed as permanent affordable rental housing.*

Depending on the type of special needs clients tied to such housing, there is the prospect of negative community perceptions. Appropriately matched sites and client typologies can do much to reduce the unnecessary tension around the development of new projects. An observation to emerge from the stakeholder interviews is that much of the community unrest surrounding such housing seems to subside fairly quickly once the residents have settled in. Staff training and Skills in Community engagement is paramount in such contexts,

Special Needs Housing can often exist fairly invisibly within the stock of single houses in the Town. Different models under the Community Disability Housing Program (CDHP) have community housing providers managing the stable housing while organisations such as the RUAH Centre provide support services to help maintain the tenancies. Other partnerships provide ancillary health and counselling for mental health outpatients.

Another form of group living arrangement comes in the form of industry aligned housing. School or hospital based housing, are typical examples of what has been a declining option. Nurse's quarters, once as common as hospitals, are rare these days. The relatively tight management arrangements of such industry tied housing, the low vacancy rates and rental arrears, together with the density of residents, provide a margin of affordability, with the prospect of good quality common amenities and good locations.

As practical as they are for addressing the affordability problem in inner city areas, these types of institutional tied housing facilities exist mainly as remnants of the past. However, in central Melbourne and Brisbane student focused housing has recently become an industry trend. In Broome, the Minister for Planning has also seen the urgent need to provide a site for community housing to develop and manage affordable housing for tenants specifically tied to the hospitality industry, to provide affordable housing for retaining the necessary workforce. In the Town, there is a strong case for student housing. Student focused compact living arrangements have a long track record of successfully accommodating 200-400 students with minimal parking demands, and full occupancy.

The Foyer which is a model for aspiring young people aligned with employment, cultural and sporting opportunities would also be appropriate. This internationally successful concept is currently being locally promoted by Anglicare. Other institutional tied housing models would also be suitable such as an allied health care/nursers quarters or an aged housing complex. The advantages of such models

are that they would service the chronically unmet affordable housing needs and generate high densities and public transport usage.

Profile 10 *Beattie Lodge has rooms available from \$20 per night for a twin share. The bathroom, laundry and kitchen facilities are shared. It caters to mostly young international students, as well some regional Western Australian tour groups. Many of the students attend the local language colleges. There are study rooms, together with recreational and internet facilities. It is heavily booked.*

Aged housing covers a variety of special needs housing arrangements catering for seniors, nearly all of which are likely to follow in some way the group housing format. They may include independent living units, semi independent units, and tertiary health care focused facilities. Although there is some specialisation, such as respite centres, many newer aged housing focussed developments offer a range of housing and care options on the same site.

Across Australia, the demand for aged housing is increasing, as is the range of options that are emerging to respond to what is now recognized as much broader range of needs. Some life style villages are advertising for people in their fifties and above. People are living longer, many are affluent, and many are not. Some will try to live out all their lives in their existing homes, others will adapt their homes and living arrangements to age in place or with their families, and others will seek specialist services and care.

The implications are that aged housing in one form or another is going to become a focus of both increasing demand and supply and with direct impacts on the housing stock and communities generally. Ancillary aged care focussed services and amenities such as 'Meals-on-Wheels', disability parking, and universal pathways are also important aspects of the broader community response to the aged housing imperative.

There are also many other forms of similar housing models rated as private residential, or special types of group housing. The tightening rather than the loosening of the regulations associated with Aged / Dependant Person Dwellings within the new R-Codes of Western Australia (WAPC 2008) acts as a disincentive to the provision of these housing types due to the high cost and impracticality of meeting the requirements. Universal design requirements, additional car parking provisions, binding legal agreements all co-contribute to the current undersupply of aged / dependent person dwellings.

One of the approaches used is to identify appropriate sites, such as larger corner lots, to accommodate more compact low level developments (four or more units), or to create such sites within the existing residential fabric though the promotion of lot amalgamations. These sites need to be appropriately located near commercial centres and public transport routes, and in areas where there are relatively high concentrations of seniors. Once identified, such area zones can be targeted for special consideration.

As well as changes to the statutory provisions, there is the potential for a brokerage role that would bring aging homeowners and renters together with private developers to initiate such development proposals.

Profile 11 *Casson House Hostel is located in North Perth and accommodates 70 senior residents. It is located near a shopping centre, a church, and bus stops. It is run by a private aged care provider and is registered under the Mental Health Act for local psychiatric hospitals and lodges. There is a mixture of single rooms and shared rooms all with nurse call bells. There are therapists and councilors. Meals are cooked on site.*
Supported Housing

There are a range of homeless shelters and supported housing facilities that are dedicated to providing shelter and assistance for both short and long term homeless people. These may take the form of night shelters (a shower, meal and dormitory bed for the night), or emergency accommodation often in the form of grouped rooms or units and with onsite management and support services.

A similar cluster of facilities and services for the homeless are adjacent in the City of Perth, and there are others clusters in Fremantle and Midland. As well as public transport hubs, and prior to gentrification, these older inner city areas had significant concentrations of older and cheaper rental stock and including lodging houses, and the corollary low income households. The support services and facilities grew out of this tradition, which was enabled by the generally depressed property market and the accompanying high vacancy rates and low rents/prices.

Such inner city areas also traditionally harbour a rich mix of residential, commercial and civic activities that foster a similarly diverse social fabric and a level of social tolerance that is exceptional relative to metropolitan norms. As a consequence, such areas both generate and receive homeless populations by circumstance and default from others. More specifically, the Town is one of the few local authorities within the Perth metropolitan area to service a regional catchment of homeless persons.

Profile 12 *Foundation Housing owns, develops, and manages various types affordable housing across the northern metropolitan region including low to moderate income family housing, single units, lodging houses, and women's refuges. As a developer of affordable housing, it is in expansion mode. It has access to housing development finance, and is actively seeking to partner with local authorities to identify sites and to develop projects.*

Community housing models span the range of affordable rental housing as described above. They can also include shared equity homeownership of housing schemes. The defining quality is that it is managed if not owned by a non profit charitable organisation. The stock of community housing has been growing within the Town, but there are no accurate number as to the size of the stock, and the census data is unreliable on this variable.

2.11 Public Housing

One of the key features of public housing is that it is stable affordable housing and as such tenants are generally protected from the rising rents experienced by the private market. Tenants are drawn from the waiting list for public housing which is in the order of 17,000 households. There are priorities for age, disability, and dependants.

According to the 2005 statistics issued by the DHW, the presence of public housing as a percentage of the total housing stock in each of the Town's suburbs varies considerably either side of the metropolitan average of 4.11%. See below for area comparisons.

Highgate	18.46%
Leederville	4.41%
Mount Hawthorn	1.51%
Mount Lawley	2.92%
Northbridge	8.50%
North Perth	3.08%
West Perth	5.86%
Metro Average	4.11%

The stock of public housing in the Town has not significantly changed in over a decade. There have been some additions but also some sales. The Census data indicates that only seven (7) new dwellings were added to the public housing stock. Without further additions the proportion of public housing in the Town of Vincent is likely to fall as the overall housing density within the Town increases.

