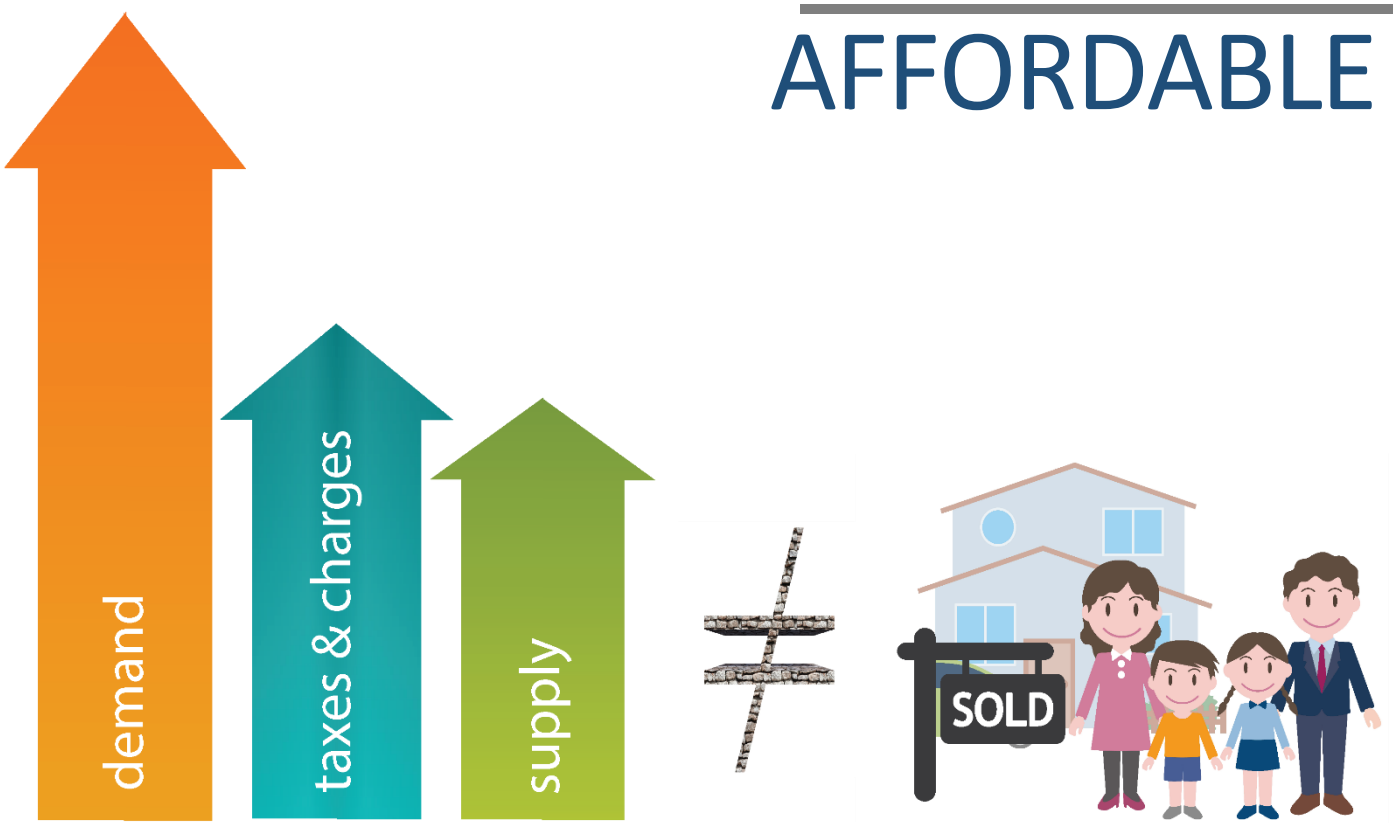
MAKING HOUSING MORE

AFFORDABLE



Urban Development Institute of Australia New South Wales

Housing Affordability Task Force

Urban Development Institute of Australia NSW

At the beginning of 2017, the Urban Development Institute of Australia NSW (UDIA NSW) established a Housing Affordability Task Force to deliver an action plan aimed at addressing the housing affordability crisis in NSW. UDIA NSW would like to thank the task force members for their input into the action plan.

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1. EXECUTIVE SUMMARY

Despite a 300% increase in housing supply over the past 10 years, Sydney requires an additional 100,000 dwellings now and at least 725,000 new homes to accommodate 1.7 million people by 2036. That is, 825,000 homes to be delivered in 20 years, or 41,250 annually. Greater Sydney has never achieved this level of dwelling completions. With a median house price of $1,151,565 (Domain: March Quarter 2017), Sydney is currently ranked the second least affordable city in the world (2017 Demographia International Housing Affordability Survey).

THE SYDNEY HOUSING MARKET HAS BOTH A **SUPPLY & AFFORDABILITY CRISIS.**

'Until the supply response catches up to demand, higher house prices are the inevitable outcome'. (The NSW Parliamentary Research Service 'Demand, deposits, debt: Housing affordability in Sydney'(NSWPRS) March 2017).

There is no single and easy solution. Sydney's housing supply chain is a dynamic and complex system that is currently working to capacity. It requires greater productivity and efficiency to deliver the expected supply. The issue of affordability is also complex with many influencing factors including, income, interest rates, unemployment, population and demographics, foreign investors as well as housing being used as an investment.

There are several factors limiting supply, these include:

- Time lag in project start and completion for land and housing (around 7-10 years for land and house packages to reach the Sydney market);
- Considerable delays in the planning rezoning and approval process;
- Timing and delivery of the facilitating infrastructure;
- Lack of housing diversity;
- Uncertainty around the statutory and strategic planning processes;
- Cost of development, including taxes, fees, charges and infrastructure cost; and
- Difficulty in amalgamating fragmented sites, including delays due to key land owners over-priced sales expectations effectively freezing land.

Supply must also meet the needs of an evolving and increasingly segmented household demand profile. Smaller households, an aging population, increasingly high costs of entry for first home buyers, as well as significant affordability pressures for many in the private rental sector necessitate a broad range of actions. These actions require the NSW Government to lead and work with industry to find innovative solutions suitable to bridge the gap between those who have accessed the housing market and those that have not.

The UDIA suggests a two-fold approach to make Sydney's housing more affordable.

Firstly, fix the housing supply chain through:

- Better coordination to deliver housing and its associated infrastructure in a timely and efficient manner;
- The delivery of more housing diversity; and
- More certainty, less significant delays and a more predictable regulatory framework.

