



City of Griffith
Affordable Housing Strategy
Consultation Sessions
Wednesday, 1 May 2019

Judith Stubbs BSW PhD MPIA
Principal Judith Stubbs & Associates

 JUDITH STUBBS
& Associates

Aim of Affordable Housing Strategy

To provide an evidence-based approach to increasing the access to affordable and diverse housing for key target groups, focusing on strategies and mechanisms likely to be most effective in the local context.

What is 'affordable housing'?

What is Affordable Housing?

Housing is **'affordable'** when...

- Very low-, low- or moderate-income households pay no more than 30% of gross household income on rental or mortgage payments, according to relevant benchmarks.

Not always the same as **'low cost'** housing

When is housing 'affordable'?

	Very low-income household	Low-income household	Moderate-income household
Income Benchmark	<50% of Gross Median H/H Income for Rest of NSW	50-80% of Gross Median H/H Income for Rest of NSW	80%-120% of Gross Median H/H Income for Rest of NSW
Income Range (2)	<\$609 per week	\$610-\$975 per week	\$976-\$1,462 per week
Affordable Rental Benchmarks (3)	<\$183 per week	\$184-\$293 per week	\$294-\$439 per week
Affordable Purchase Benchmarks (4)	<\$178,000	\$178,001-\$284,000	\$284,001-\$425,000

What is Affordable Housing?

It can be provided through the market, e.g.

- Smaller strata dwellings
- New Generation Boarding Houses
- MHEs /CVPs managed by a CHP
- Small lot housing

Or as a special /subsidised product, e.g.

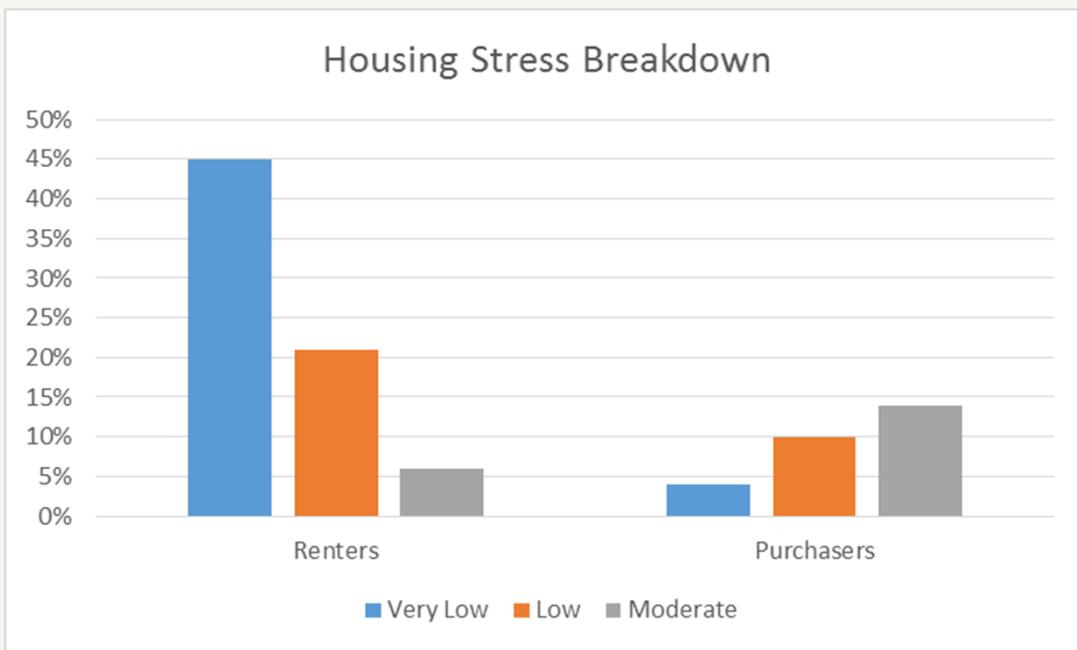
- Social (public and community) housing
- Affordable rental ('key worker') housing
- Shared equity purchase

Key Findings

Key Findings...