One of the areas where there is likely to be some increase in the level of public housing is on land held by the East Perth Redevelopment Authority. The Draft Housing Diversity Policy recently prepared by the EPRA suggests that the affordable housing opportunities generated through their inclusionary zoning initiative will be administered by DHW.

One of the main reasons why the Town would benefit from a partnership with a community housing provider is that the affordable housing produced through the strategy could be targeted to service the specific needs of the Town's existing residents and as so defined by Council.

3.0 Part Three: Strategic and Statutory Considerations

Research into possible local government based/encouraged initiatives from around the nation and internationally has yielded several strong prospects for regulatory reform to both encourage and facilitate affordable housing. Discussions with Town of Vincent staff and an expanding selection of stakeholders have been in progress for some months. This was always anticipated to be a protracted process, possibly involving wider discussions, workshops and forums.

One of the products of the next stage of the work is an Affordable Housing Policy which is to provide a consistent framework for considering statutory reforms and guidance for development approvals. The range of possible reforms is potentially very broad and the implications significant. To be effective the policy will need to have the commitment from councillors and staff and a broad range of other stakeholders including the development industry and the Town's ratepayers. It will also require an integrated effort given that the capacity to respond is both between and beyond any single department. As Gurran's (2003) study highlighted, stable council support and leadership together with the internal capacity of staff and the effective coordination of resources were key critical in any example of success.

There are both strategic and statutory planning initiatives that can be used to reduce the impact of gentrification and increase the supply of affordable housing. There are also other activities and forms of facilitation from across Council's different departments, which, in conjunction with other government agencies and service providers, can achieve the desired outcomes. If adopted, these initiatives will serve to increase housing diversity and reduce housing costs.

Local governments are understandably resistant to exposing themselves to the risk of planning or other legal appeals. There are also constituents who are very wary of affordable housing. Accordingly, the opportunities for affordable housing as outlined are neither conservative nor radical. They are a small cross section from a raft of possibilities as practised elsewhere; they were selected as appropriate to the needs of the Town of Vincent, and where necessary this relationship has been made clear.

A summary of the statutory planning considerations is provided in the Appendix (2). The main conclusion drawn from the review of the existing framework is that there is ample opportunity to adopt a proactive role in respect to encouraging and facilitating affordable housing. The philosophy and principles of affordability should, ideally, be embedded more generally within planning policy and procedure rather than as a standalone approach in the same way as sustainability concerns are considered holistically.

Affordable housing activities both require and generate funding streams. There are a variety of initiatives and mechanisms that can unlock underutilised resources, and there is the potential for attracting and leveraging government and private investment. Some of the ideas that have been outlined also present significant undertakings outside of usual local government practise and expertise. In keeping with the brief, however, they can largely be considered as resource/cost neutral or positive given the associated potential returns on the investment - staff time, property and funding. If Council is interested in pursuing a more robust and proactive

affordable housing strategy then an appropriate funding mechanism that will provide the required flexibility, capacity, and accountability can developed accordingly.

In Appendix (4) an overview of how the different dimensions of an affordable housing strategy could be linked together to reinforce each other is provided in table format. It includes a range of proposed principles and objectives together with identified actions, stakeholders and resources.

This has been assembled to promote and inform discussion within Council and its departments. The purpose here is to offer a broad set of appropriate strategic interventions linked with an appreciation of the affordable housing issues and impacts within the Town.

3.1 Recommendations for an Affordable Housing Strategy

The report has established that there are significant levels of housing stress being experienced by the Town's residents and, that there is a strong case for local strategic intervention. The following recommendations are offered to Council for their consideration.

Recommendation 1

Acknowledge and understand the dimensions of the affordability crisis being experienced in the housing market both regionally and locally and then develop strategies to mitigate the crisis in the Town.

Recommendation 2

Develop strategies to ensure the Tow retains its remaining housing diversity and to expand this stock to adequately address the housing affordability needs among its current and future residents.

Recommendation 3

Develop strategies to meet the need for an expanded role in leading and coordinating locally appropriate housing reform, and with a strong focus on housing affordability.

Recommendation 4

Authorise the creation of an interdepartmental team (task group) to advance the affordable housing strategy through to implementation.

Recommendation 5

Authorise the development of an affordable housing policy to encompass the scope of the following five strategic objectives

- *Clarifies the Town's position and intentions and provides direction for ongoing policy review and regulatory reform.*
- *Fosters and facilitates local leadership and partnerships*
- *Fosters financial independence and accountability*
- *Encourages and facilitates housing diversity*
- *Identifies Mechanisms/Incentives to Encourage/Resource Affordable Housing*

An effective affordable housing strategy requires the integration of these mutually reinforcing strategic objectives.

Recommendation 6

Authorise Council's officers to pursue discussions with local service providers and institutions, including Foundation Housing and the Bendigo Bank, to define mutually beneficial partnership arrangements.

The most effective and resource efficient way to service the affordable housing needs of the Town's residents is to develop working partnerships with the existing network of local service providers and community based organisations.

Recommendation 7

Authorise Council's officers to discuss with the Bendigo Bank and Foundation Housing the prospects of establishing a dedicated trust fund to provide the financial service capacity to receive, manage and direct funds towards the development of affordable housing.

Affordable housing activities both require and generate funding streams. There are a variety of initiatives and mechanisms, including inclusionary zoning, which can unlock underutilised resources. There is considerable potential for attracting and leveraging government and private investment. These funds need to be managed accountably and be independent from Council's operating budget. Both Foundation Housing and the Bendigo Bank have valuable experience in this regard.

Recommendation 8

Retain and expand upon the existing diversity of affordable housing within Town's as a guiding principle to be in-bedded within Council's existing and future policies and practises.

The report concluded that there is ample opportunity within the existing framework to adopt a proactive role in respect to encouraging and facilitating affordable housing diversity. The philosophy and principles of affordability should be ideally be embedded more generally within planning policy and procedure rather than a standalone approach in the same way as sustainability concerns are considered.

Recommendation 9

Authorise officers to respond to the report's findings in respect to encouraging and facilitating housing diversity. Such activities would include but not be limited to:

- *Aged housing development and support initiatives*
- *Student housing development initiatives*
- *Lodging housing retention strategy*
- *Ancillary housing policy review*
- *Identified sites for industry tied housing*
- *Affordable housing models aligned with public transport nodes*
- *Facilitating and monitoring the appropriate provision of special needs housing*
- *Facilitating and monitoring the appropriate provision of public housing*
- *Community education and engagement*

The report found that the planning framework and Council policy in general has not purposely worked to encourage housing diversity. There are also instances where policies directly and indirectly undermine the prospects for affordable housing development, particularly in respect to private and community housing provision.