The second is for NSW Government to:

- Form a Housing Delivery Unit within Premiers and Cabinet and establish policy and oversee the supply and delivery of housing;
- Establish an Urban Development Program for the timely coordination and release of housing and its supportive infrastructure,
- Work with industry and Federal and Local Governments to establish an Affordable Housing Program.

The industry can produce a variety of housing products that are affordable and meet the needs of the market, both in terms of rental and home ownership. The Premier has placed housing affordability at the top of the NSW Government's agenda. Government must now lead with establishing the necessary regulatory structure, work with industry on detail and deliver necessary policy and planning reform. To achieve this, the NSW Government must immediately act to:

1. Establish a Housing Delivery Unit (HDU) led by the Department of Premier and Cabinet that will manage the Urban Development Program and an Affordable Housing Program.

2. Establish an Urban Development Program (UDP) to identify, coordinate and prioritise housing supply and the necessary funding for supporting infrastructure**.**

3. Establish an Affordable Housing Program (AHP) to undertake the necessary policy, program and planning reform to addresses affordable housing needs at scale now and build a portfolio of publicly owned housing assets for the next generation.
4. Amend the standard LEP instrument and/or other SEPP's to deliver more housing diversity.
5. Improve supply efficiency by reducing planning uncertainty and time delays around integrated developments, rezonings, development applications and large scale residential developments. Extend the *ePlanning* Program to track all applications through the development process, against mandated statutory timeframes and referral to other agencies.
6. Place a moratorium on any new charges or taxes, planning gains, value capture and Inclusionary Zoning until the real cost of these charges and the impact they may have on the cost of housing is better understood.
7. Establish a government-led working group with industry to deliver innovative housing that is suitable for first home buyers, lone person households, with potential for lifecycle adaptability, including 'ageing in place'.

2. PURPOSE

The purpose of this paper is to provide the NSW Government with an Action Plan that addresses Sydney's housing affordability crisis. The Action Plan contains outcomes and timeframes the development industry believe will improve the housing supply chain and provide for those whom are increasingly unable to afford to enter the housing market.

In this paper, the term 'housing affordability' refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes. The concept of housing affordability is different to the concept of 'affordable housing', which refers to very low, low or moderate income households (as defined by the *State Environmental Planning Policy (Affordable Rental Housing) 2009))*. These terms are important as there is often confusion in their use and mistakenly interchanged.

It is suggested that any subsequent policy, program or planning initiative carefully considers the naming and avoids misconceptions around affordable housing and housing affordability.

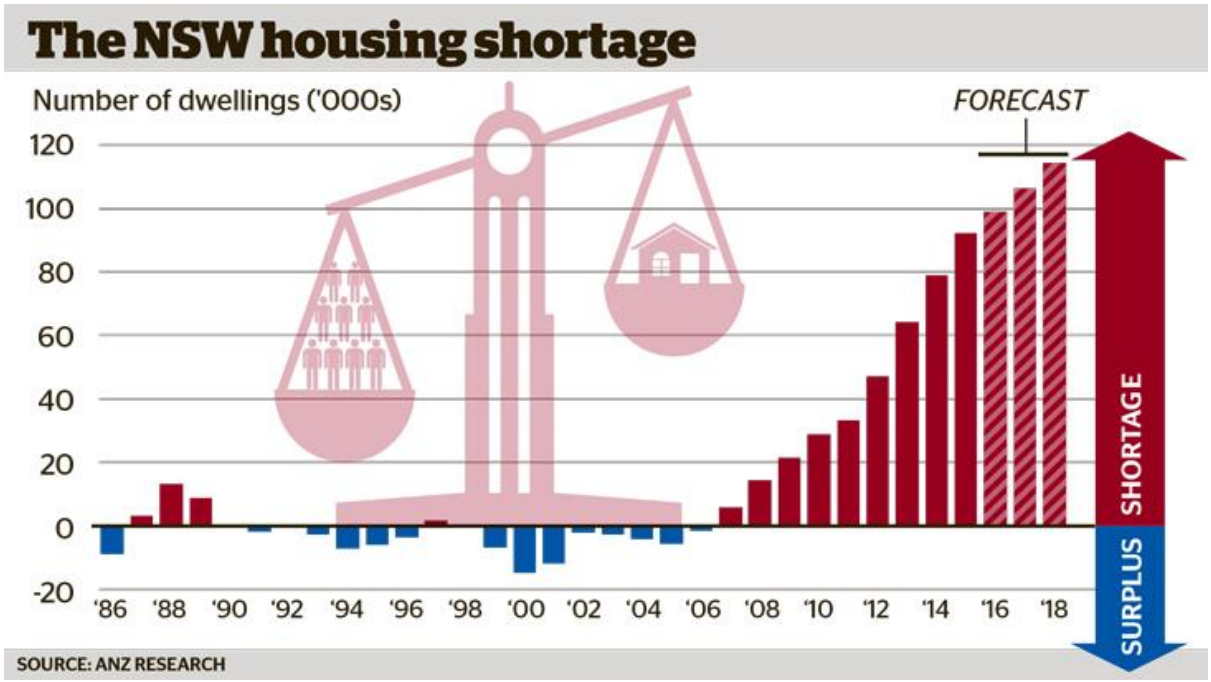
3. THE PROBLEM – ALIGNING SUPPLY AND DEMAND

The NSW Parliamentary Research Service *Demand, deposits, debt: Housing affordability in Sydney (NSWPRS) March 2017*, noted that there are numerous and complicated factors affecting supply, demand and consequently affordability. "Nevertheless, there is widespread agreement that real house prices in NSW have been driven by supply and demand factors, with demand fundamentals being exacerbated by supply constraints." Sydney, the Central Coast, Hunter and Illawarra are all experiencing affordability issues and supply constraints, notably with Sydney ranked the second-least affordable city in the world and Wollongong the third-most expensive city in Australia.

3.1 Housing Supply Drivers

Whilst there remains demand for home ownership or rental, there will be a supply response through the construction of new property. "The extent to which affordability problems persist is determined by how well the supply of housing can respond over time." NSWPRS

Despite a 300% increase in housing supply over the past 10 years, Sydney requires an additional 100,000 dwellings now (to address the pent-up demand resulting from a decade of undersupply between 2003 and 2012) and at least 725,000 new homes to accommodate 1.7 million people by 2036. That is 825,000 homes to be delivered in 20 years, or 41,250 annually. Greater Sydney has never achieved this level of dwelling completions.



