



Planning &
Environment

Affordability and Alternative Housing

Byron Bay Housing Summit 2017



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Department of Planning and Environment

National Economic Overview



High population
growth of
1.4% or
300,000 + p.a.



**RETIREMENT
EXPLOSION**



GDP at trend rate –
3–3.5% P.A



Change in
**EMPLOYMENT
LANDSCAPE** –
from resources to
construction to
services



FAST GROWTH
in health, education
and tourism



Very low interest
rates – **1.75%**



Between
2006–2016 median
house prices grew
by **73%**



Affordable Housing

- Housing affordability and having shelter is internationally recognised as an important stress point for cities
- NSW Premier and Government are focused on affordable housing, and how to increase supply.
- The loss of housing affordability is not unique to Sydney or Byron Bay
- A decrease in affordable housing supply and diversity of housing supply has a negative effect on health and well being

Why are House Prices so High?



Australia has been experiencing the **LOWEST WAGE INCREASES** since the post war period



Rental increases continue to outpace wage growth, therefore **RENTAL AFFORDABILITY HAS CONTINUED TO DETERIORATE** in 2016



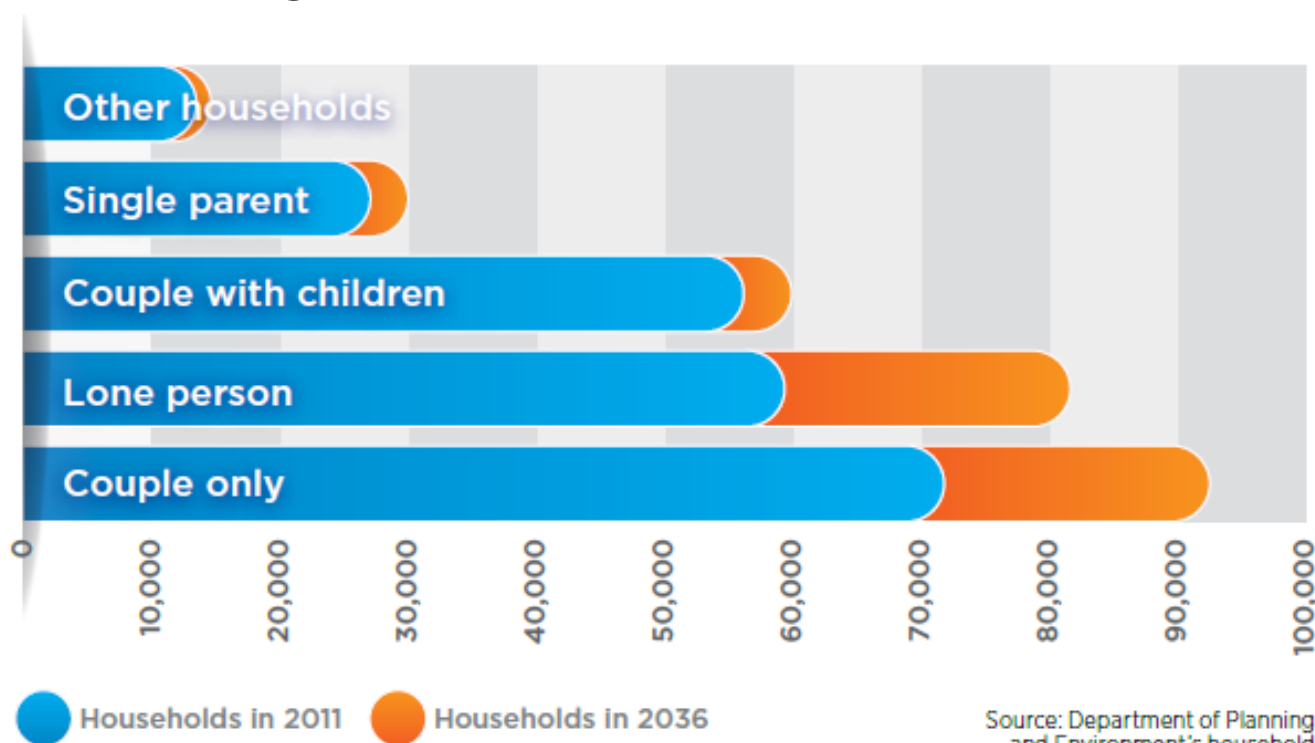
55% of low income households pay **GREATER THAN 30% OF THEIR GROSS HOUSEHOLD INCOME**

