

Urban planning and affordable housing

Dr Marcus Spiller
Presentation to Shelter (Tasmania)
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1991-2016
25
years of Independent
insight.



- Structuring of settlement patterns
- Land supply
- Direct provision of affordable housing

- Shift to the ‘knowledge economy’ has elevated accessibility to a premium housing consideration
- Traditional stocks of affordable housing in central cities have evaporated
- Dwindling supply of affordable housing increasingly pushed to the urban fringe where poor connectivity exacerbates the effects of low income
- Strategic planning at the metro / regional scale needs to factor in access to jobs

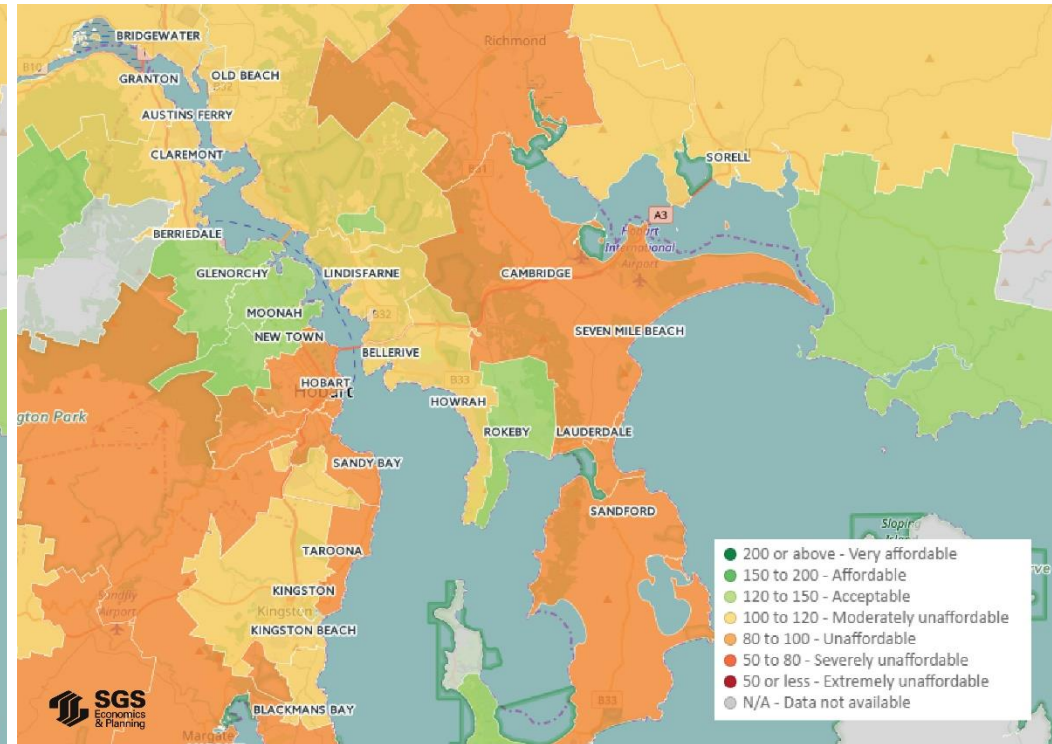
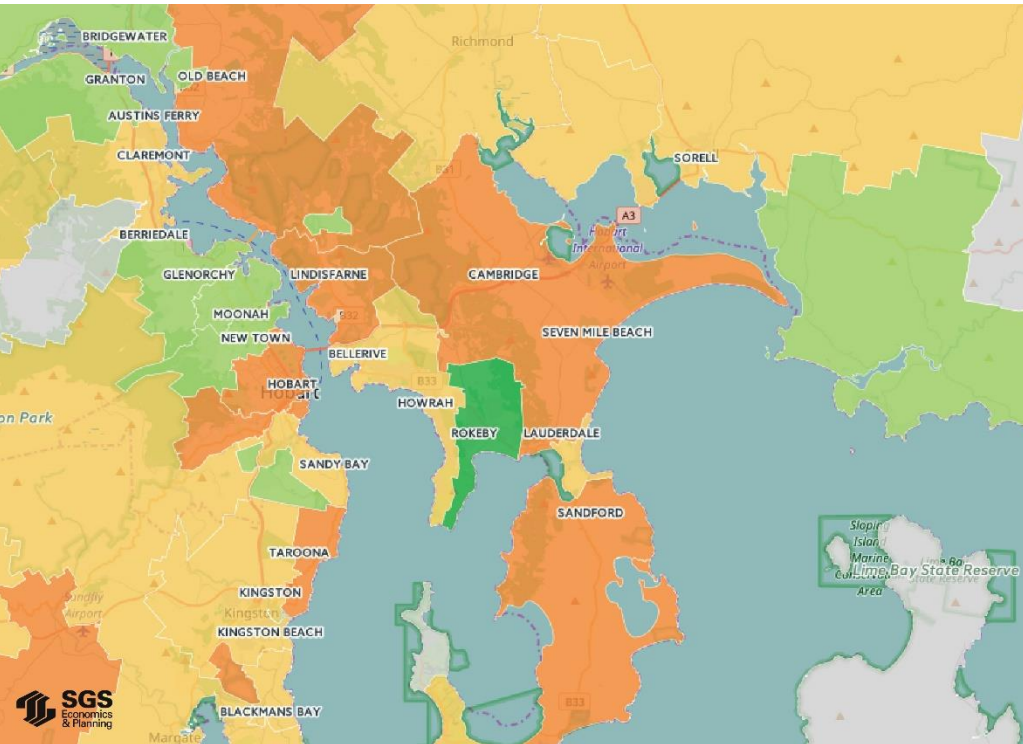
RAI findings for Hobart