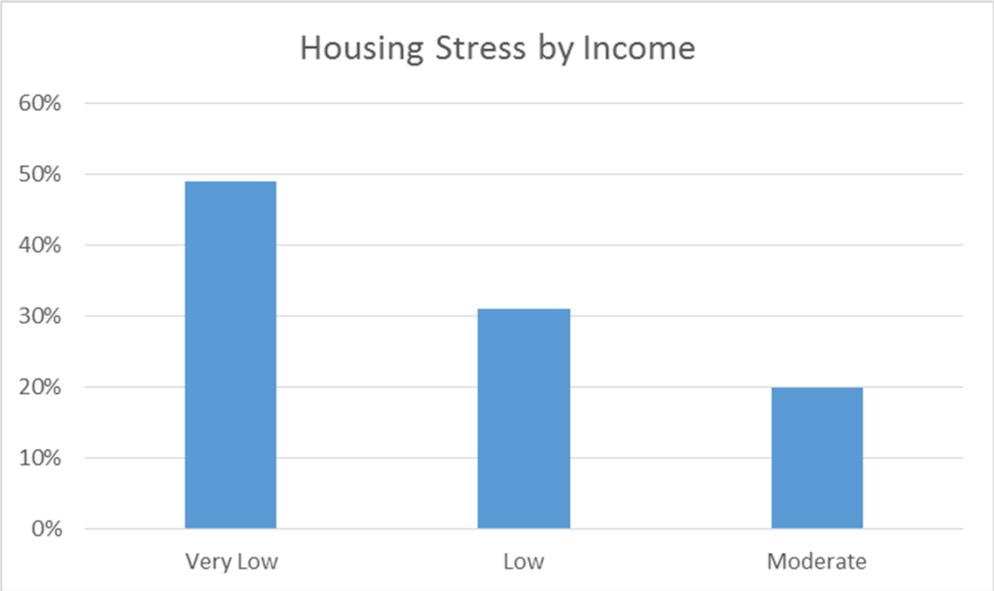
- A relatively **low cost** housing market
- ...but major affordability problems for:
- **All very low income** renters and purchasers
 - **Bottom 70% of low income renters and all family renters**
 - **Bottom 50% of low income purchasers and all family purchasers**

Housing Stress (2016)