Proportion of Low Income Households Experiencing Housing Stress



Forecast Household Composition on the North Coast

- The projected growth in couple-only and single-person households is expected to increase demand for smaller and multi-dwelling housing such as townhouses and residential flat buildings in regional cities, regional centres and towns



Shifting Job Patterns

- Employment patterns are becoming more complex
- People are:
 - Fluctuating in and out of the workforce frequently
 - Changing roles rapidly (20% of employees in 2012 had been employed by their current employer for less than 12 months)
- Approximately 2.5 million people ceased a job in 2011-12
- 75% of employees had been employed by their current employer for less than 10 years, and over 55% less than 5 years
- Important of having job supply when talking about affordable housing. Good job make makes housing more affordable.

Job Mobility

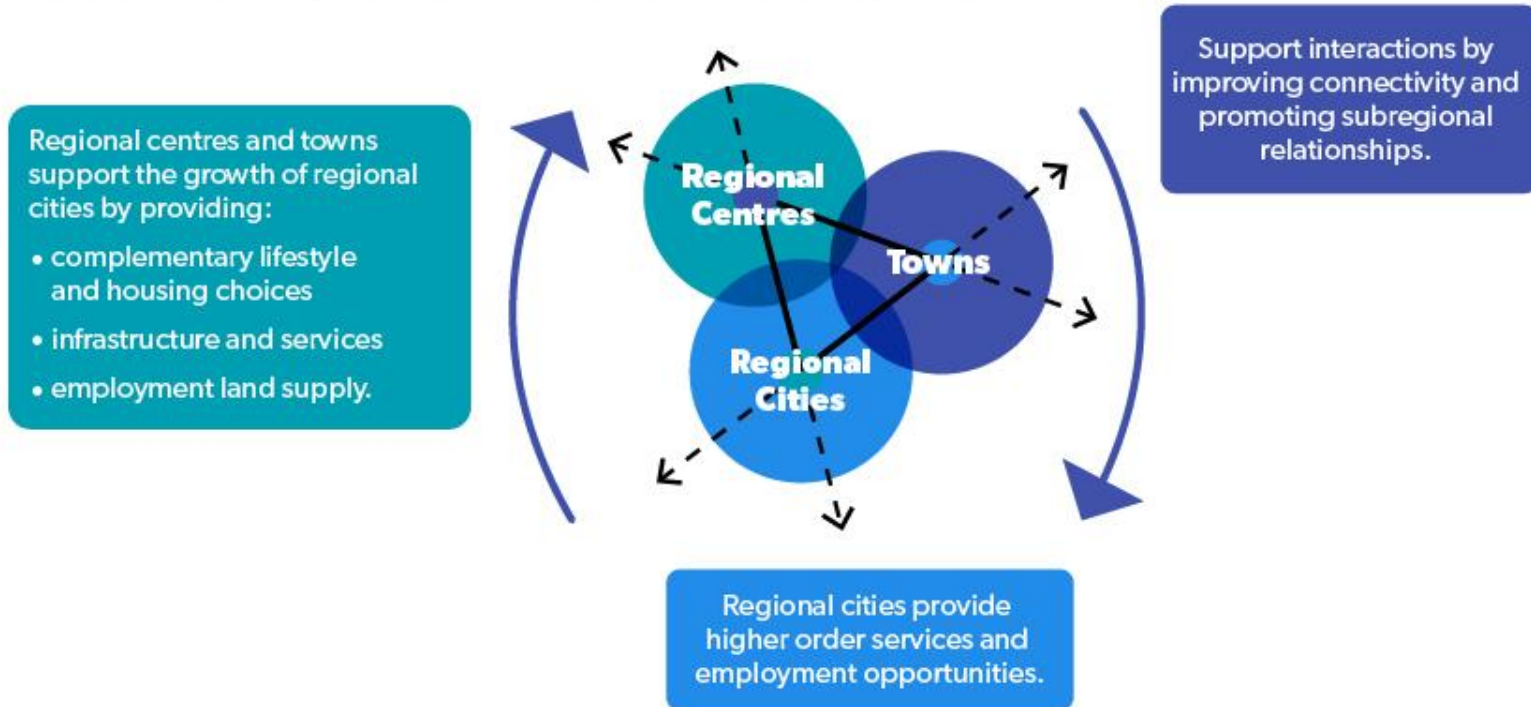
- People choose jobs and job locations, not the reverse
- Fast changing dynamics and location preferences for employees are driven by IT and new growth (i.e. health and community services)
- Location decisions:
 - 34% of people living within 5km of their work place said accessibility to their place of employment was important in their location decision
 - Those living more than 20km said housing costs and attractiveness of neighbourhood were most important
 - Opportunities around mix use (live, work and play).