Recommendation 10

Authorise officers to develop mechanisms and incentives to encourage and resource the development of affordable housing. Such activities would include but not be limited to:

- *Identifying strategic sites and zones to facilitate the provision housing diversity developed by developers and homeowners;*
- *Identifying underutilised sites that could be developed into affordable housing;*
- *Developing an inclusionary zoning clause within the affordable housing policy to both generate funds and encourage the direct develop affordable housing;*
- *Creating incentives including development bonuses to negotiate with private sector developers and community housing providers to facilitate increased levels of affordable housing provision.*

The Town is in a strong position to encourage and facilitate the provision of affordable housing appropriate to the current and future needs of its residents. Towards this objective, there is no shortage of capacity, resources or funding within the Town's network of community service providers and agencies. What they seek most from the Council is leadership, facilitation and coordination.

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Appendices

Appendix 1

Affordable Housing Strategic Partnerships – Working with Community Housing Providers

Appendix 2

Statutory Considerations

Appendix 3

Comparative Demographic and Housing Indicators

Appendix 4

Strategic Initiatives Overview

Appendix 1

Affordable Housing Strategic Partnerships – Working with Community Housing

The following brief outlines the role and mode of operation of community housing providers in developing and managing affordable housing.

Community Housing makes up less than 1% of WA housing stock, which by international standards is very small. Many OECD nations have greater than 10% of total their housing stock under community ownership. Several northern European nations have community housing levels higher than 20 percent in some areas. The UK has many large housing associations that develop and manage large stocks of affordable housing and service regional catchments

In some large US cities such as New York and Boston, community housing has had exponential growth since the 1980s, with some 30% of all new housing provided by community in housing in partnership with government agencies and private investors, developers, and builders.

Advantages of Community Housing

- Demand and Needs Based Housing, rather than supply driven
Very high occupancy rates - 98%
- Strong Housing Management and Tenant Support Focus
Very low rental arrears - less than 2%
- Organisational Capacity
Robust Corporate Structure
Social Housing Focused Agenda
Skills/ Knowledge and Established Networks
- Flexibility - different Income levels, housing types, housing allocation and tenant placement, financial sources (government, private, community) and development models.

Disadvantages of Community Housing

- Community Housing sector is overly fragmented
Lack Economies of Scale
- Many Lack of Organisational Capacity
Limited Finance Reserves and Technical Knowledge
- Many Focus on Tenant Management Only
Few Focus on New Housing Development

Foundation Housing is a Public Company Limited by Guarantees

- Not for Profit (NFP) Charitable Institution managed by
- Voluntary Board of Directors
- CEO and Management team
- Role and Agenda – to provide social and affordable housing to alleviate housing stress
- Resources – skills, network, finance, property, charity tax status, development bonuses

Foundation housing was formed two years ago through the willing merger of three community housing providers. The merger was undertaken to develop the organisational capacity to expand both as a developer and as a manager of affordable housing. The DHW supported this merger, and encouraged the process by dedicating a funding stream to Foundation Housing to build affordable housing in partnership with other community organisations and local government. Foundation Housing services the north metro area, with an expansion program into the Kimberley and Pilbara to address the needs of essential worker affordable rental housing, while Access Housing in Fremantle services the south.

Foundation Housing

Managers in excess of 600 properties

and currently has a development budget in the order of \$60 million

Board Members

The Board is comprised of 9 members and appointment to the Board is on an expertise base. Current Board members are drawn from such varied fields as Architecture, Insurance, Banking and Finance, Community Sector, Accounting, Legal, State Govt and a tenant representative.

Partnership Types - Examples and Prospects

- Tenant Support partners

Partnerships with other not-for-profit agencies engaged in the support of residents with high needs. NFP owns/manages housing and the partner agency or NFP attends to the physical or mental well being of the resident. Has been applied mainly in disability housing and crisis accommodation, but there are any different possibilities – Spanish Speaking Seniors, the Artist Foundation are examples.

- Local Government partners

eg Subiaco and City of Stirling– project discussions Negotiations with local Govt in the establishment of affordable housing on council property, Partnership with Council in the sense that land is held by council but leased to the NFP on a long term lease (50years+/-). NFP utilises lease hold in raising capital from Govt and Financiers to complete the housing project. At expiry of lease land and improvements reverts to Council or lease is extended.

- Joint Venture Project partners

eg EP City Housing + Artist Foundation + DHW NFP can enter into JV partnerships with local area redevelopment authorities in the production of affordable housing, EPRA, SRA & MRA. This may take the form of a sale of land by the authority to the NFP at a subsidised rate or an actual partnership to develop and sell a portion of the project to the market so as to return a surplus to the Authority with the residual property being held by the NFP as affordable rental stock.

Other Joint venture partnerships can be entered into with Government Departments such as the Housing Authority wherein the NFP may introduce land and the Authority provides capital funding to construct the improvements.

This funding is more in the line of a grant and equity in the development is reflected in the agreements to the project.

- Joint Venture Builder partners

The primary opportunity for partnerships in such an area is when a builder is required to produce a component of affordable housing within a housing development and the affordability of that housing is to be protected in perpetuity or for an extended period of time. In such an instance the NFP can take a role in the management of the affordable component for the developer/builder or alternatively could acquire the affordable component from the developer/builder at an agreed price removing any onus for the partner to take a long term holding position in the property. This area of operation has seen Foundation enter into partnership arrangements with the private sector in various Landcorp calls for EOI in redevelopment of surplus State land.

The need for partnerships with builders has become more pronounced as the scale and complexity of the projects have grown. For the benefit of the GST tax free status to be fully realised, any construction will have to be project managed by the community housing provider, and then sub contracted out to a builder. These partnerships also need to be refined enough to take full benefit of the scope for innovation in housing design and building, to deliver better housing solutions for a diversity of needs. Community housing also comes with the prospect of development bonuses and allowances, negotiated with supportive local government partner following local housing strategy guidelines and allowances with the TPS for such.

- Industry partners – preliminary discussions have been entered into with Multiplex, Delphin, Lend Lease, Australand, Jaxon Group, Homestart and ABN Group

- Joint Venture Land Development partners

eg Land Corp project scenarios - this is an area of greatest potential for partnerships between a NFP, a Govt land agency and a private developer. With the release of Govt land these days the tender would normally contain a requirement for the finished product to contain an affordable/social housing component of some 15% both rental housing and affordable for sale. The NFP would form a partnership with the tendering party to assume the liability for the affordable component and assume the obligations to provide this housing and maintain the affordability criteria.

In a release of a smaller site by the Govt land body, say up to 40 lots, the NFP could tender on its own right and produce a mix of sites. These would then be apportioned on a say 40% full private sale, 30% for affordable housing for sale and 30% for affordable social rental. The sale of the 40% private would return the investment to the partner and the sale of the 30% affordable would subsidise the 30% rental along with a component of leveraged funds.

- Joint Equity partners in home ownership

Equity participation in home ownership for those in need of affordable housing ie; Key/Essential workers who are unable to access the home ownership market through income restrictions. FHL offers shared equity ownership with Shared equity schemes in operation, see moderate income homeowners (Key/Essential workers partnered) up with NFP in a 60/40 ownership split. Covenants are in place to protect affordability in the long term. Maximum 90% equity can be attained with affordability benchmarks attached to any resale. There are many different schemes.