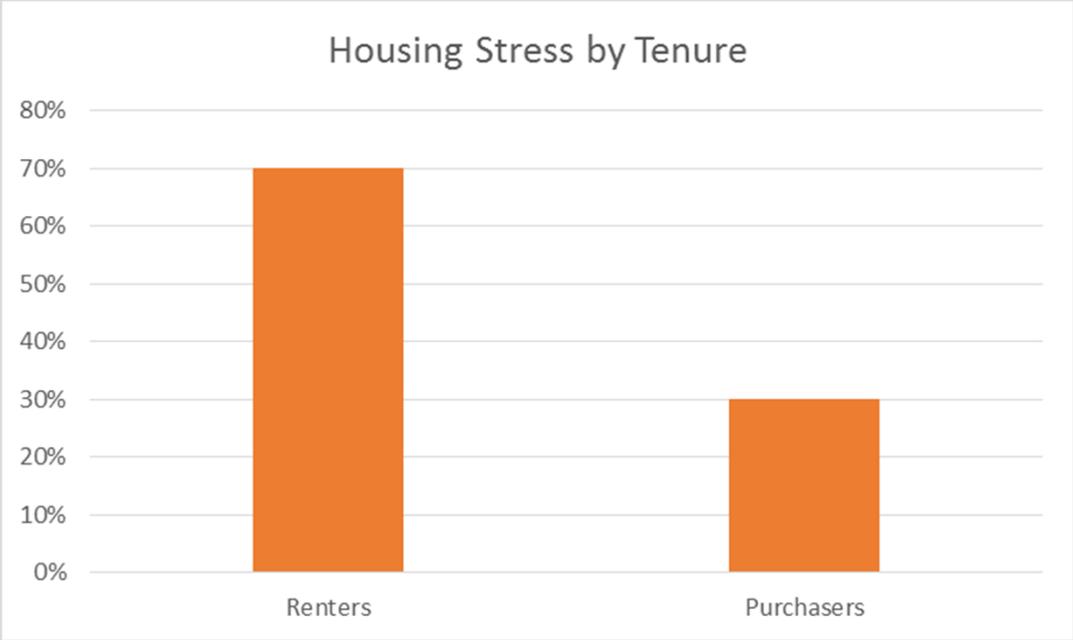


UBBS
ates

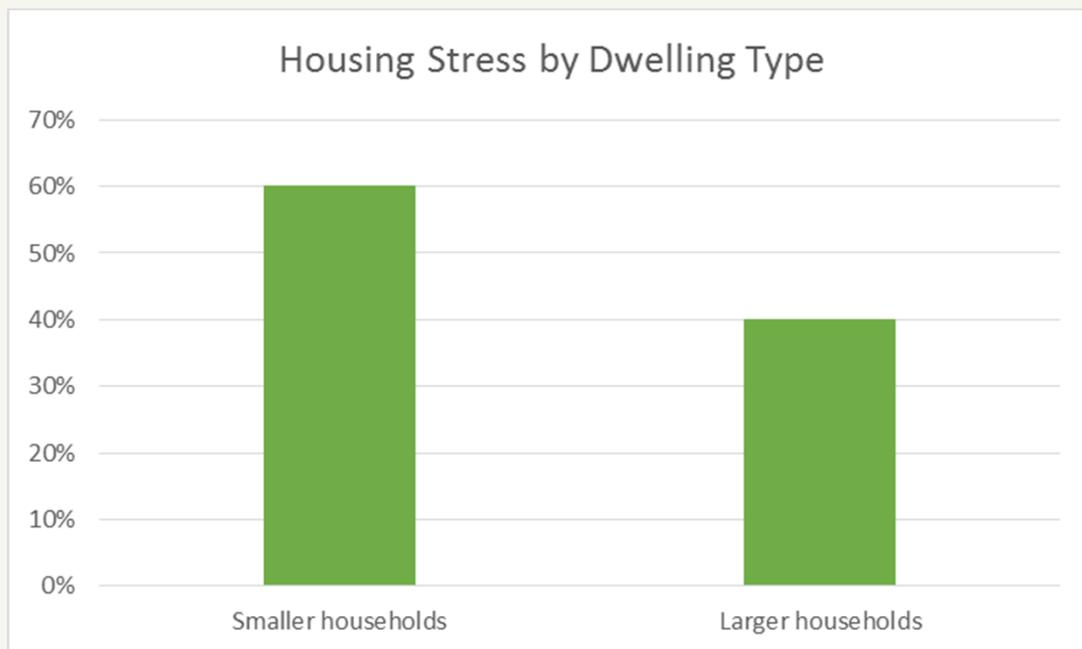
Housing Stress (2016)



Housing Stress (2016)



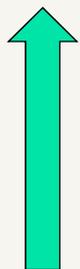
Housing Stress (2016)



Projected Housing Need (2036)

		Smaller Renting H/hs	Family Renting H/hs	Smaller Purchasing H/hs	Family Purchasing H/hs
Total Required in 2036	Affordable to Very Low Income Households	355	156	31	10
	Affordable to Low Income Households	97	152	62	81
	Affordable to Moderate Income Households	18	40	52	108

Housing Demand and Need (2016-2026)



in people	4,500 (0.73% p.a.)
in dwellings	1,744 (0.8% p.a.)
in A/Housing	1,170 total (150 +al)

- Historical growth rates and recent jobs growth (2.4% p.a.) favour id.Consulting projections over DOPE

Supply-Demand Mismatch

- Projected supply vs demand by 2036:
 - - 4,500 smaller dwellings
 - + 2,800 larger dwellings
- Adequate zoned Greenfield land at Collina Precinct (800 lots+)
- Low growth in strata dwellings 2006-16 indicates a major challenge

[NOTE: id. projects *additional* 929 smaller h/h (53%) and 585 larger/family h/hs (47%)]

Reasons for affordability problems...