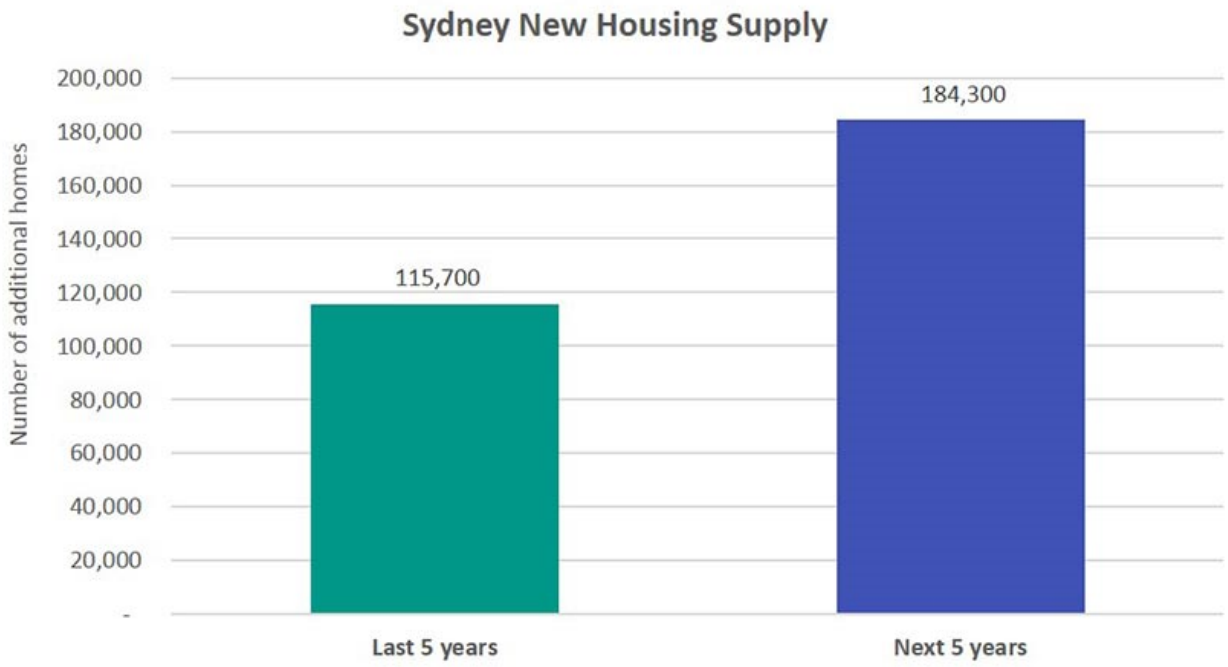
The graph above shows the changes in the housing supply of the Sydney market over several decades.

The Sydney Olympics underpinned a solid upswing in residential development which peaked in 1999/2000 with 30,500 dwelling completions. A 'lost decade' of dwelling undersupply followed,

which was compounded by the Global Financial Crisis in 2008/09 where only around 13,000 dwellings were completed (Charter Keck Cramer).

A combination of low levels of new supply through the 2000's and continued population growth has resulted in around 100,000 additional dwellings required now.

The graph below indicates in the next 5 years, Sydney will require an 59% increase in its housing supply.

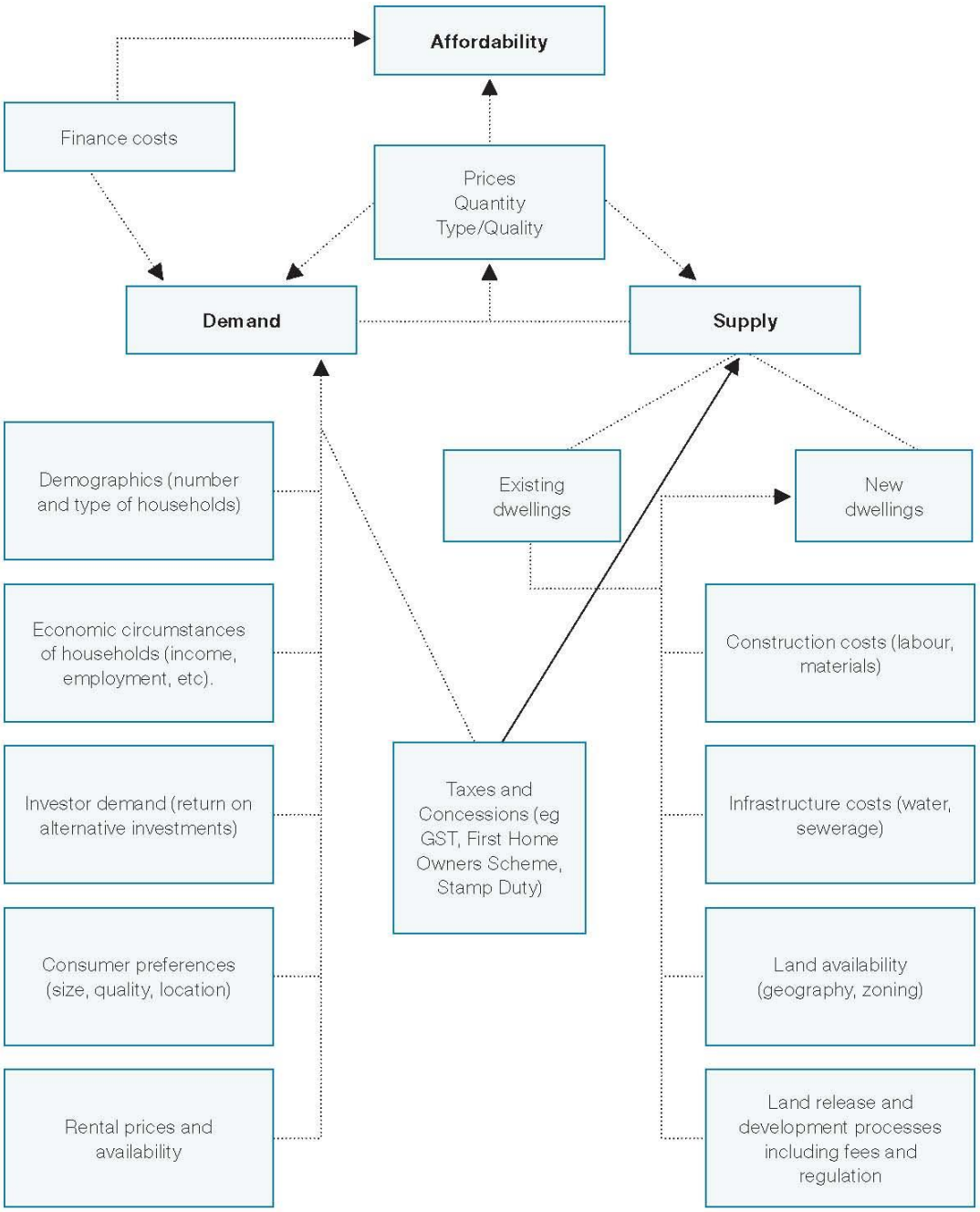


'Until the supply response catches up to demand, higher house prices are the inevitable outcome.' ***(NSWPRS)***