However, with without some mechanism to reduce/subsidise the cost of land, the development cost in inner city areas is prohibitively expensive for such initiatives. The draft Housing Diversity Policy developed by the EPRA outlines this form of initiative as a model of interest, working through the scheme recently developed by the DHW. Such schemes can also be administered through community housing providers.

Community Housing Development - Working the Margins

For Community Housing to work efficiently, it needs to consider and harness all of the marginal opportunities that can be used to develop a housing stock that can be self sustaining through affordable rents. These include:

- Mix of Public/Private/Community funds
- Land Discounts/Grants
- Building Design Efficiencies
- Tax Breaks
- Development Bonuses and Allowances
- Tenant Management Efficiencies
- Housing Different Income Levels
- Industry Good Will and Assistance
- Government Agency Patronage
- Political Leadership

Future Prospects

Capacity building among key providers has begun through consolidation and stronger links with specialist and area based support services. Some of the necessary capacity building is being created through the partnerships.

Among the agency partners, there has been a lot of institutional movement of late. DHW has dedicated \$213million to fund a capital works program for community housing. The whole process has become more responsive to emergent opportunities. The recent interest shown by Land Corp is another example of this trend.

Appendix 2 Statutory Considerations

Implementation of Affordable Housing approaches could occur in any manner of ways, many with little amendment to the framework, processes and practices of the Town of Vincent. The difficulty often occurs however when there is no established framework to manage the properties or facilitate their retention as affordable housing into the future past their first generation allocation as such. Below is a discussion of the statutory framework as it exists for the Town of Vincent and as could be applied to the provision of affordable housing.

A Housing Affordability Strategy could address the question of affordability at a number of different levels outlining opportunities which could present on a small scale to those on a much larger co-ordinated level. In this regard, all options and possibilities are presented.

The initial part of this discussion considers the existing statutory requirements as they occur in Vincent (and where they can encourage or where they are restrictive to the provision of affordable housing), and the later considers how these could be changed to more specifically address, promote and include a greater emphasis on affordability aspects of residential developments.

Town Planning Scheme

The following is a discussion of elements of the Town of Vincent Town Planning Scheme No. 1 as relating to the provision of affordable housing –

(i) Objectives and Intentions

Clause 6 sets out the, 'Objectives and Intentions' of the Town Planning Scheme in clause (1), (2) and (3) (a) to (h). Page 1-2.

A number of these could directly be applied to the considerations concerning affordable housing although none specially reference this.

Specifically, clause 6 (1) states, “The Council has prepared this Scheme for the purpose of controlling and guiding development and growth in a responsible manner and which can initiate, accommodate and respond to change.”

And 3 (a) “to cater for the diversity of demands, interests and lifestyles by facilitating and encouraging the provision of a wide range of choices in housing, business, employment, education, leisure, transport and access opportunities” and further, 3 (b) “to protect and enhance the health, safety and general welfare of the Town’s inhabitants and the social, physical and cultural environment”.

The Scheme should be amended in this instance to include the intention of promoting affordable housing. The City of Port Phillip makes reference in their affordable housing policy to providing assistance to residents and people of their community to have access to suitable and accessible housing – this approach is not to necessarily encourage people from across the metropolitan area to relocate in Port Phillip but to ensure current residents can continue to live within the community that they are familiar with.

(ii) Zoning Table

Listing of uses relating to the affordable housing scenario –
(Town of Vincent Town Planning Scheme No.1)

(Adapted) Zone Table

Use Class					
	Residential zone	Residential/commercial	Local centre	District Centre	Commercial zone
Single House, caretaker's residence	P	P	P	P	P
Aged or dependent persons dwelling	P	P	AA	AA	AA
Attached house, grouped dwelling	P	P	AA	AA	AA
Multiple dwelling	P	P	AA	AA	AA
Lodging house, hotel, motel, club, tavern, private hostel, service apartment	SA	SA	SA	SA	SA
Hospital, institutional building	SA	SA	SA	AA	AA

Where –

- P – means that the use is permitted by the scheme
- AA – means that the use is not permitted unless the Council has exercised its discretion by granting planning approval
- SA – means that the use is not permitted unless the Council has exercised its discretion and has granted planning approval after giving special notice in accordance with Clause 37. (Where Clause 37 sets out the advertising procedures)

Note – uses that are not defined in the R Codes are defined in the Town of Vincent Scheme as –

Caretaker's residence – means any building, incidental to the predominant use, used as a dwelling by a person having the care of the building, plant, equipment or grounds associated with an industry, business, office or recreation area carried on or existing on the same site.

Hostel – means a lodging house which is not open to the public generally but is reserved for use solely by students and staff of educational establishments, members of societies, institutes or associations.

Institutional building – means a building used wholly or principally for the purpose of – hospital; sanatorium for the treatment of infectious or contagious diseases; home or institution for the care of State wards; orphans or persons who are physically or mentally handicapped; penal or reformatory institution; hospital for the treatment or care of the mentally ill; residential building for the care and maintenance of children, the aged or the infirm; or benevolent institution.

[Note – this definition was to be removed from all schemes in the mid 1980s as considered inappropriate; to be replaced by the definition Residential Building as defined in the R Codes.]

Residential Building – means any land or buildings used to accommodate persons but does not include a caravan and camping park, or corrective institution.

[Note - this definition is contrary to the definition contained within the R Codes]

Serviced apartments – means a building or buildings which include self-contained units for transient accommodation.

[Note – different to that given in the R Codes].

Note (2) – Attached dwelling is neither defined in the scheme nor the R Codes.

The uses outline all present opportunities to establish affordable housing options, some like a caretaker's residence provides this opportunity at a small scale, other like multiple dwellings or mixed use options present the opportunity for a much larger scale of development. The possibility for the development of lodging housing or group or multiple dwellings, as affordable housing complexes or as part of an overall development is provided for.

The City of Port Phillip offer as part of their affordable housing programme the following types of housing –

- Rooming house and bedsitter/studio accommodation
- 2,3,4 bedroom family flats and townhouses
- One bedroom older persons' units
- One bedroom singles units
- Disabled persons' accessible housing

(http://www.portphillip.viv.gov.au/community_housing_program.phtml)

The special applications of the R Codes for some precincts which exclude multiple dwellings would seem contrary to this and perhaps should be revisited. Alternative controls relating to building bulk or form or height could be supplemented if this is the concern with permitting multiple dwellings. Such a provision as this has prevailed since the 1980s in response to form,

with the intent to exclude the 1960s form of 'flat' development. Since then some innovative forms of multiple dwellings have been constructed (Subi Centro and East Perth), which are totally appropriate for inner city locations without being excessive in height.

Single bedroom dwellings are not listed as a separate use and could be considered as multiple dwellings – if this is the case then they are also excluded from a number of precinct areas which would work against their provision.

The listing of lodging houses and the like as 'SA' uses requires them to be advertised prior to approval by the Council. Often in these instances concerns are raised by the community about proposed uses and in this way a number never eventuate. In instances where uses have developed many of the original concerns do not bear out, such as the reduction in land values for example.

Residential buildings as defined in the R Codes should be included on the table and be a discretionary use in all zones. This allows the development of all types of "group homes" at the discretion of the Council (See definition below in discussion of the R Code provisions).