- Very high % of very low & low income renters
- Constrained supply of private rental and more affordable housing types:
 - Vacancy rate < 1%
 - Lack of one bedroom & NGBH stock
 - Low growth in strata dwellings 2006-16
 - Much > than average rate of **growth in real rents**
- Decreasing social housing & u/occupancy
- Influx of very low & low income workers from o/s and pressure from regions & Sydney

Reasons for affordability problems...

- Evidence of major pressure on rental supply since 2010:
 - 2 b/r strata dwellings double NSW rate of increase in real terms (200%)
 - 3 b/r houses 4 times NSW rate of increase in real terms (400%)
- Real increase in purchase price only 13% (much lower than NSW average)

Examples of very low & low income h/hs...

- F/T aged care worker or cleaner on \$760 p/w
- Couple with one F/T EN on \$780 p/w
- Level 1 poultry process worker on \$743 p/w**
[=\$220-230 rent per week]
- Aged pensioner couple on \$684 p/w [\$205 p/w]
- Junior p/ process worker on \$520 p/w [\$156 p/w]
- Adult fruit packer on \$484 p/w [\$145 p/w]
- Aged single pensioner on \$454 p/w [\$136 p/w]
- Woman on NewStart on \$270 p/w [\$81 p/w]

What is affordable in the local context?

- **Very low income** households:
 - Only rental of a boarding house room
- **Low income** households:
 - Purchase 2 b/r strata to upper 50% of band only
 - Rent 2 b/r strata to upper 30% of band only
- **Moderate income** household:
 - Purchase and rent of most dwellings generally affordable

Growing Homelessness and Vulnerability

- Higher than average rate of homelessness
- Increase in homelessness and marginally housed 2011-16
- **2,175 homeless people and 2,796 'marginally housed' people** in any given year in Griffith LGA:
 - Largely people living in severely overcrowded dwellings, in cars and temporary or insecure accommodation rather than 'street' homelessness



What have people said
so far?

Interviews with Stakeholders

- Griffith rental market has recently been impacted by:
 - Agricultural industry cycles/seasons that bring workers (not new)
 - Recent growth of certain industries (poultry, solar)
 - Public sector restructuring (TAFE NSW SkillsPoint centre)
- Bringing low and high skilled workers increased demand of rental housing at low and upper end of local market.



