



Developing affordable housing on the North Coast

How community housing can deliver solutions to the North Coast's affordable housing crisis

The North Coast's prosperity and future growth is limited by its housing affordability crisis. By 2036, the North Coast will need to accommodate an additional 97,000 people. This growth, along with demographic change and associated household needs, is predicted to generate demand for an additional 72,200 dwellings. This increase will exacerbate housing unaffordability and impact most on lower income households. A strong focus on strategic planning is needed to ensure the region's economic sustainability and social diversity.

The NSW Federation of Housing Associations (the Federation) welcomes the opportunity to provide feedback on behalf of its members to the NSW Department of Planning & Environment's (the Department) Draft North Coast Regional Plan. The Federation is pleased to see the Strategy's focus on new and diverse housing delivery. However, more focussed solutions are required to effectively address housing unaffordability in the area as well as providing adequate employment and transportation services in the region.

What is the size of the problem?

The North Coast is more economically challenged when compared to both the NSW and national average with the Northern Rivers one of the top 10 least affordable regions in Australia. Levels of unemployment remain high resulting in overall lower median household income. Further pressures include inflated house prices largely due to wealthy city investors who often leave their homes unoccupied for several months of the year.

Demand for social housing is at an all-time high with many waiting for over 10 years before they are allocated a home. The region also contains a lower proportion of social housing which comprises just 3.5% total housing properties (compared to 5% in NSW). Areas experiencing the most acute housing stress include popular tourist destination sites such as Byron, Tweed and Ballina.

The North Coast Regional Plan provides a real opportunity to assist in addressing the area's

| NSW community housing providers ... | |
|--|---|
|  | Manage 32,500 tenancies |
| Employ over 910 dedicated staff |  |
|  | Run 64 local housing offices |
| Income of nearly \$600 million p.a. |  |
|  | Capital base of \$2.5 billion |
| Have \$175M bank debt invested in affordable housing |  |
| <p><i>Figures based on June 2014 financial statements of the 27 NSW based Tier 1 and 2 registered providers. Analysis by Dr Tony Gilmour, Housing Action Network</i></p> | |

housing affordability crisis by providing sub market rental in mixed tenure and standalone developments.

What is community housing?

Not-for-profit community housing organisations have been providing high quality rental housing for people on very low to moderate incomes for over three decades. Our NSW sector contains the largest, most accomplished, dynamic and professionally led organisations in Australia. With over 38,000 tenancies, our 27 leading organisations manage more homes than Victoria and Queensland providers combined.

The sector has low rent arrears, minimal vacancy rates, and high tenant satisfaction. In the latest AIHW survey, nearly twice as many community housing tenants (39%) were very satisfied with their landlord compared to public housing (22%).

Recommendations

To achieve housing affordability on the North Coast, the Federation recommends that the Department takes action under the following headings:

- Building local communities
- Housing needs research
- Access to land
- Inclusionary zoning: Affordable housing targets
- Contributions
- Housing design
- Additional opportunities

Building local communities

Planning for the North Coast must be strategic and coordinated. Currently, a high proportion of North Coast's residents fall within a low socio economic demographic and are employed in insecure sectors such as hospitality, retail and social care. Accentuating this issue is poor public

transport provision. Most residents must rely on their own private vehicles to reach work and other commitments.

The requirements of local residents need to be considered in the provision of adequate infrastructure. This includes creating an appropriate supply of local jobs and transport services to support nearby communities. While the Government's upgrades to the Pacific Highway are welcome, there is evidence to suggest that the influx of road workers have driven up private rents in the area. These issues need to be more adequately addressed in the Department's plan for the North Coast.

Housing Needs Research

The Federation suggests that the Department should conduct modelling to predict housing needs on the North Coast into the future including both social and affordable housing numbers (which is not currently accounted for in the Department's forecasts). This research would explore questions including:

- How many properties are needed to meet affordable housing demand on the North Coast over the next five to ten years?
- Which locations are these properties needed?
- What sized properties are needed?
- Which segments of the population are in most need of affordable housing? In particular, the modelling should focus on a range of diverse groups including very low to moderate income earners, Indigenous households, students and young people, families, older and single person households.