Short term accommodation should be listed on the Zone table, as the SA use the policy allows for.

(iii) Special Application of the Residential Planning Codes

Clause 20 of the Scheme permits the increase in residential density by up to 50% where –

“(a) the proposed development effects the discontinuance of a non-conforming use;

or (b) the proposed development conserves or enhances an existing dwelling or existing dwellings worthy of retention;

or (c) the proposed development would remove all existing vehicular access to and from the site from a road shown on the functional road hierarchy map as a primary distributor or district distributor”.

An addition could be included in this section, (where the precedence has been set to provide for density bonuses), as a scheme amendment that specifically allows for a density bonus to be granted for the inclusion of affordable housing.

Clause 20 (4) (a) to (h) states, “Notwithstanding the provisions of the Residential Planning Codes, the following special applications of the Residential Planning Codes apply...”. The proceeding clauses then restrict the development of multiple dwellings in the following Precincts, Cleaver Precinct, Smith’s Lake Precinct, Norfolk Precinct, Hyde Park Precinct, Forrest Precinct, Banks Precinct.

This restriction covers a significant portion of the Town and excludes the development of multiple units which is often the most appropriate form of affordable dwellings particularly in inner city locations. New innovations in multiple unit developments such as in East Perth and Subiaco have seen design which would readily “fit” within the character of Vincent. This provision within these precincts should be deleted. It is noted that such an approach was included in scheme in the early 80s and had resulted from policies stretching back previous to this. In 2008 our approach to forms of development should be reflective of a number of other aspects such as sustainability and affordability. Such an approach does not need to be at the detriment of existing form, character or heritage.

(iv) Planning Policies

Clause 47 relates to planning policies and their creation. Specifically, 47 (2) (d) states –

“In preparing a draft planning policy, the Council is to have regard to – (d) any strategies, studies or objectives adopted by the Council”.

An Affordable Housing Policy could be adopted under these provisions of the scheme. The following is a discussion of the existing planning policies as they relate to affordable housing –

Ancillary Accommodation (Policy 3.4.1)

This policy supplements in the most part the requirements of the Residential Design Codes (R Codes). The objectives of the policy relate to control and enforcement rather than being about the provision of alternative or inter-generational (housing) accommodation. This policy sets framework regarding occupancy, area, parking and access and addresses loft-type accommodation above garage structures.

This policy could be used to promote more affordable housing options and although has been constructed to address enforcement problems and issues arising in the past, could be re-worked to encourage a greater variety of application; policy content could be similar to as applying to single bedroom dwellings (Policy No. 3.4.7)

Such a policy as this could also facilitate the above garage development (to laneways) as operates in the City of Joondalup town centre. Provisions similar to those already in the policy could control the form, use and arrangements of these alternative forms of housing.

Aged or Dependent Persons’ Dwellings (Policy No 3.4.2)

This policy specifically relates to the aged (as defined in the R Codes), but for the Town of Vincent the definition given as part of the policy is extended to

include “or person with a recognised form of handicap or disability requiring special accommodation provisions for independent living or special care”.

This type of use would facilitate the development of affordable housing which caters for the aged. The policy, together with the aged and dependent requirements of the R Codes set quite an arduous but not unachievable list of development criteria for this form of housing. The additional requirements of the policy linking into support services etc. may prohibit this form of development or add to the overall costs which could remove the end resulting units out of the reach of many older people on lower incomes.

Certainly ageing in place is a philosophy that is widely supported in the planning arena, however not all wish to stay within their family homes. Provision of specialised aged care facilities allow many to stay within the community but move from the family home, making this premises then available to others.

Single Bedroom Dwellings (Policy 3.4.7)

This policy also supplements the provisions within the R Codes which relate to Single Bedroom dwellings. The policy recognises the nature of this form of residential development and permits reduced requirements in relation to car parking, storerooms and balconies.

This form of development is ideal for affordable housing situations and particularly in providing accommodation for service workers such as those in hospitality and other service industries like hospitals workers. The Town of Cambridge has in recent times approved single bedroom developments. One, on Cambridge Street, Leederville comprises nine single bedroom dwellings and four grouped dwellings. This location was considered ideal as it is on an extensive transportation spine and located in close proximity to the St John of God Hospital providing necessary accommodation for hospital staff. In Subiaco many of the short term stay accommodation and

Homeswest housing is provided for people seeking care in nearby hospitals for themselves or family members.

The policy objectives recognises the need to cater for appropriate forms of housing for one or two persons households however the objectives and a number of other parts of the policy make reference to high quality developments, high level of appearance, high level of quality and design standards, and good quality building materials – all which if promoted extensively serve to increase overall housing costs.

The policy also allows for bonuses to be granted where a heritage building/s is to be saved as part of the development. This could easily incorporate a similar type of arrangement to facilitate the inclusion of a percentage of affordable units in a similar manner.

Short-Term Accommodation (Policy 3.4.5)

This type of accommodation is not defined in the Scheme nor included on the Zone Table and in fact the policy states that such a use, defined as, “means the provision of accommodation, lodging or boarding within a residential property for as maximum of six(6) persons, exclusive of the family of the keeper thereof, for a period less than six (6) months within any twelve month period.”, as an unlisted use.

[Clause 15 of the Scheme deals with unlisted uses and says generally that an unlisted use can be dealt with as a permitted use, one which requires advertising or one which would not be permitted. In the case of this policy the use is required to be dealt with as requiring advertising.]

Short term accommodation could easily be used to provide affordable housing options for those who need housing assistance in a shorter term framework but the rigorous requirements of this policy for management plans, car parking plans, yearly approvals and the continued operations being based

on the comments of others (section 4) means that organisations are unlikely to commit to this type of development.

Percentage for Public Art (Policy 3.5.13)

This policy requires a contribution from a developer of one per cent, where the development is over the value of \$500 000, to be used for the purchase of public art. Although this policy does not at all relate to affordable housing provision, the concept could very readily be applied to the provision, or cash-in-lieu contributions to the provision of affordable housing.

Parking and Access (Policy 3.7.1)

The policy does allow for a reduction in the number of spaces required to be provided where the development is in close proximity to public transport, public parking facilities or bicycle parking and end of trip facilities are to be provided amongst other things.

Provision of parking facilities at a high rate can increase development costs. Reduction in the number of bays may be supported in units used by those with lower incomes who don't necessarily have the use of a car, particularly for the provision of affordable housing. This does have the potential to decrease development costs although it also does have the potential to increase parking congestion if residents do have access to vehicles.

Residential Design Codes (R Codes) (Variation 1)

[Dissection of the R Codes with relation to the discussion of Affordable Housing Opportunities]

The general objectives of the R Codes state, amongst other things – “1.3 (a) To provide for a full range of housing types and densities that meet the needs of all people”.

The objectives for the planning and development process in clause 1.3.2 states, amongst other things, “(a) To provide local government with the full range of choices for housing type and design, to meet the needs of their communities”.

It could be determined that these objectives are not being met where opportunities are not present for alternative forms of housing that suit a variety of different people and/or the needs of the community.