3.2 Housing Demand

The major drivers for increased housing demand appear to be financial and economic, with growing per capita incomes and high levels of aggregate employment. The National Housing Supply Council (NHSC) indicate below the factors that influence housing demand, supply and affordability.

Figure 1.2: Factors influencing housing supply, demand and affordability



Source: Adapted from Productivity Commission, *First home ownership: inquiry report*, Productivity Commission, Melbourne, 2004, p. 5, viewed 15 January 2009, <www.pc.gov.au/projects/inquiry/housing/docs/finalreport>.

"Increased access to cheap credit and macroeconomic stability have also increased the ability of Australian households to maintain high levels of household debt, using in part to fund housing consumption and investment. In addition, population and demographic changes as well as taxation settings have added to the demand for housing."
The Housing Supply and Affordability (HSAR) Reform Working Party

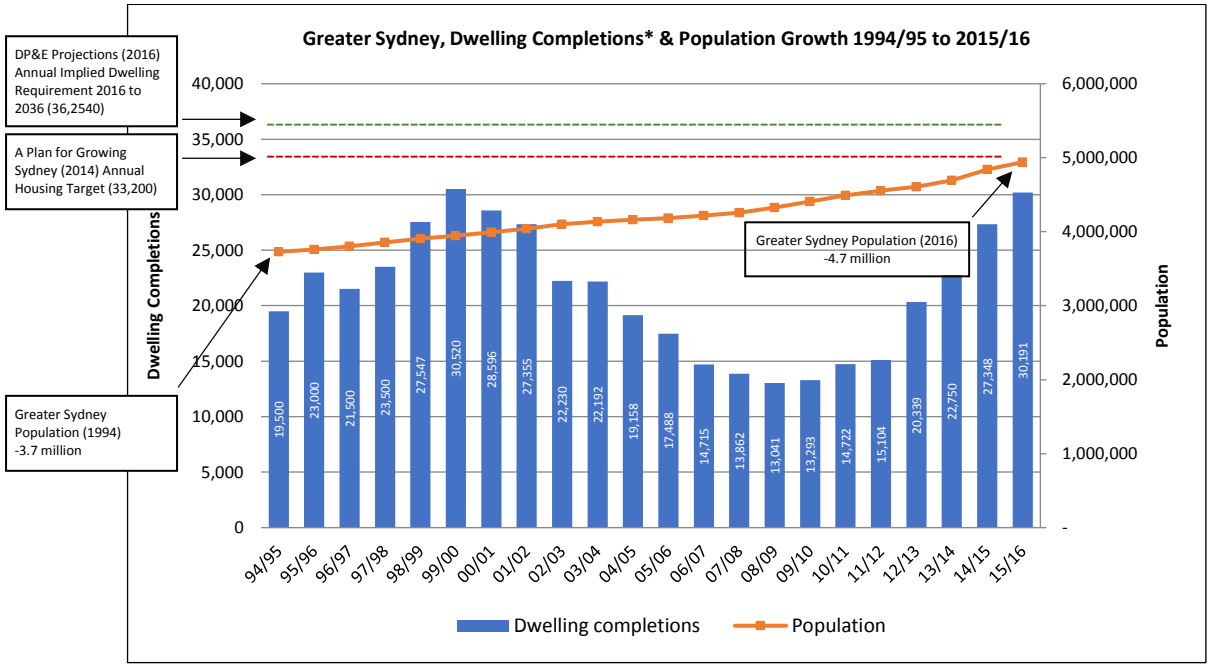
3.3 Identification of the Problem - Housing Supply and Affordability Reform

In recognition that housing supply was an increasing issue for Australia, the Council of Australian Governments (COAG) in 2010 asked for a report on the housing supply pipeline and government policies that may act as barriers to supply or that stimulate demand for housing.

The Housing Supply and Affordability (HSAR) Reform Working Party reported:

> *"Australia's macroeconomic and demographic environment has provided a strong platform for growth in demand for housing. However, over the last decade in particular, the supply of housing has not responded commensurately to this growing demand."* ***Problems on the supply side*** *of the housing market are evident from:*
>
> *" - growth in* ***dwelling completions not keeping up with growth*** *in population at a national level;*
> *- real cost construction costs not driving the escalating housing prices, suggesting* ***the cost of land and land development are the major supply drivers of increasing house prices****; and*
> *- a* ***relatively inelastic housing supply market*** *that does not respond adequately to higher demand." pg 8*

The graph below plots Sydney's dwelling completions with population growth (1994/95 to 2015/16). Sydney has not been able to align its dwelling completions with population growth and as population is forecast upwards, the undersupply is more significant.

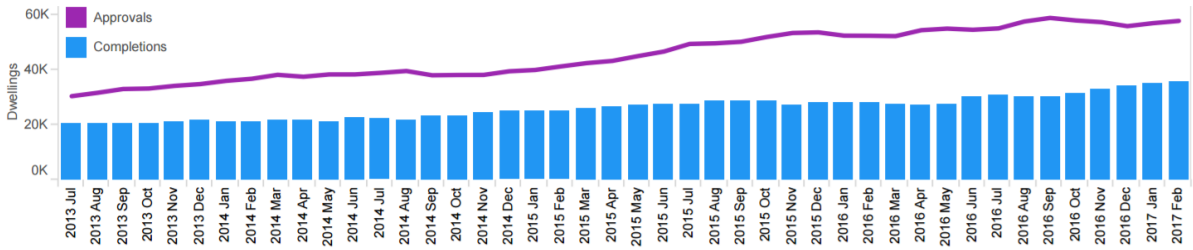


'Suburbs of the 21st Century – building the Evidence Planks' Source DP&E; ABS; Charter Keck Cramer
*Includes new separate houses, apartments, townhouses & other medium density typologies.