Access to land

In delivering affordable housing, there is a strong case for government to use its sizable land holdings as a catalyst for housing provision in key locations. Tenders for the sale

of government land should include a requirement for a set and ambitious component of social and affordable housing to be incorporated in the development. In this circumstance, developers should be required to partner with a community housing provider to deliver these social and affordable housing targets. These targets are described in further detail below.

Inclusionary zoning: Affordable housing targets

Robust inclusionary zoning provisions should be incorporated into the development of the North Coast, particularly for medium to higher density residential developments in key areas, such as in residential and transport hubs.

The private sector must play a key role. This is likely to be more straightforward if developers know that they will be required to incorporate affordable housing into their plans upfront. In this way, developers will factor in the costs as part of their project feasibility.

As outlined in the Federation's [Industry Strategy](#), we advocate that 30% of affordable housing should be incorporated in development projects. These targets should flow down to Byron and Bellingen Councils and be regularly reviewed.

Contributions

The level of contributions made by developers should be objectively determined at the beginning of the planning process for the North Coast. In particular, they should be considered in tandem with infrastructure planning.

The Department has indicated that it will work with Councils to potentially rezone land. Where government is releasing separate lots (low density single dwellings), finished lots should be the preferred contribution mechanism. This means that 30% of lots should be the contribution standard.

For land zoned as medium and high density dwellings, contributions should be in the form of receiving finished floor space.

The Department should also recognise affordable housing as essential infrastructure so that it can waive developer contributions usually levied under section 94 of the Environmental Planning and Assessment Act 1979.

Housing design

Planning controls in regional areas limit the variety of housing available. Review processes for local plans should ensure that a range of housing is permissible in relevant zones. Furthermore, in areas where the market is delivering predominantly conventional detached housing, a diversity of housing may need to be actively encouraged through incentives or requirements for a mix of dwelling sizes.

Local population needs should be taken into consideration when providing housing. The North Coast has comparably higher levels of households over 60 years old, single parent households and single households. Population forecasts conducted by the Department have also predicted increases for couple-only and single person households by 2036. The Federation endorses the Department's strategy for establishing new caravan parks and manufactured home estates. However, the amounts needed should compensate for the withdrawal of long term tenancies (in favour of accommodation for tourists) for some residential parks along the North Coast. We also recommend that the planning framework is strengthened to support adequate security of long term tenants

The diverse housing supplied also needs to be sustainable. The Federation recommends that Councils should receive support to facilitate new housing that is environmentally conscious. Dwellings should maximise energy

efficiency, lower water usage and reduce waste.

Additional opportunities and alignments

The plan should acknowledge and demonstrate its integration with other significant Federal and State initiatives. The NSW Government has recently published Future Directions which describes its strategy for both revitalising and increasing the social housing portfolio. With the Department playing a key role in the delivery of this strategy, every regional plan should detail how it will enable the successful delivery of the initiatives within Future Directions.

A second initiative that should be referenced is the NDIS. Already the NSW Government has identified one site in the region on which new accommodation will be built to re-house people from institutional settings. The regional plan should acknowledge the need to facilitate an increased supply of accommodation for this group.

The North Coast also presents the opportunity to support unemployed youth in regional NSW through the JobsRoad pilot program. Led by the NSW Business Chamber, JobsRoad matches unemployed youth in social housing localities together with community housing providers to deliver programmed maintenance services to social housing stock.

JobsRoad is a Youth Employment Social Enterprise that enables existing Land and Housing Corporation (LAHC) maintenance funds to be used to deliver programmed maintenance on social housing properties, while providing young residents with paid work, support services and training to help them secure a job and thrive in the workplace for the long term.

As planning for the North Coast continues, the Department should seek to create a reference group comprising of relevant stakeholders

including the Federation. The Federation (and its members) would welcome the opportunity to contribute to the transformation of the region through sharing information and the provision of expert planning advice.

Summary

The Department's commitment to delivering more housing for North Coast's growing population is welcomed by the Federation. However, further action is needed to end the widening gap between affordable and unaffordable housing. While the housing supply targets listed in the plan is a forward step in delivering these common goals, more attention is needed on the supply of affordable housing and how it can be practically implemented on the North Coast.