Source: The Residential and Workplace Mobility Survey (2008)

An Interconnected Region

Improving connectivity across the North Coast:

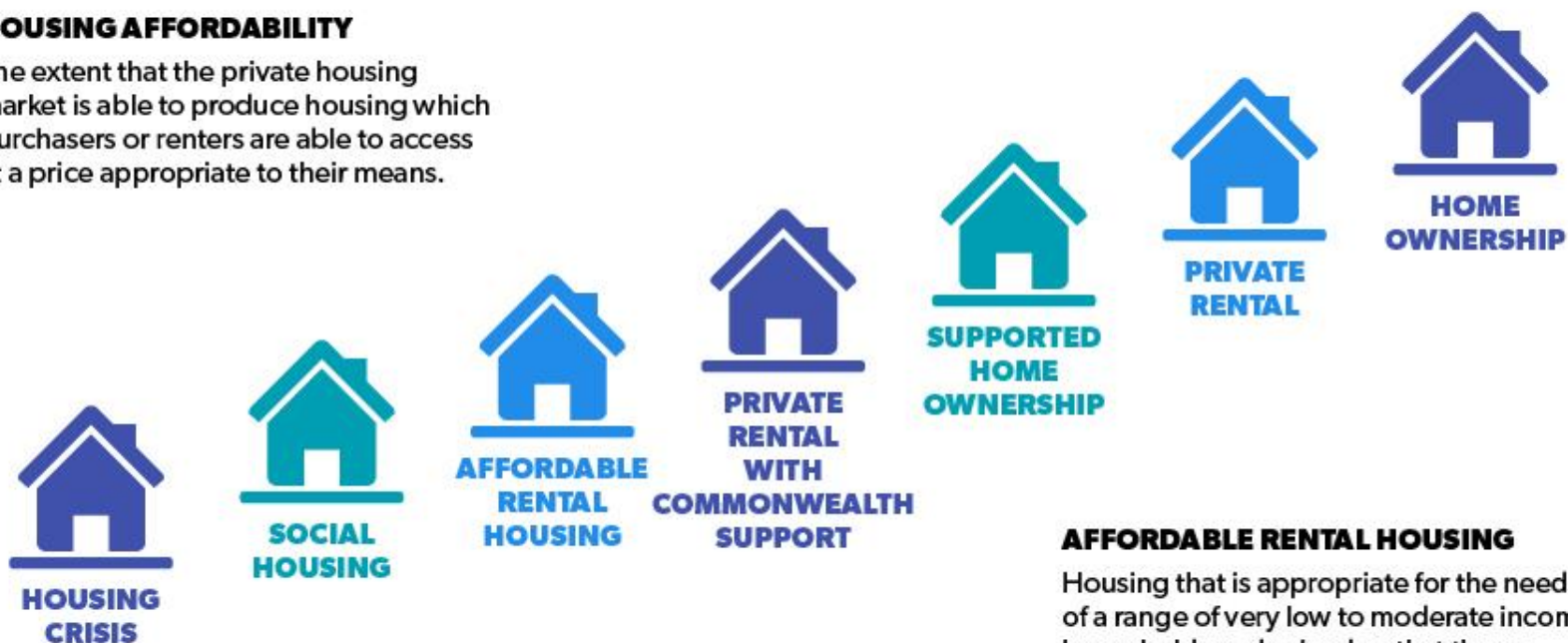
- A diversity of strong centres with distinct character
- Upgrades to the Pacific Highway and hinterland centres
- Enhancing social, economic and transport links between centres, regions and with South East Queensland will open up new markets and job opportunities