There are several factors limiting supply, these include:

- Time lag in project start and completion for land and housing (around 7-10 years for land and house packages to reach the Sydney market);
- Considerable delays in the planning, rezoning and approval process;
- Timing and delivery of the facilitating infrastructure;
- Lack of housing diversity;
- Uncertainty around the statutory and strategic planning processes;
- Cost of development, including fees, charges and infrastructure cost; and
- Difficulty in amalgamating fragmented sites, including delays due to key land owners over-priced sales expectations effectively freezing land.

The Department of Planning and Environment's Housing Monitor reported the annual approval rate over the previous 4 years was 46,118 dwellings. Of these however, only 59% were completed in the same timeframe. The graph below indicates approvals and completions since 2013.



There remains a significant gap in translating approvals into completions. This may be due to conditions of consent requiring third party approvals or works to be undertaken, finance not being available or increased costs to develop. The housing supply chain needs to be made more productive and efficient to meet the demand.

4. The Solution – Fix the Housing Supply Chain

The housing supply chain is currently constrained and limited in its ability to meet ongoing supply and create scope for housing that is more affordable. The Housing Supply Chain needs:

- Better coordination to deliver housing and its associated infrastructure in a timely and efficient manner;
- The ability to deliver more housing diversity; and
- More certainty, less significant delays and a more predictable regulatory framework.

4.1 Coordination of Housing Supply and Supporting Infrastructure

Making housing more affordable remains linked to its supply. This supply requires coordination, rezoning, monitoring and timely release of the facilitating infrastructure. The HSAR Working Party reported that "Coordination between the mix of infrastructure providers, between strategic land use planning and infrastructure provision, and between strategic land use planning and the associated budget is essential."

In 2016 Commonwealth Parliamentary inquiry into home ownership noted that local and state governments can impede the release of land for housing development. AHURI submitted that, " …a well run and timely land release policy can help with the supply of new houses. When planning controls deliver certainty about what is going to be developed where, and that information is made widely available, then each developer can plan the nature and scale of their developments with confidence."

The NSW Government must establish a **Housing Delivery Unit (HDU)** that reports directly to the Department of Premier and Cabinet. The HDU would establish and coordinate policy, planning initiatives and programs to improve the delivery of housing. The HDU would oversee an **Urban Development Program** (UDP) that is empowered to direct funding and take responsibility to lead and coordinate housing and the necessary supporting infrastructure. The UDP would:

- Coordinate and monitor housing supply and targets in urban renewal areas, infill and new communities in land release areas;
- Coordinate and prioritise the delivery of the necessary supporting infrastructure;
- Invite industry to submit projects and land release opportunities for review and inclusion in the UDP;
- Integrate social and affordable housing targets and ensure their programming;
- Signal early identification of blockages; and
- Be reported quarterly enabling monitoring and input back into policy development and housing supply programs.

This should provide more certainty to the market, more efficiency in the supply chain, and clear prioritisation of government funding. Importantly, with a clear program that identifies timing, it may remove some speculation and uncertainty in the market. The programming of release areas should also incentivise the vendor to sell into the development pipeline, within designated timeframes, to reduce speculation and further delay.

Importantly, the UDP suggested inputs (Attachment 7.1) would integrate the various housing targets of the Greater Sydney Commissions' District Plans, social housing, affordable housing, urban renewal areas and infill with the timing and delivery of the supporting infrastructure. Critical to its success is to ensure that the infrastructure service agencies are funded and directed to deliver the UDP in a timely and coordinated fashion. UDIA's *Building Blocks* showed how intelligent and targeted infrastructure spend can be used to maximum effect in the delivery of housing supply. The Housing Acceleration Fund was established as a result of the findings out of *Building Blocks*. UDIA is undertaking further work utilising this methodology which is relevant and transferable to the Government's priority precincts.

The Government should be congratulated on preparing the *Greater Newcastle Metropolitan Plan* which will include a Hunter Urban Development Program. The lllawarra also has an Urban Development Program which encompasses the Wollongong, Shellharbour, Kiama, and Shoalhaven LGA's but it is essentially a monitoring program of land supply and a discussion forum. The UDPs need to identify, coordinate, prioritise, housing supply and the necessary funding and timing for facilitating infrastructure.

Immediate Actions (Full Action Plan – see section 6.2)

1. **Establish a Housing Delivery Unit (HDU) led by the Department of Premier and Cabinet that oversees the Urban Development Program (Action 2) and an Affordable Housing Program (Action 6).**

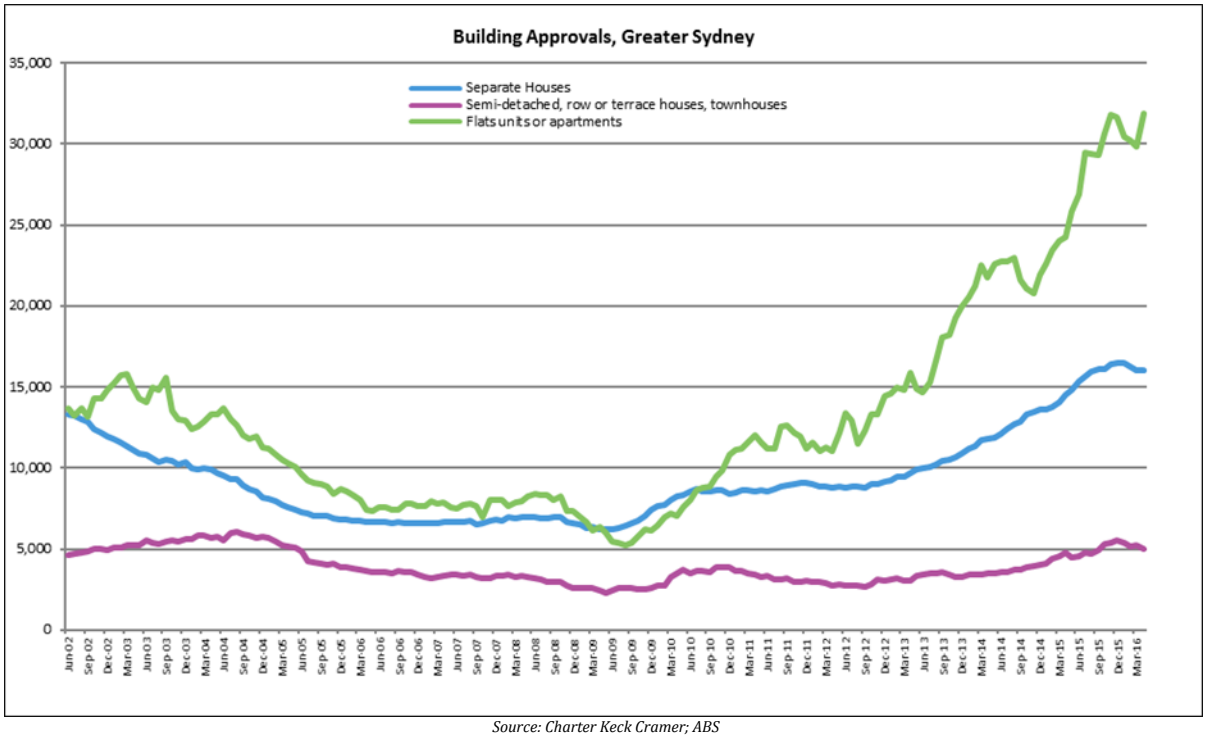
2. **Establish an Urban Development Programme (UDP) to identify, coordinate, prioritise, housing supply and the necessary funding and timing for facilitating infrastructure.**