Relevant definitions from the R Codes which may apply to different forms of affordable housing follows –

Aged Persons – A person who is aged 55 years and over.

Ancillary accommodation – Self-contained living accommodation on the same lot as a single house that may be attached or detached from the single house occupied by members of the same family as the occupiers of the main dwelling.

Dependent person – A person with a recognised form of disability requiring special accommodation for independent living or special care.

Dwelling - A building or portion of a building being used, adapted, or designed or intended to be used for the purpose of human habitation on a permanent basis by a single person, a single family, or no more than six persons who do not comprise a single family.

Incidental development – Development which is associated with or attached to a dwelling and incidental to its main residential functions.

Mixed use development - Buildings that contain commercial and other non-residential uses in conjunction with residential dwellings in a multiple dwelling configuration.

Residential Building – A building or portion of a building, together with rooms and outbuildings separate from such building but incidental thereto; such building being used or intended, adapted or designed to be used for the purpose of human habitation:

- Temporarily by two or more persons; or
- Permanently by seven or more persons, who do not comprise a single family, but does not include a hospital or sanatorium, a prison, a hotel, a motel, or a residential school.

Services Apartments – A residential dwelling that forms part of a complex where common maintenance or other services are provided.

Single bedroom dwelling – A dwelling that contains a living room and no more than one other habitable room that is capable of use as a bedroom.

In discussion of the above –

In the development of Ancillary Housing – Clause 7.1.1 P1 states, “Ancillary dwellings that accommodate the needs of large or extended families without compromising the amenity of adjoining properties”. In A1 it states –

“An additional dwelling or independent accommodation associated with a single house and on the same lot where:

- i the sole occupant or occupants are members of the family of the occupiers of the main dwelling;
- ii the lot is not less than 450sqm in area;
- iii the open space requirements of table 1 are met;
- iv there is a maximum floor area of 60sqm; and
- iv (sic) one additional car space is provided.”

These provisions are supplemented by the ancillary housing policy of the Council – discussion of this item has been provided under the discussion of policies.

The R Codes facilitates the development of aged or dependent dwellings where they are designed to meet the needs of aged or dependent persons and are in demand, are located in close proximity to public transport and convenience shopping, and have due regard for the topography. Again these requirements are supplemented by Council policy. The requirements of the policy are quite extensive and may restrict the numbers of developments occurring. Dependent persons' dwellings are often treated as another use class and advertised prior to approval – bringing about community opposition. In operations these small premises often operate without issue once established.

The R Codes facilitates the development of single bedroom dwellings. These are often developed to cater for the provision of accommodation for students and/or service workers such as hospital workers. In addition to the normal requirements that apply to the development of grouped or multiple dwellings the only other additional requirement is for a maximum plot ratio area of 60sqm per dwelling. These types of developments could very readily be developed within the Town of Vincent and used for the provision of affordable housing. A policy of Vincent requires these forms of development to be of a high quality. Often this results in the provision of smaller units but in the top end of the market – and although ideal for workers and single households on low incomes – they are not available.

The R Codes address how dwellings created as part of a mixed use development should be constructed – this would be the ideal form of development to include affordable housing opportunities or to facilitate developer contribution to the provision of affordable housing.

How can we provide for Affordable Housing!

There are many ways to provide for affordable housing in the Town of Vincent. The approach could be co-ordinated although somewhat piecemeal in that amendments could be made to various scheme provisions, policies and approaches to facilitate the development of ad hoc affordable housing opportunities.

This approach would facilitate the provision of affordable housing in a variety of forms including as ancillary housing, aged and dependent persons dwellings, single bedroom dwellings, lodging houses, residential buildings and short term accommodation amongst others.

There are many sites which presents opportunities for redevelopment in inner city locations, above council car parks, over sumps, over train lines for instance. Negotiations with community organisations could see the redevelopment of these sites at little cost to the Council in return for a longer term, peppercorn lease arrangement.

(Similar situation happened in the City of Cockburn where land was given over for the development of a soccer ground to a club who paid for the establishment of the grounds and the clubrooms in return for a peppercorn lease arrangement. The City did not have the money to develop the clubrooms and grounds etc and the club did not have the money to buy land to support such a development)

A policy facilitating the provision of affordable housing could be formulated. As such, a policy may facilitate the development but does not necessarily promote the concept or the development of affordable housing. If enacted upon, who would be responsible (manage and operate) for the affordable units provided. This could be supported by strategic directions and revised objectives and intentions within the scheme.

A policy tied to the awarding of bonus plot ratio (floor space) or other development incentives may facilitate the development of affordable housing accommodation however (again) until some organisation (could be one of the already established no-for-profit organisations or DHW) exists to manage this outcome, or the Town is set to self manage affordable housing units produced from this process then the operation would be set to fail. This could be on similar lines to the public art policy where monetary contributions can be made, or a direct transfer of property. In the City of Waverley this approach sees the resulting bonus being shared evenly by the community (through provision of affordable housing to the Council) and by the developer (by being able to build greater floor space).

Conclusion

With the existing planning framework there are multiple opportunities to encourage and facilitate affordable housing. Each of these approaches requires further work to progress and would need to be supported by the Council prior to this being undertaken.

Appendix 3 Community Profiles and Housing

Community Profile	Mount Hawthorn	North Perth	Highgate	Leederville	Mount Lawley	Town of Vincent	Perth Metro
Population							
Males	49.6%	49.1%	50.9%	49.1%	48.8%	50.5%	49.4%
Females	50.4%	50.9%	49.1%	50.9%	51.2%	49.5%	50.6%
Age							
0-4 years	9.2%	5.9%	3.8%	4.8%	4.5%	5.5%	6.2%
5-14 years	12.6%	8.6%	4.8%	5.3%	9.0%	7.6%	13.4%
15-24 years	9.4%	12.8%	14.7%	15%	15.3%	13.6%	14.8%
25-54 years	51.8%	48.8%	55.4%	56.5%	48.4%	52.9%	42.9%
55 – 64 years	6.9%	7.8%	9.7%	7.2%	10.1%	7.9%	10.7%
65 – 74 years	4.4%	7.5%	6.1%	4.6%	5.0%	5.5%	6.3%
75+ years	5.7%	8.7%	5.9%	6.9%	7.9%	7.0%	5.7%
Marital Status	Mount Hawthorn	North Perth	Highgate	Leederville	Mount Lawley	Town of Vincent	Perth Metro
Married	50.6%	41.5%	27.8%	30.8%	38.4%	36.3%	49.0%
Never Married	34.4%	40.6%	53.8%	51.5%	44.3%	46.6%	34.4%
Separated/divorced	9.8%	11.1%	13.5%	12.2%	10.9%	11.5%	11.5%
Widowed	5.2%	6.7%	5.2%	5.5%	6.4%	5.5%	5.2%
Labour Force							
Full time	62.7%	64.9%	66.9%	69.3%	63.2%	65.5%	61.0%
Part time	28.6%	26.6%	24.2%	22.5%	28.5%	25.6%	28.8%
Employed away from work	4.9%	3.7%	2.0%	4.2%	3.6%	3.8%	3.9%
Employed hours not stated	1.7%	2.1%	2.4%	1.6%	1.7%	1.8%	2.6%
Unemployed	2.0%	2.8%	4.4%	2.4%	3.0%	3.3%	3.6%