The Housing Continuum

HOUSING AFFORDABILITY

The extent that the private housing market is able to produce housing which purchasers or renters are able to access at a price appropriate to their means.



AFFORDABLE RENTAL HOUSING

Housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs.

Investment Vs. Shelter



PRIOR TO THE 60'S,
housing and property
development in Australia was
primarily focussed on
**PROVIDING SHELTER
FOR THE FAMILY**



In **2017** house,
land and property portfolios
are part of the
**MOST TARGETED
INVESTMENT PRODUCTS**
which individuals,
investment companies and
super funds seek out



The debate around
SUPPLY AND DEMAND
in the context of housing affordability
RUNS CONTRARY
to the notion of investment returns
where **INCREASED PRICING** is the
backbone behind investment
attractiveness



Positive interference strategy
(broader than just planning) can
ENABLE A SHIFT
where the
PRIMARY FOCUS IS SHELTER



Without this type of
POSITIVE INTERFERENCE
the drivers will
**GRAVITATE TOWARDS
INVESTMENT**

ACTION 3.3.1 Facilitate the Supply of more Affordable Housing

- Acknowledge and understand the need for greater housing choice and enable effective delivery of such choice.
- Councils can help improve housing affordability by adopting these:

Model controls that require affordable housing to be included in developments i.e. councils may consider a bonus provision requirement to deliver a percentage of affordable housing in a development.

Development controls and reduced contributions or other incentives that may boost construction of secondary dwellings as alternative affordable housing.

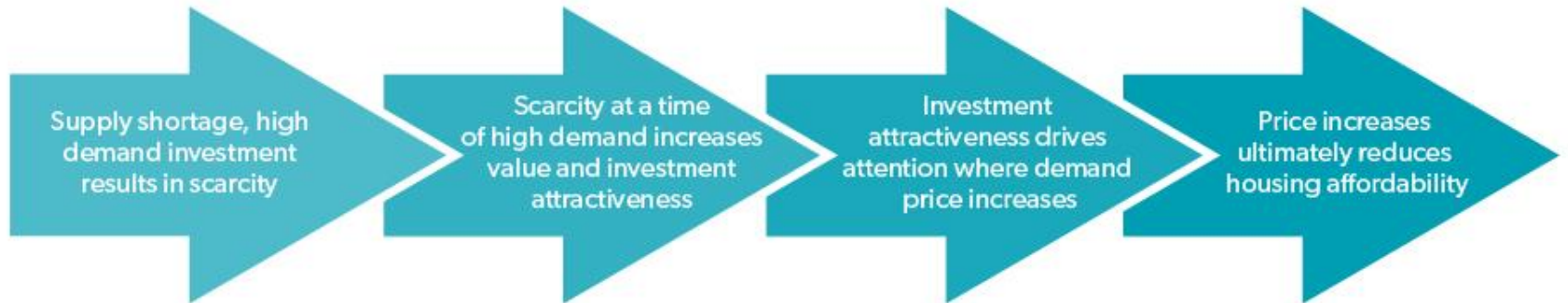
Promoting new caravan parks and manufactured home estates on unconstrained land in existing settlements and new land release areas in the urban growth areas.

Supply is Only Part of the Answer to Housing Affordability Because...



....house prices react more to demand than supply

Supply and Demand



What can the Planning System do to Promote Affordable Rental Housing?