JUDITH STUBBS
& Associates

Lower end of rental market

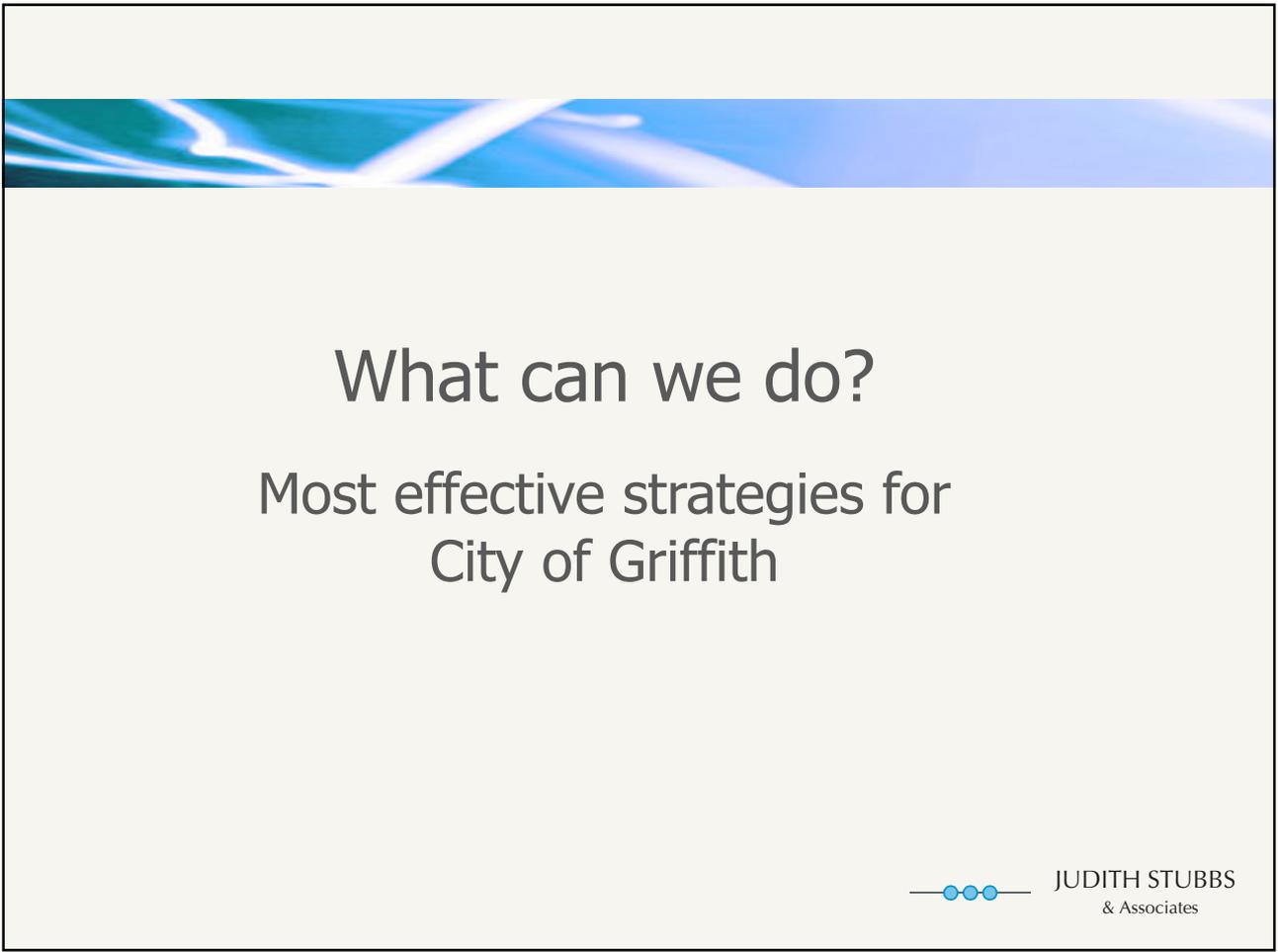
- <\$220 pw attract interest from 20-30 people
- Private landlords have large pool to choose
- Certain groups more likely to miss out:
 - Single parents with children
 - Large families with many children
 - Young people on their own unable to live at home
- More likely to become homeless
- Families end up living together, often overcrowded and unsuitable

Higher end of rental market

- Some employers provide managers with accommodation, but numbers are small.
- Renting preferred option for many in short-term, even if in position to purchase.
- Difficult to obtain rental from distance prior to moving to town due to local demand.
- Perception that cost to build in Griffith is too high.

What is needed?

- More affordable rental housing
 - Large (families) & small (singles, couples)
- Better use of Council/Crown land for new multi-tenure developments w/ CHPs & others
 - Need capital to get projects off the ground, so far CHP bids for State \$ unsuccessful
 - Could include redevelopment of social housing estates



What can we do?

Most effective strategies for
City of Griffith

Summary of most effective strategies...

- ✓ Amend planning controls to remove impediments to diversity and affordability:
 - Close to town centre
 - Greenfield expansion areas