Gross Household Weekly Income	Mount Hawthorn	North Perth	Highgate	Leederville	Mount Lawley	Town of Vincent	Perth Metro
Negative/nil income	0.9%	1.4%	2.3%	1.2%	1.3%	1.7%	1.3%
\$1 - \$249	5.8%	7.8%	15.4%	6.1%	5.9%	7.6%	6.9%
\$250 - \$499	11.6%	13.0%	18.2%	7.9%	10.3%	11.7%	12.6%
\$500 - \$999	16.9%	20.5%	11.6%	22.3%	24.9%	21.6%	27.7%
\$1000 - \$1999	31.1%	30.4%	32.2%	35.2%	28.4%	31.2%	29.2%
\$2000+	33.7%	26.9%	20.3%	27.3%	29.2%	26.2%	22.3%

Housing	Mount Hawthorn	North Perth	Highgate	Leederville	Mount Lawley	Town of Vincent	Perth Metro
Dwelling Characteristics							
Separate house	91.9%	72.7%	27.7%	46.8%	54.8%	57.5%	79.1%
Semi-detached, row or terrace house	3.6%	14.1%	23.0%	38.2%	16.2%	19.1%	11.8%
Flat, unit or apartment	4.3%	12.8%	49.3%	14.7%	29.0%	23.1%	8.5%
Other dwelling	0.1%	0.2%	0.0%	0.3%	0.07%	0.2%	0.5%
Not stated	0.0%	0.2%	0.0%	0.0%	0.0%	0.1%	0.04%
Household Composition							
Family household	64.6%	54.3%	37.2%	47.9%	54.8%	49.2%	71.2%
Lone Person household	24.8%	29.8%	41.8%	33.7%	36.3%	31.5%	25%
Group household	5.4%	8.1%	9.0%	10.8%	8.9%	9.1%	3.8%
Tenure Type							
Fully owned	31.3%	31.3%	15.0%	21.9%	28.7%	24.6%	31.1%
Being purchased	39.2%	29.9%	19.5%	29.0%	31.6%	28.3%	39.7%
Rented	22.3%	28.8%	51.6%	36.3%	36.2%	34.9%	25.7%
Other tenure	0.4%	0.9%	0.0%	3.4%	1.1%	0.8%	1.0%
Not stated	6.8%	9.3%	14.0%	9.5%	2.5%	11.3%	2.6%
Median Rent	\$215	\$210	\$175	\$225	\$184	\$205	\$180
Median housing loan repayment (\$/month)	\$1625	\$1628	\$1300	\$1500	\$1592	\$1600	\$1300
Median House Price	\$707 000	\$697 500	\$790 000	\$765 000	\$850,000		\$465 000

Key Demographics	Mount Hawthorn	North Perth	Highgate	Leederville	Mount Lawley	Town of Vincent	Perth Metro
Students	14.8%	19%	27.0%	22.0%	21.2%	22.0%	7.3%
Key workers (2)							
Accommodation/services	4.5%	6.1%	8.5%	7.3%	7.6%	7.3%	5.8%
Retail trade	8.1%	8.8%	8.2%	8.5%	8.3%	9.1%	11.4%
Transport/postal/warehouse.	1.9%	3.0%	2.1%	2.0%	2.9%	2.1%	4.2%
Total	14.5%	17.9%	18.8%	17.8%	18.8%	18.4%	21.3%
Part time employees (3)	26.2%	23.4%	19.8%	20.2%	24.6%	19.4%	26.0%
Underemployed looking for stability (4)	1.0%	1.4%	2.0%	1.4%	1.3%	1.7%	1.8%
Unemployed (3)	1.9%	2.5%	3.6%	2.3%	2.6%	2.9%	3.3%

(1) Student number calculated by adding (Technical or further educational institution) + (University or other tertiary institution) + (Other type of education institution) + (Type of education institution not stated) from ABS data.

(2) Percentage calculated based on the total number of employed people. (Labour force)

(3) Part time employees calculated on population in workforce including unemployed looking for work and labour force status not stated.

(4) Underemployed looking for stability was calculated based on the population in the labour force. Additionally, unemployed people looking for full time work was used to obtain this figure as full time work offers the most stability.

Appendix 4 Strategic Initiatives

INITIATIVES	PRINCIPLES and OBJECTIVES			
KEY ISSUES	ACTIONS	PLANNING	STAKEHOLDERS	RESOURCES
Policy	Guidance, Consistency and Opportunity			
<p>Affordable Housing in Australia is Relatively Undeveloped But is Evolving Rapidly.</p> <p>Housing Reform Initiatives Recognise that Existing Policies Undermine the Potential for Affordable Housing</p>	<p>Define Policy Directions</p> <p>Collaborate with State Agencies on Current Policy Initiatives and Resourcing</p> <p>Collaborate with Housing Providers</p> <p>Communicate and Engage with Community</p> <p>Conduct Internal Policy Review</p> <p>Formulate Housing Policy</p>	<p>Develop Strategic Priorities</p> <p>Liaise with DPI on Policy and Statutory Support</p> <p>Develop Strategic Initiatives</p> <p>Develop Community Education and Engagement Strategy</p> <p>Review Planning Policy and TPS</p> <p>Formulate Affordable Housing Policy</p>	<p>Council/Committee</p> <p>DPI Local Housing Strategies Guidelines</p> <p>DHW Community Housing Policy</p> <p>Planning Department Community Development</p> <p>Planning Department</p>	<p>Leadership, Contacts & Support</p> <p>Policy Support Master Planning of Station Precinct</p> <p>Funding Source Development Fiancé</p> <p>Community Knowledge and Links</p> <p>Staff</p>

Partnerships	Leadership, Facilitation and Enablement			
<p>Local Governments are Overburdened and Under-Resourced But Need to Respond to Housing Affordability Issues and Locally Appropriate Housing Reform in General</p> <p>Partnerships can Enable, Facilitate, and Resource the Implementation of the Affordable Housing Strategy.</p>	<p>Inter-Departmental Coordination Team/Committee</p> <p>Build on Existing Networks Liaise with Potential Partners and Investigate Possibilities</p> <p>Collaborate with Community Service Providers</p> <p>Collaborate with State Agencies</p> <p>Develop Partnerships with Community Housing Providers</p> <p>Develop Relations with Financial Institutions</p>	<p>Leadership, Coordination and Support</p> <p>Strategic Planning</p> <p>Research and Monitoring</p> <p>Designated Contact</p> <p>Designated Contact</p>	<p>Council/Committee</p> <p>Community Network</p> <p>Housing Support Services</p> <p>DHW, DPI, DS EPRA</p> <p>Community Housing Providers</p> <p>Bendigo Bank</p>	<p>Leadership, Direction and Support</p> <p>Local leadership, Funding, and Sites</p> <p>Needs Identification and Direct Support</p> <p>Funding and Policy Support and Enablement</p> <p>Project Development Skills and Housing Management. and Development Funds</p> <p>Banking Services, Lending, and Housing Trust Mgmt</p>