1. Rental unaffordability in Hobart is quite severe; the second least affordable capital city in Australia
2. Areas in the western region of Greater Hobart have become Unaffordable since the last release
3. Rents for low income households remain extremely unaffordable, particularly for non-family (predominantly single person) households
4. Vacancy rate in Hobart is extremely low at 0.6%

Rental affordability - Hobart

Q4 2015

Q2 2016

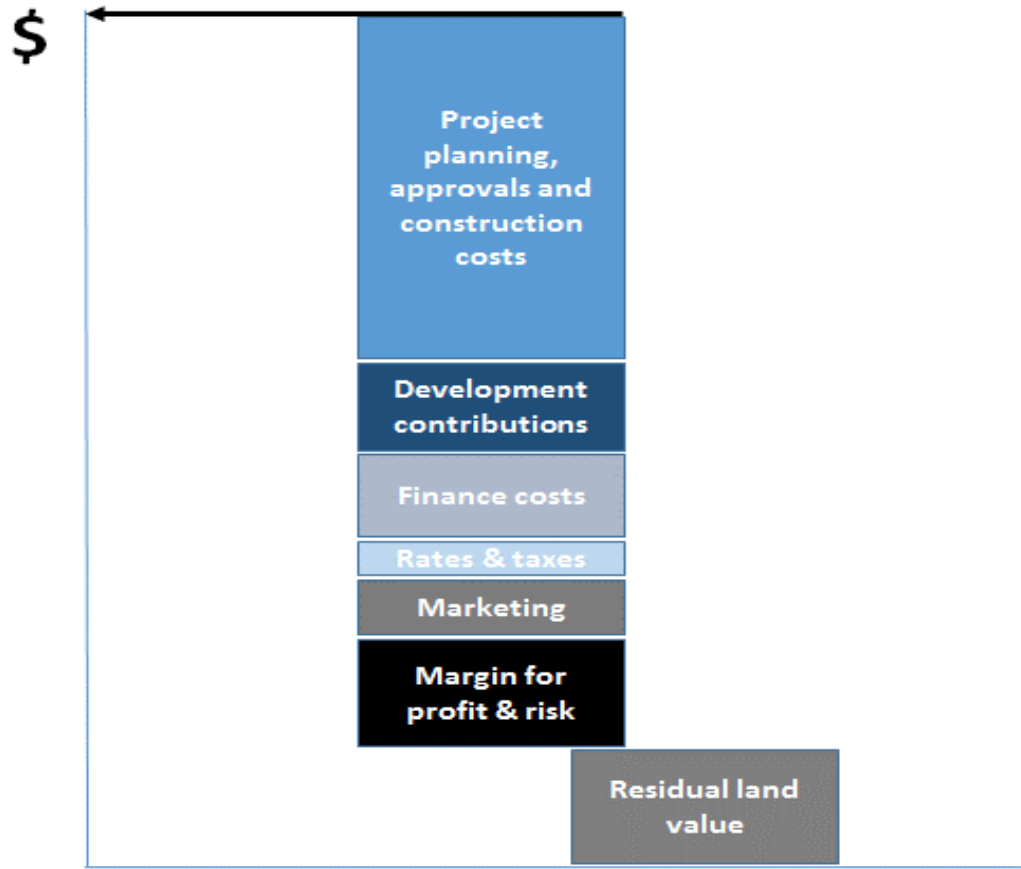