4.2 Diversity

A Plan for Growing Sydney emphasises the need to accelerate housing supply by delivering; a series of urban renewal corridors, medium density infill and new communities in land release areas. However, Sydney remains a city of apartments and detached housing.

"There is an increasing divergence between inner and outer Sydney, with the former experiencing significant apartment development and the latter seeing predominately detached housing construction." (NSWPRS)

The graph below identifies building approvals (2002 – 2016) for apartments, medium density and detached housing. It indicates a strong increase in the approvals of apartments, with six times more apartments approved than medium density. A minor increase in detached housing and a negligible change in the approvals for medium density housing.



Source: Charter Keck Cramer; ABS

All three sectors need to be efficiently and productively supplied to meet Sydney's anticipated growth, accommodate the current under-supply and deliver affordability. Medium density is important component in supplying housing diversity and meeting the various changing housing needs of the population.

This has been reinforced by the Australian Housing and Urban Research Institute's (AHURI) report *Delivering diverse and affordable housing on infill sites* (2012) which explored the important role infill development plays in the metropolitan planning strategies of major cities.

'Smaller lot sizes, smaller houses and generally a greater diversity of dwelling is starting to be developed (in Perth) and delivering a lower priced product to the market where demand is greatest.'

AHURI 2012

The Government's initiatives over recent years have invested in traditional separate houses or strata-titled apartments. What has been missing has been a concerted focus on the 'Missing Middle' – the housing that transitions the scale between low density detached houses and strata titled apartments, as depicted in the illustration below:

The UDIA applauds the Department of Planning and Environment's Housing Diversity Package rolled out in the North West and South West Growth Centres and the 'Missing Middle – Medium Density Guidelines' which enable more diverse housing options to increase the supply and quality of medium-density housing.

Western Australia's LandCorp has recently completed a development in Fremantle. The three demonstration homes respond to the "..problem of the 'missing middle' of medium density housing, whereby housing stock in Australia (and internationally) is increasingly either low density single family homes or higher density apartments, with little choice in between."(GenY Demonstration Homes Publication - WA LandCorp).

A greater supply of medium-density housing will unlock pent up demand and cater to a variety of housing needs and price points, including the lone person household, those looking to downsize and 'age in place', the first home buyer and key worker housing.

The following tables highlight the expected changes in Sydney's household profile. It is anticipated that smaller households will experience the greatest growth rates in the next 20 years. This is reflective of the ageing population profile, where the single person household is expected to grow both by the largest aggregate and in proportional terms, an increase of 52%. Couple-only households are also set to significantly increase.

Aggregate Household Growth by Type by District, 2016 – 2036

	Central	North	South	South West	West	West Central	Greater Sydney
Couple only	31,750	23,500	18,450	31,200	9,250	41,150	155,300
Couple with children	29,200	20,900	22,700	48,200	8,400	72,600	202,000
Single parent	15,500	8,150	10,350	19,750	5,500	25,500	84,750
Other family households	1,150	450	850	1,700	400	2,600	7,150
Multiple-family households	2,800	2,100	1,850	3,550	900	4,750	15,950
Single person	61,100	32,800	23,600	30,300	14,000	42,450	204,250
Group	7,100	1,950	1,250	1,650	500	3,600	16,050
Total	145,200	89,750	79,250	136,400	39,000	192,800	682,250

% Growth of Households by Type by District & Greater Sydney, 2016 – 2036

	Central	North	South	South West	West	West Central	Greater Sydney
Couple only	35%	28%	32%	66%	31%	61%	**41%**
Couple with children	29%	17%	21%	46%	18%	51%	32%
Single parent	44%	30%	34%	54%	33%	66%	**46%**
Other family households	17%	12%	22%	41%	28%	47%	28%
Multiple-family households	28%	23%	26%	54%	25%	55%	35%
Single person	44%	40%	46%	88%	51%	81%	**52%**
Group	17%	15%	20%	47%	18%	43%	21%
Total	34%	26%	30%	57%	30%	60%	40%

Source: Charter Keck Cramer, DP&E

These household formation trends have significant implications for Sydney's growth. It is critical that supply responds to these trends by providing smaller, compact housing forms.

The release of the *Growth Centres Housing Diversity Package* and *Missing Middle Design Guide* have paved the way for immediate action – the planning legislation must now respond by recognising that the market is capable of delivering housing products that produce housing diversity.

Approximately 80% of metropolitan Sydney's residential land is zoned R2 Low Density Residential. It is necessary to now retrofit these areas with more housing diversity. Planning anomalies and prohibitions in current planning controls can be rectified quickly to permit and standardise lower scale density dwellings like dual occupancies, manor homes and 'fonzie flats' into targeted residential areas.

Importantly these dwellings must permit separate titling. **Relying on rental stock is no longer adequate – there must be more opportunities for people to purchase their own home.** The introduction of planning controls to permit ownership of these typologies will provide access to a continuum of housing choices as needs change, from the first home buyer to those wishing to 'age in place'.

