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### **Let's Plan for Affordable Housing at Macquarie Point**

The Macquarie Point development has been the focus of much discussion. Some ask for an imaginative architectural vision on the site, others focus on the development's economic potential. Another current debate about public assets concerns public housing and affordable housing options. Let's join the dots and ask: Will there be affordable housing on the State-owned land at Macquarie Point?

It makes sense to use this public asset for long term social outcomes. Encouraging inner-city living and delivering sustainable social benefits are key objectives of a potential world class development at Macquarie Point.

Including affordable housing in the residential development at Macquarie Point ensures that all members of the Tasmanian community will have a chance to benefit from the development on this public land.

As Australia's newly appointed Minister for Cities and the Built Environment, Jamie Briggs has said, "It is vital that our cities are well planned, serviced with world class digital and physical infrastructure and environmentally sustainable so they continue to grow as economic assets into the future." Affordable housing can rightly be considered as critical infrastructure in our State capital. Affordable housing supports the achievement of urban renewal, enhanced social inclusion and economic diversification.

What is affordable housing? To some, it means finding a home with a cheap purchase price. Many people comment on how 'affordable' Hobart is, especially compared to large mainland cities. But affordable applies to people of all income levels, including those who rent, and whose incomes do not permit home purchasing. Will there be homes at Macquarie Point that ordinary Tasmanians can afford?

Affordable housing is not the same as supported accommodation for people with high and complex needs. It is not the same as crisis accommodation for people who have become homeless. In the community sector and for researchers, affordable housing refers to rental homes or home purchases that are affordable to lower income households.

Many Tasmanians are low income workers. People employed in Hobart's CBD, in the hospital, community sector, retail and hospitality sectors may well be in the lower income bracket and facing housing stress. Recent analysis from SGS economics shows that low income households, especially single person households struggle in the private rental market, often paying over 60% of their income to rent a home. Low wage workers and apprentices, young and emerging artists, single person households and older people need well-located, affordable housing and secure rental options. Since many job opportunities are in Hobart, the Macquarie Point site is an excellent location

for affordable homes for key workers, older Tasmanians and single person accommodation. The efficiency of the urban economy is enhanced when workers live close to their employment.

Two in five households count as having lower incomes. Households in the lower 40% of income earn less than \$760 per week according to the ABS 2011 Census data. To be affordable, the cost of housing needs to be less than 30% of the household income. This widely used measure is known as the 30/40 rule, and is the benchmark for affordable housing in the Tasmanian Government's *Affordable Housing Strategy 2015-2025*.

Despite headlines about cheap house prices, affordable housing is in chronic short supply in Tasmania, with the public housing waiting list at almost 3,000. Housing stress affects a quarter of the State's low income households. For low income Tasmanian households, 39% of renters, approximately 7,901 households, are in rental stress, and 47% of home buyers, approximately 5,996 households, are in mortgage stress.

Part of meeting current and future needs for affordable housing is planning for affordable housing in all major developments on public land. Initiatives that encourage affordable housing are fair to all stakeholders, because it helps to meet the wider community's needs.

A diverse and vibrant social environment is good for everyone. We do not want to repeat past planning mistakes that have left us with dysfunctional patterns of disadvantage and poverty in some areas. We do not want to see Macquarie Point become an exclusive enclave that is unaffordable to ordinary Tasmanians. Mixed communities with a range of income levels generate a diverse and lively social environment, and avoid concentrated disadvantage in outer suburbs.

Affordable housing has many benefits, including vibrant and inclusive communities and housing justice. In addition, showcasing the use of public assets to deliver social outcomes in a landmark development such as Macquarie Point will highlight Tasmania as a world class social innovator.

We acknowledge a potential concern and perception that allowing some lower income Tasmanians to share in this development could detract from the overall amenity or degrade the investment viability for the private sector. To alleviate this concern, we emphasise that a stable and vibrant social environment can include people with a range of incomes. The shared vision for Macquarie Point can include residential opportunities for Tasmanians from all walks of life.

Low income does not mean high needs. Provision can be made to manage tenancies to enhance the social environment. Community Housing providers in Tasmania have demonstrated expertise in this kind of mixed housing, and currently manage over 4000 properties state-wide. Their expertise lies in managing an income-rent ratio, with a diverse tenant mix that enables a cross-subsidy business model.

Affordable housing includes secure rental options for lower waged working people whose incomes do not permit home purchasing and who are not well catered for in the private rental market. Macquarie Point is a public asset that provides an ideal opportunity to showcase an inclusive sustainable community in the State capital, on land managed for the public benefit, and consistent with the Tasmanian Government's recent identification of affordable housing as a key priority.

The Macquarie Point newsletter of November 2015 describes it as a “Once in a lifetime development opportunity, Macquarie Point has the capacity to significantly shape Hobart’s future.” This future will continue to require diverse affordable housing options. This is a once in a lifetime opportunity to plan for ordinary Tasmanians to share in an inclusive and diverse community. Let’s plan for affordable housing at Macquarie Point!

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