Land supply

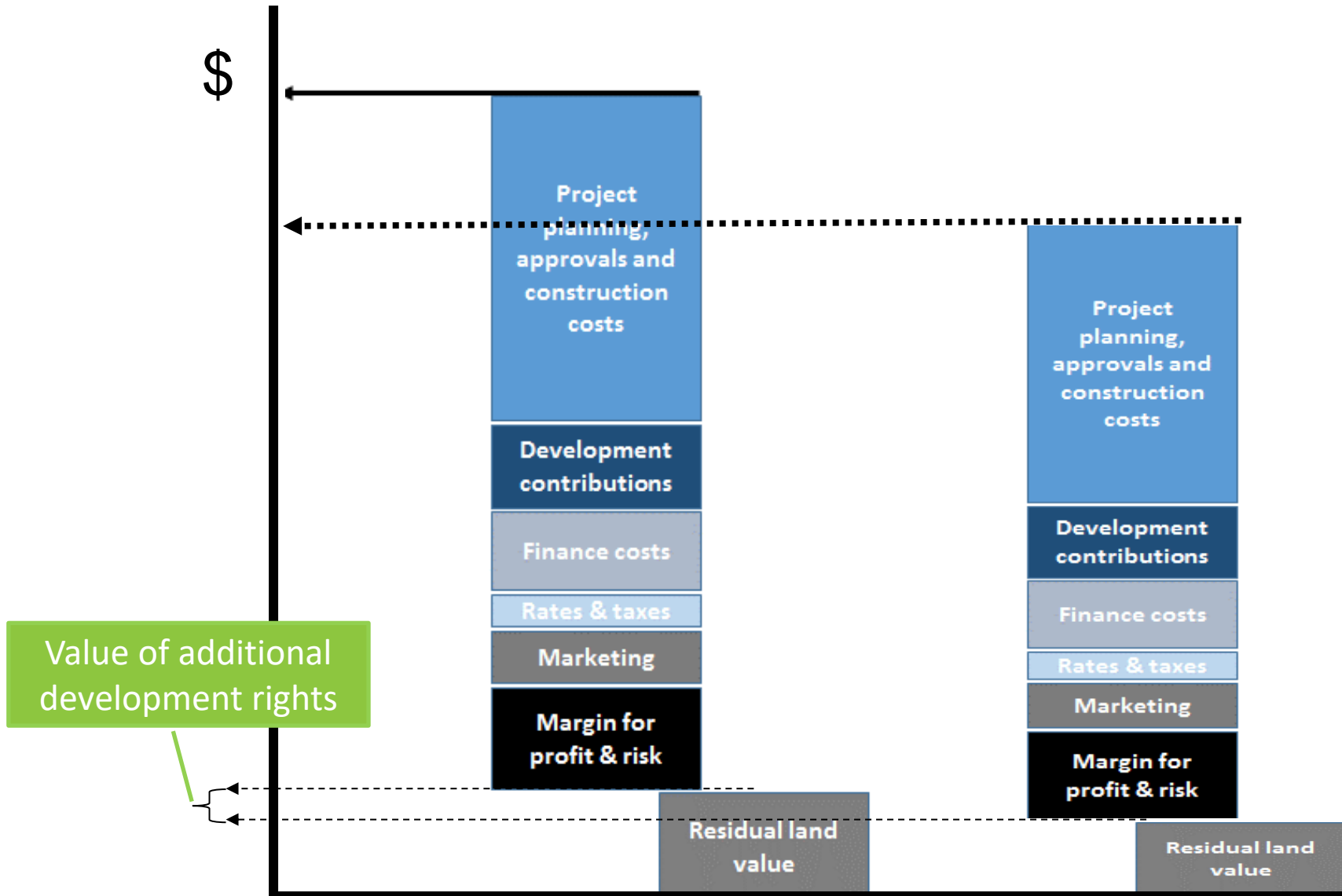
- Statutory rules on land release and redevelopment undoubtedly affect supply side efficiency / responsiveness
- These inefficiencies should be dealt with decisively
- But they won't solve the affordability problem for lower income households
 - Median household income approx. \$950 / wk
 - Affordable rent = \$285 / wk
 - Capitalises at \$296,000 (5% yield)
 - Can't build housing for that!