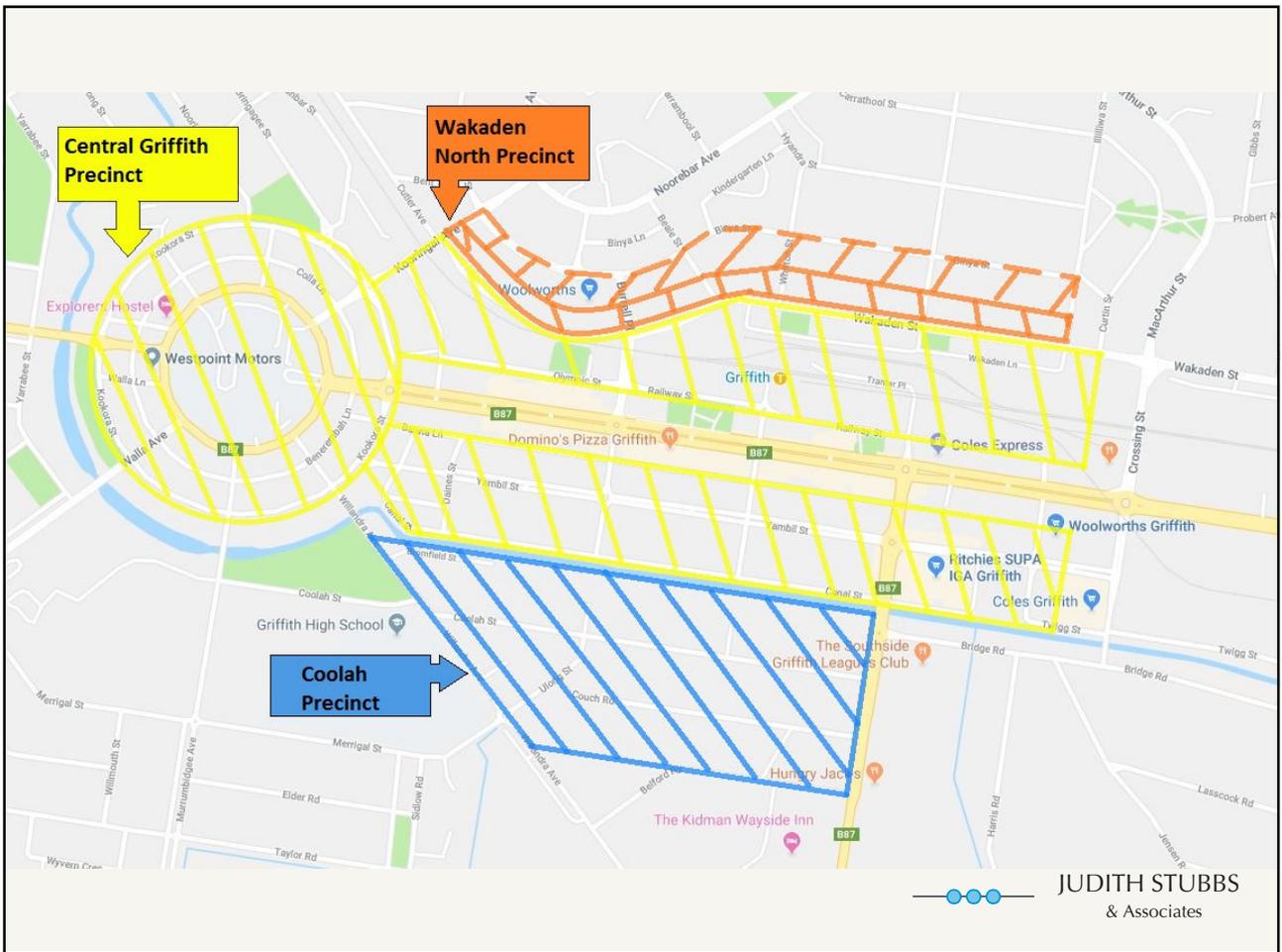
- ✓ Direct creation of affordable housing in partnership with CHP and/or private sector:
 - Council and Crown Land near town centres for multi-tenure (RFB/MDH), seniors, and/or NGBH
 - Demonstration affordable MHE /Tiny Homes project

Summary of most effective strategies...

- ✓ Encourage new models of affordable housing:
 - New Generation Boarding Houses in well-located areas
 - Demonstration project of multi-tenure development of Greenfield site, including small lot housing, Multi Dwelling Housing, and shared equity targeting low income renters and purchasers
 - Multi-tenure selective redevelopment of well-located, under-occupied public housing
- ✓ Mandate a proportion of:
 - 1 & 2 b/r dws in new RFB and MDH near T/C
 - Smaller lots, MDH etc in new G/F subdivisions

Remove planning impediments...

- Significant impediments to smaller strata dwellings – **especially RFBs** but also MDH under 1999 DCP:
 - Density controls - dwellings per m²
 - 50m² private outdoor space per GF unit
 - Parking requirements above actual ownership
- Propose amend controls, selective rezoning and extension of area in areas within 400m of B2 zoning involving 3 precincts



Facilitative intervention...