Finance	Independence, Accountability, Flexibility			
<p>The Affordable Housing Strategy Needs to be Financed by a Funding Stream that Does Negatively Impact upon Council's Pre-existing Budget.</p> <p>The Strategy Needs to Unlock Untapped Sources and Attract and Leverage Further Investment from External Sources. This Requires the Creation of a Financial Trust Mechanism to Service the Finance Dimensions with Accountability and Flexibility</p>	<p>Develop Finance and Resources to Implement the Affordable Housing Strategy</p> <p>Identify Potential Sources of Funds and Resources</p> <p>Investigate the Development of a Housing Trust Funding Mechanism</p> <p>Develop Partnerships and MOUs with Community Housing Providers and Banking Institutions</p>	<p>Support Research Grant Submissions</p> <p>Identify Strategic Sites</p> <p>Develop Inclusionary Zoning Policy and other Planning Mechanisms</p>	<p>Council/Committee</p> <p>Community Partners</p> <p>DPI, DHW, DS</p> <p>Foundation Housing</p> <p>Bendigo Bank</p>	<p>Leadership and Coordination</p> <p>Funds and Sites \$400 Million Direct Funding and Sites</p> <p>\$60 million Project Finance</p> <p>Bank Lending, Housing Trust Mgmt</p>

INITIATIVES	PRINCIPLES and OBJECTIVES			
KEY ISSUES	ACTIONS	PLANNING	STAKEHOLDERS	RESOURCES
Housing Diversity	Encourage The Provision of a Diversity of Affordable Housing appropriate to the Town's Needs			
Aged Housing	Encourage the Provision of Affordable Housing Options for the Town's Ageing Population			
Independent Benefits of Ageing Place	Support and Promote the Development of Aged Housing Foster Partnerships between Community Service Providers and Community Housing Providers	Identify Zones of Highest Need Facilitate a Diversity of Housing/Subdivision and Group Housing Models	Community Development Senior Residents and Community Services Organisations	Network Contacts Grant Submissions Seniors Investment, Savings/Sites Support/Care Expertise
Supported Longevity and Rising Numbers of Frail Seniors	Encourage and Facilitate Private Investment	Identify Sites	Community Housing Providers	Development Funds and Housing Management Skills
Group Housing	Promote the Development and the Retention of Group Housing Models			
Lodging Houses Very High Demand and High Risk of Further Decline	Develop Lodging House Retention Strategy and Monitor	Preservation Development Controls Facilitate Upgrades	Heath Services Private Owners Community Housing Providers Service Agencies	Staff Private Investment Development Funds Tenant Support

Supported Housing Serves Diverse Needs but Risk of Community Anxiety	Facilitate the Development of Supported Housing	Develop Community Engagement Strategy	Community Development Service Providers Community Housing Providers	Contacts and Skills Tenant Support Development Funds Project Management
Industry Aligned Housing Tight Market for Affordable Rental Housing Impacting on Industry Needs	Investigate Potential for Medium to High Density Institutional/Industry Allied Housing	Identify Potential Sites Train Station Precinct Master Planning	Council/Committee Universities, Hospitals DPI	Leadership Support Institutional Funding Enablement

INITIATIVES	PRINCIPLES and OBJECTIVES			
KEY ISSUES	ACTIONS	PLANNING	STAKEHOLDERS	RESOURCES
Student Housing High Student Population Is Poorly Served by Market	Encourage the Provision of a Range of Housing Models Appropriate to the Needs of Students	Identify Housing Models DA Process Review	Universities Private Investors Homeowners	Institutional Investment Commercial Investment Homeowners
Backpackers Increasing Demand for Backpackers Leads to Loss Lodging Houses	Encourage and Facilitate Increased Provision and Diversification	Links to Lodging House Retention Strategy DA Process Review	Private Operators	Commercial Investment
Ancillary Accommodation	Encourage and Facilitate a Diversity of Ancillary Housing Models			
Generally Low Population Densities and Lone Person Households	Recognise Ancillary Housing as a Low Impact Affordable and Resource Efficient Housing Model	TPS Review DA Process Review Develop Range of Models	Homeowners Investor Owners	Private Investment Commercial Investment
Public Housing	Encourage and Facilitate the Appropriate Provision of Public Housing			
Public Housing is Resistant to Gentrification But is Unable to Keep Pace with the Demand for Stable Affordable Rental Housing	Monitor Public Housing Stock Facilitate Community Engagement	Monitor DA Review Community Engagement	DHW Community Groups	Public Housing Investment
Resourcing	Develop Mechanism and Incentives to Encourage and Resource Affordable Housing			
Strategic Sites and Zones Housing Diversity and Affordability within the Town are in Decline.	Reserve Sites and Identify Zones to Facilitate and Encourage the Development of Affordable Housing	Link Housing Diversity and TOD Objectives	DPI Industry Groups	Leveraged Intuitional investment

Many Affordable Housing initiatives Rely on Subsidised Land to Locate in High Value Areas		Aged Housing Development Zones Identify Sites for Affordable Housing Development	Senior Homeowners Community Groups Private Developers Financial, Community Housing, and Community Service Partners	Leveraged Private investment Leveraged Social Housing and Community Investment
INITIATIVES	PRINCIPLES and OBJECTIVES			
KEY ISSUES	ACTIONS	PLANNING	STAKEHOLDERS	RESOURCES
Underutilised Sites Abandoned Buildings, Underutilised Public Open Space, Car parks, and Old Sumps Are Possible Resources to leverage Affordable Housing Investment	Identify Underutilised Sites within the Town as a Potential Resource for Affordable Housing Provision Site Identification and Appraisal – Create Inventory Consultation With Community and Property Owners	Site Identification and Appraisal – Create Inventory Consultation TPS Review Spot Zoning	Council/Committee DPI Private Property Owners Finance Partners Community Housing Partners	Support Sites and Enablement Sites Financial Service Project Management Development Funds
Inclusionary Zoning Some of the Profits from Gentrification can be used to Develop Affordable Housing for the People it Displaced	Develop an Inclusionary Zoning Policy Parallel with Policy, Partnerships and	Consultation Policy Development TPS Review and Amend	Council/Committee Private Developers Industry Groups. Finance Partners	Staff Funding Stream

	Financing Initiatives	DA Reviews Monitoring	Community Housing Partners	Sites
Development Bonuses A Windfall for Private Developers can be Shared and Directed to Affordable Housing Through Inclusionary Zoning Affordable Housing Providers Can Use Development Bonus to Directly Develop Affordable Housing on Site	Link with Inclusionary Housing Policy Consult and Negotiate with Private Developers Work Through Partnerships with Community Housing Providers to Develop MOU	Review and Amend TPS Link with Inclusionary Housing Policy Consult and Negotiate with Private Developers Work Through Partnerships with Community Housing Providers To Develop MOU	Council/Committee Private Developers Community Housing Partners	Funding Stream Sites Leveraged Finance and More Affordable Housing

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