The Greater Sydney Commission has identified the importance of housing diversity and is requiring councils to prepare local housing strategies and increase diversity of housing choice. This strategic planning process will take considerable time. The UDIA offers immediate actions that will achieve short term and effective gains in addressing the housing supply and diversity immediately.

Immediate Actions (Full Action Plan – see section 6.2)

3. Amend the Standard Local Environmental Plan (LEP) Instrument and/or other SEPPs to:

- **Introduce new definitions for housing typologies that could be delivered in the R2 Low Density Residential Zone and R3 Medium Density Residential Zones;**
- **Standardise the types of housing product that are permissible across the R2 and R3 residential zones;**
- **Identify the locational criteria that must be satisfied to ensure good amenity; and**
- **Recalibrate the minimum lot size for certain dwelling types to align with the Codes SEPP and enable a greater proposition of dwellings to be approved as complying development**.

4.3 Productivity and Efficiency

Despite a 300% increase in housing supply over the past 10 years, Sydney requires 41,250 additional dwellings annually for the next 20 years. Greater Sydney has never achieved this level of dwelling completions. The housing supply chain requires an increase in its efficiency and greater productivity to reach these targets.

The HSAR Working Party reported in 2012:

> *"The Working Party's examination of the housing supply chain identified multiple instances where developers and builders faced **significant d**elay, **uncertain timeframes** and **unpredictable regulatory frameworks** in bringing new land and dwellings to market. Such delay and uncertainty **increased the cost of housing** by increasing developer holding costs and by adding to the risk that business face in the development process." p2*

The housing supply chain must remove uncertain timeframes, delays and costs. "While there are sound reasons for councils and government agencies to impose stringent tests during the planning phase, the uncertainty and time typically taken to settle planning issues can increase the cost and risk of housing development." (RBA 2012)

The Commonwealth Government undertook a comprehensive report into Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments in 2011. The report's key findings noted leading practices to improve planning, zoning and assessment, including improvements towards:

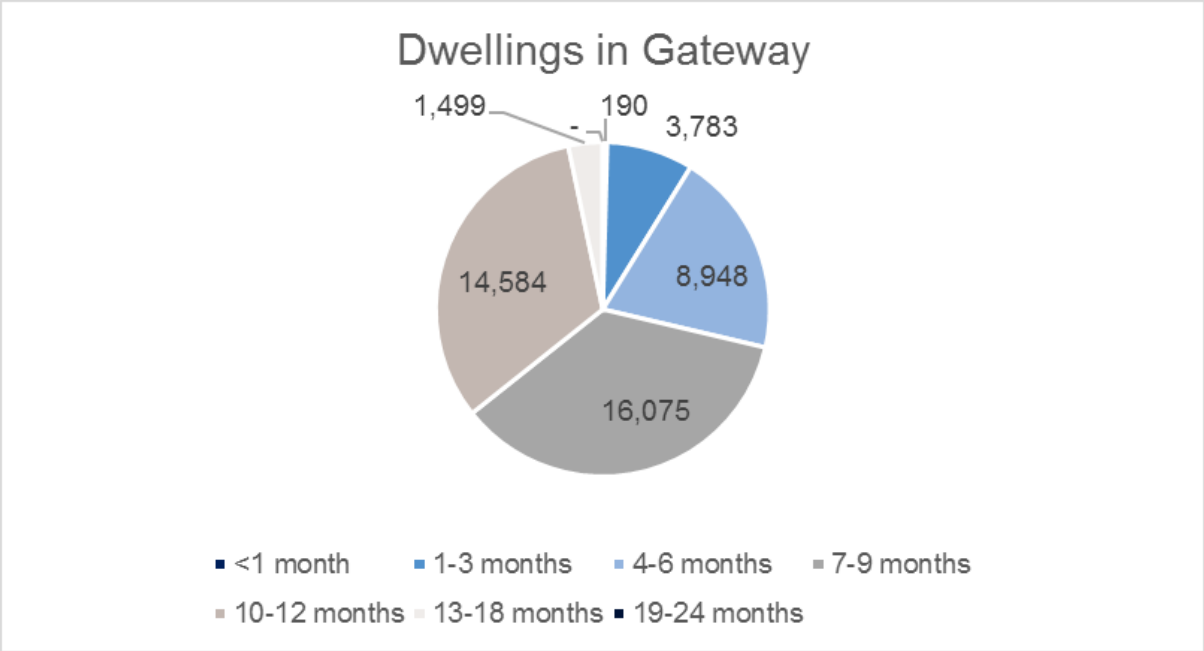
- **Timeframes** for structure planning, rezoning and referrals;
- **Electronic development assessment;** and
- Rational and transparent rules for **charging infrastructure costs** to businesses.

4.3.1 Uncertain Timeframes and Delays

"Developable land in fringe areas, particularly close to Melbourne and Sydney, consist primarily of small, rural residential lots that must be acquired and consolidated prior to development. The time and costs associated with acquiring land (owners 'hold out' for the price they want) and seeking approval to consolidate (usually through re-zonings) are significant. These costs, as well as state and local infrastructure levies have implications for the financial feasibility of developing in these areas."(NSWPRS)

Delivering new communities in land release areas takes approximately 7-10 years as shown on Attachment 7.2. The process indicates timeframes and the interrelationship between the developer, various agencies, local government, service providers and the public. The planning phase of this process takes the most time and is generally where the delay occurs.

As of April 2017, there were 412 applications for rezoning, comprising 45,079 dwellings with the Department of Planning and Environment for consideration (this number excludes those rezoning applications currently before councils for preliminary assessment and consideration). There are 32,158 dwellings that have been in Gateway for more than six months.



Source: RPS Group

Time delays are also experienced when applications are referred, or require concurrence or approval through other agencies. The Productivity Commission's 2011 report noted that NSW had the highest number of referrals required and that a "…definitive schedule of all referral matters was not possible as it would require reference to over 200 local, regional and state environmental planning polices, as well as an array of non-planning legislation."

There is little or no cohesiveness given through these concurrence processes to deliver a more efficient, or cost effective, project or outcome. Often referral agencies requirements are excessive and issued in isolation. When those requirements are compounded with other excessive requirements without question or challenge, the outcome is a significant reduction in the efficiency of land for housing, known as 'land slop'. As a consequence, the outcome is compromised and the cost to produce housing increases.