- Two rationales apply:
 1. Value capture (or development licensing)
 2. Environmental requirements

Value sharing



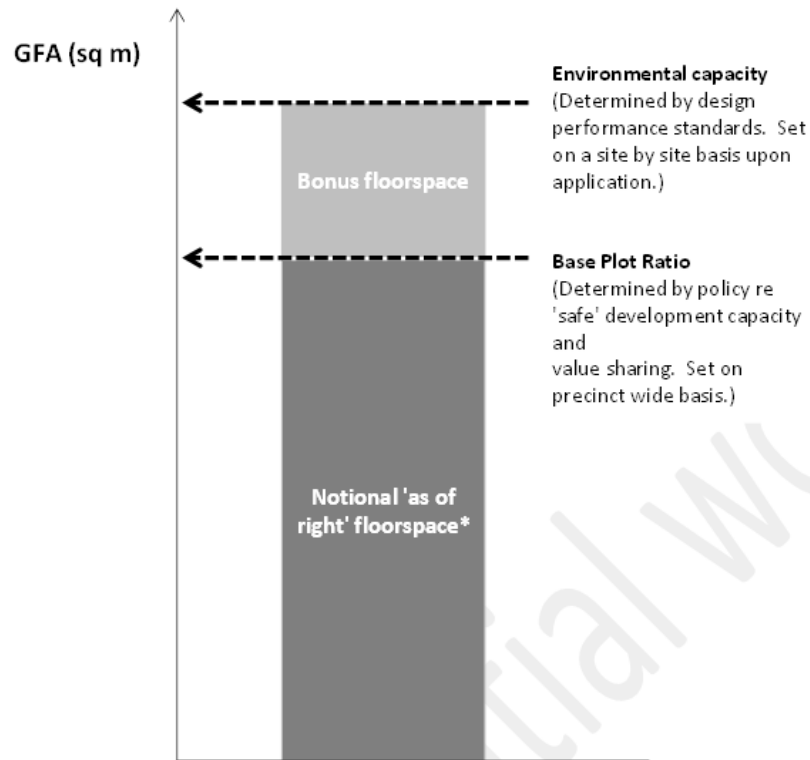
Value sharing (cont'd)



Value sharing (cont'd)

Potential for additional development rights

FIGURE 2. BASE PLOT RATIO FLOORSPACE VERSUS ENVIRONMENTAL CAPACITY FLOORSPACE



* Notional 'as of right' development capacity would still need to meet design rules

Source: SGS Economics & Planning Pty Ltd

Inclusionary provisions

- Based on the principle that urban planning must achieve sustainable development, and that..
- Sustainable development includes the social, not just the natural and built environments
- Not a tax
 - Can be likened to heritage controls

- Contribution per sq m =
(Total cost of required permanent affordable housing stock minus contribution from State & Cwlth)
divided by
(Total projected development in sq m, including knock down and rebuilds)

- Sydney's Ultimo Pyrmont (City West) IZ scheme has been going for almost 25 years
- Cash in lieu rates approximately \$30/m² for residential development and \$40/m² for non-residential development
- City West Housing Ltd reported IZ cash contributions from developers of some \$47 million in the 2013/14 financial year (including 'Green Square')
- Target of 600 permanently affordable dwellings supplied over 30 years has already been met

Household Type - Priority for Assistance	Current households (2011)	Percent of all Households (8,339,035)	% for minimum targets	Minimum target	Percent of all households
Homeless households - Improvised dwellings, tents or sleeping out (2011)	6,813	0.1	100%	6,813	0.1
Homeless households - Supported homeless accommodation, staying with other households, boarding houses, temporary lodging, severely crowded dwellings (2011)	37,855	0.5	90%	34,070	0.4
Marginal households - other crowded dwellings, improvised dwellings, caravan parks (2011)	30,132	0.4	85%	25,612	0.3
Low income rental households in severe housing stress (2015)	171,797	2.1	85%	146,027	1.8
Low income rental households in rental stress (2013)	329,833	4.0	85%	280,358	3.4
Remaining very low-moderate income rental households in housing stress (2011)	192,410	2.3	85%	163,549	2.0
TOTAL AFFORDABLE HOUSING NEED	768,840	9.2	n/a	656,429	7.9
TOTAL HIGHEST NEED	576,430	6.9	n/a	492,880	5.9
<i>Total plus accommodated household in social housing (389,383)</i>	1,158,223	13.9	n/a	1,045,812	12.5

Presentation ends, thank you

Contact

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