- Encourage new affordable housing through planning mechanisms, less controls does not automatically equate to a drop in standards
- Secure new dedicated affordable housing through value capture
- Preserve and offset the loss of low cost housing
- Ensure planning does not unnecessarily impede supply
- Look at affiliated financing models and options

“We need an important approach that leverages private investment, using community housing providers as the experts at managing the tenancies and properties and uses the powers of government to support and create the necessary scale” (Nick Greiner 27 July 2016)

There is a Headwind Against Social and Affordable Housing...

- How can we ensure a consistent planning regime for social and affordable housing?
- The built form of all new housing needs to be of a quality design and compatible with the existing and/or future planning objectives of the area within which a site is located



Mixed-Use Zoning

A Planning Response



Considering new land use designations, with a focus on **MIXED-USE ZONES**



Enabling a range of land uses including residential, commercial and industrial to be co-located in a way that **SUPPORT SUSTAINABLE FORMS OF TRANSPORT** such as public transport, walking and cycling, and increased neighbourhood amenity



Incorporating a mix of **HOUSING TYPES AND AFFORDABILITY**, suitable to a diversity of needs

Place Making

A Planning Response



Place making can be a catalyst for creating **HEALTHY, LIVEABLE, VIBRANT AND INCLUSIVE ENVIRONMENTS** which is respectful to changing demographics



Healthy spaces can also ignite **ECONOMIC DEVELOPMENT, STRENGTHEN SOCIAL FABRIC** and enhance the wellbeing of people and communities



A PARADIGM SHIFT IS NEEDED towards place making, strategic led planning and place led governance

General Principles for Successful Nodes



Create an
**ORGANISING
STRUCTURE**,
specific to
attributes



Foster a
**DISTINCTIVE
FUNCTION AND
IDENTITY**



Encourage
**VARIETY AND
INTEREST**



Ensure
visual and
functional
**CONTINUITY
AND
CONNECTIVITY**



Maximise
CONVENIENCE
for users



Provide for
**COMFORT
AND
UNIVERSAL
ACCESS**



Emphasise
QUALITY

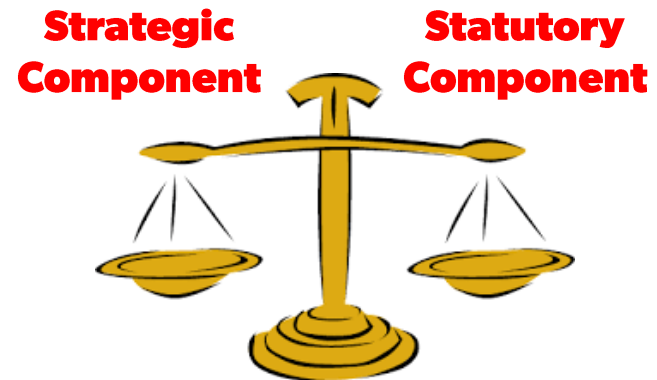
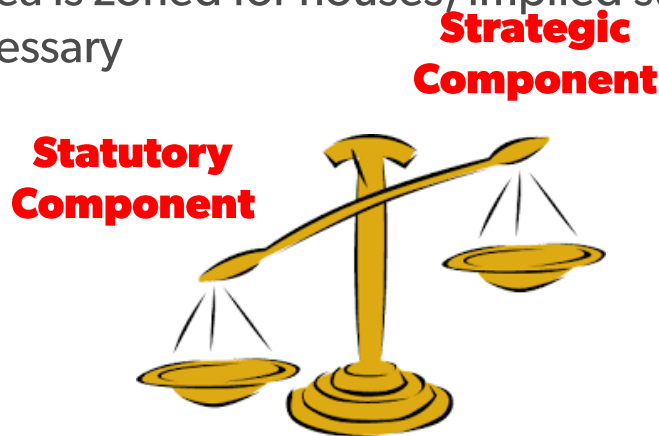
Government Architect Office – Better Placed