- Evidence of significant redevelopment opportunities close to the town centre



JUDITH STUBBS
& Associates

Facilitative intervention...

- Economically feasible to construct RFBs especially 1 and 2 storey
- Evidence of demand for RFBs in shop top housing and serviced apartment activity
- Rezoning from B2 to B4 between Banna Lane and Canal Street and north of Olympic/Railway Streets opens up opportunities
- Extension of Wakeden Precinct north to Binya St also increases opportunities within 400 m of TC

Facilitative intervention...

- Actively promote development of New Generation Boarding Houses & supported Boarding Houses in town centres
- Develop guidelines consistent with govt policy to support their development taking into account local needs and the housing market context.

Facilitative intervention...



New Generation Boarding House managed by Hume Community Housing for low income key workers in Ashfield

 JUDITH STUBBS
& Associates

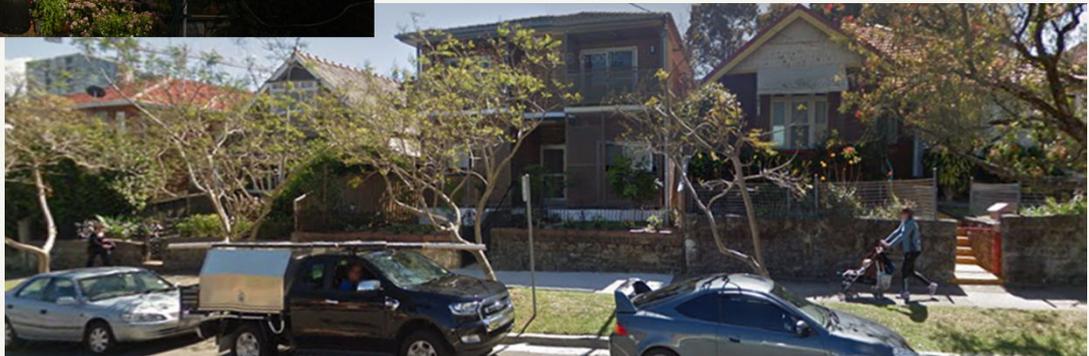
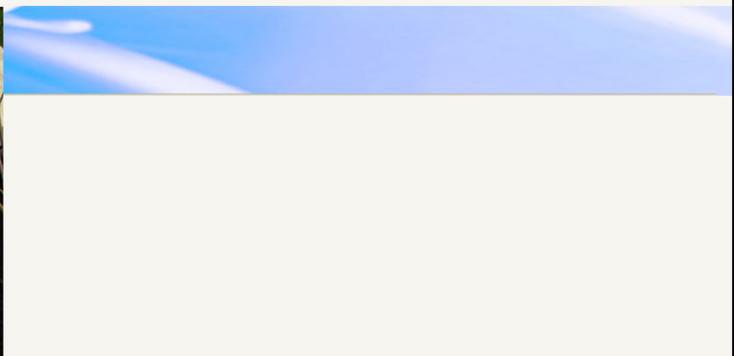
Facilitative intervention...

Abbeyfield BH
Model for frail
aged people in
South Australia



Direct Creation of Affordable Housing...

- Probably the most effective strategy in meeting a majority of future housing need
 - Council can partner with a local community housing provider (CHP) to develop a Council site, who will manage dwellings
 - CHP has access to own equity, borrowing capacity, CRA maximisation and potential govt funding



'New Generation' Boarding House at
Wollstonecraft (under SEPPARH)

 JUDITH STUBBS
& Associates

SCC land for
multi-tenure
development





48 Unit Affordable Housing Partnership in Perth CBD

 JUDITH STUBBS
& Associates

Direct Creation of Affordable Housing...

- Preliminary land audit and first cut assessment:
 - 8 Council or publicly owned sites within 400m of TC suitable for multi-tenure, NGH and/or seniors development
 - Several potential sites for a demonstration MHE multi-tenure development
 - Economic modelling shows all are economically feasible assuming even split between low income purchase and very low and low income rental



Questions and discussion