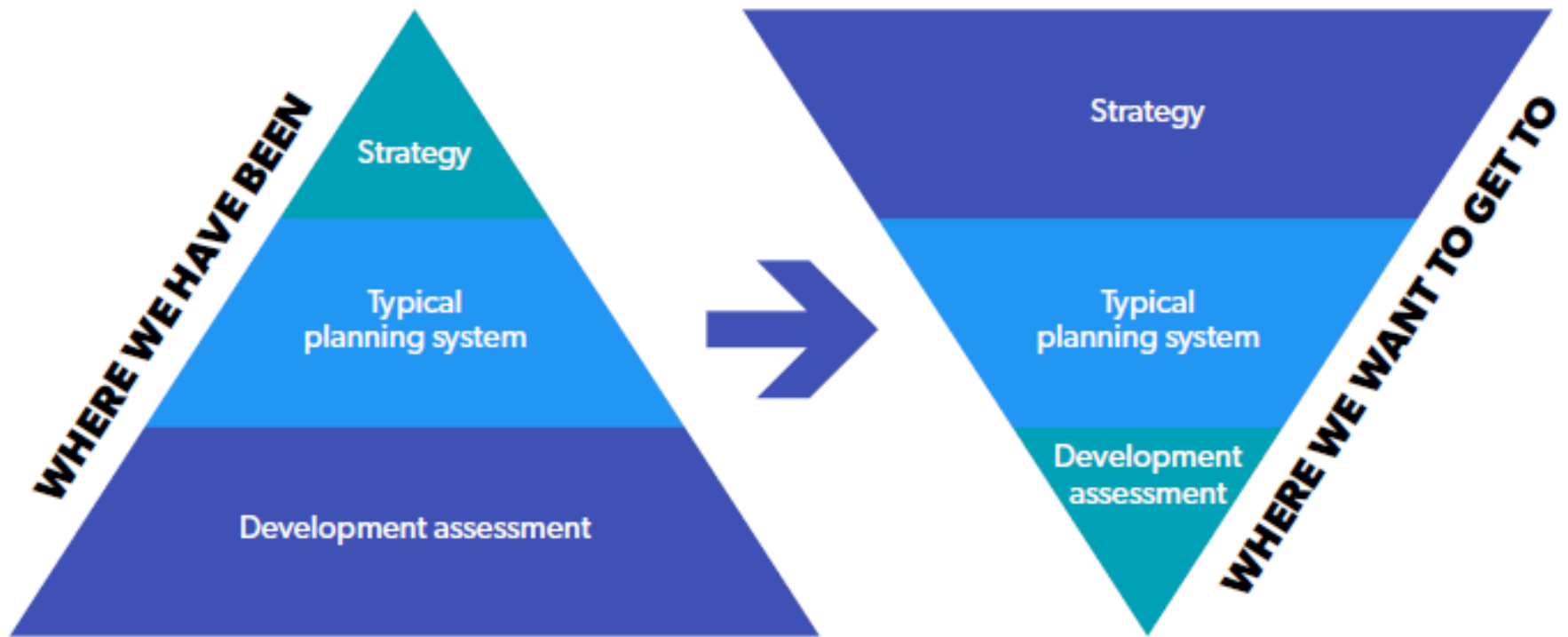
- This Draft Policy sets out the NSW Governments position on design in the urban environment. This draft document:
 - Establishes the objective and expectations in relation to design and creating good places
 - Provides guiding principles and direction to achieve these, and
 - Provides a framework for examining places and reviewing proposals, from a design perspective
- Importantly it champions the need for design excellence in the NSW built environment and starts the discussion on how we deliver and access design excellence

Up front strategic planning

- Setting desired outcomes and then achieving them is the key focus of a planning system
- To do this... we need a **strategic** led planning system, that adjusts the balance away from a **statutory** focused planning system of the recent past
- This is currently an objective of the NSW Government
- If area is zoned for houses, implied suitability further planning controls not necessary



Strategic Place Based Planning



Setting a Vision and Goals



A collective **ASPIRATION**
for the region over the next 20 years
developed with the community,
councils and businesses



Setting **CLEAR GOALS**
to achieve the vision





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