4.3.2 *ePlanning*

The Department of Planning and Environment should be congratulated on their *ePlanning* program. The industry would welcome the opportunity to work with the Department to see more electronic based assessments and enhancements of the *ePlanning* program. Expansion of the *ePlanning* program to track applications and consents through the entire development process would improve productivity and efficiency of the housing supply chain. As the land development process map indicates (Attachment 7.2), no one agency remains involved for the duration of the project. *ePlanning* could be the necessary tool that tracks the applications progress, holds the necessary information, provides the coordination with other agencies and service authorities throughout the development process.

The NSW Department of Finance, Services and Innovation, through Cadastre NSW, are looking to develop a digital transformation of the approval stage of the development process. If integrated into the *ePlanning* program it has the potential to track applications and approvals through their unique identifier (lot and deposited plan). That land information portal can provide a range of information to consent authorities, industry, communities and government. **This becomes an important benchmarking tool to monitor performance, identify blockages in the system and measure delivery targets**. This portal would integrate that information into the Urban Development Program (UDP).

4.3.3 Infrastructure Charges and Costs

The HSAR report noted that the housing supply chain absorbs considerable development fees, charges, levies and a variety of taxes which all contribute to the cost of producing housing. These include stamp duty, GST, rates, land tax, Section 94 and Special Infrastructure Contribution (SIC) levies. Combined, these charges account for 30-40% of the total cost of development.

The table below indicates the allocation of these charges and taxes on the cost of an average development in a greenfield and brownfield context.

	Development Type	
Breakup of taxes and charges (as a %)	South West Sydney greenfields project	Brownfield project
State Stamp Duty	3.5	3
Federal GST	12.2	14.2
Council Rates	0.1	0.2
State Land Tax	1.8	1.5
Local Council s.94.	12.5	12.4
State Infrastructure Contributions	4	4.3
Total Taxes and Charges	34.1%	35.6%

Further taxation by negotiation and Agreement either through Voluntary Planning Agreements, Planning Gain, Value Capture or Inclusionary Zoning will only continue to add costs that impact housing affordability. Seeking more taxes out of development may freeze land production as it did in 2005.

At that time, taxes and charges accounted for around 50% of the land sale value which pushed the cost of development beyond feasible levels, effectively stopping supply. This caused a downward slide until 2009, resulting in a decade of under-building in Sydney. Sydney's housing supply chain cannot afford any delays to supply, or additional and increased taxes that will affect affordability**.**

Until the various impacts of Voluntary Planning Agreements, Planning Gain, Value Capture, Section 94, Section 94A, SIC levies, Inclusionary Zoning are better understood and regulated, a moratorium should be placed on all existing fees, charges, taxes and infrastructure costs. The HSAR Working Party noted a lack of consistency, transparency and predictability in how infrastructure charges were applied and produced a *A Best Practice Guideline for Infrastructure Charging Principles*. These guidelines outline how to better achieve transparency, accountability, predictability and equity. These are fundamental principles and all 'charges' or agreements should reflect these**.**

The rezoning and contribution phase of development should have provision for the Minister to "call in" applications that cannot be agreed to by Councils and the applicant, whereby parties are unable to arbitrate transparent, equitable, accountable and predictable contributions. This would remove the potential for 'gains' that are opportunistic and not part of a transparent and accountable infrastructure framework.

Immediate Actions (Full Action Plan – see section 6.2)

4. Amending the Environmental Planning and Assessment Act 1979 and associated policies to improve supply efficiency by:

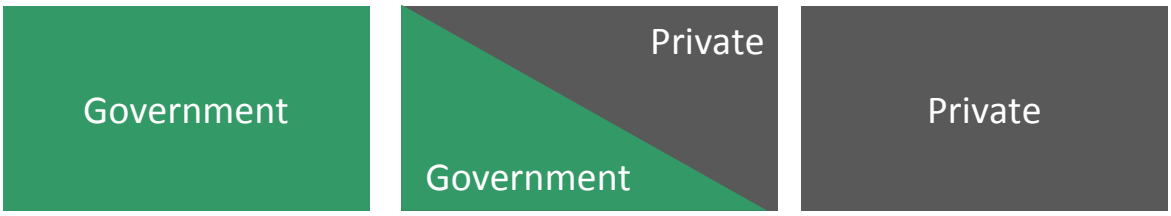
- **Including large scale residential development as 'State Significant Development';**
- **Reforming State Government concurrence and integrated approval through the creation of 'deemed to comply' provisions that contain standard conditions and obligations;**
- **Extending the *ePlanning* program more comprehensively through to councils, other agencies and service providers. This electronic monitoring would allow for real time tracking of applications, their concurrence with other agencies and coordination with service authorities; and**
- **Making the planning proposal and development application process more efficient by removing duplication and the requirement for unnecessary information. The lodgement of concurrent applications should be encouraged.**

5. Place a moratorium on any new charges or taxes, including compliance levy, planning gains, Inclusionary Zoning until the real cost of these charges and the impact they may have on the cost of housing is better understood.

5 The Solution – Bridge the Gap

The housing supply chain needs coordination, diversity, efficiency and an innovative model to deliver more housing that is affordable to 'bridge the gap' between those who have accessed the housing market and those that have not.

BRIDGING THE GAP



Opportunity for innovation

Unaffordable housing can lead to a wide range of negative social and economic impacts on individuals and communities. Whilst housing prices remain high, there are groups who in turn are increasingly unable to access the market both in terms of rental and ownership. These include the first home buyer, those accessing the private rental market, public or community housing residents and those at risk of homelessness.

5.1 The increasing gap to home ownership

The illustration above indicates the general division of housing delivery between market and non-market (government) highlighting the gap that is increasingly unable to be met by either. There are currently segments of the housing market that are unable to transition from rental accommodation to home ownership. These segments include first home buyers, low and moderate income households and housing for key workers.

The housing supply continuum (Attachment 7.3) outlines the transition between market and non-market housing. The horizontal bars describe how this housing is generally delivered between government, community housing providers, public/private partnerships and the private sector.

The development industry is well placed to work with government to 'bridge the gap' between those who have accessed the housing market and those that have not. Housing diversity meets some needs, however more innovation is required to deliver the appropriate initiatives and incentives to facilitate the transition from social housing into market housing within the affordable housing space. Without leadership, innovation, incentives, partnerships and financial initiatives it will be increasingly difficult to provide affordable housing in Sydney to 'bridge the gap'.

5.2 Delivering affordable housing

Frasers Property undertook research into affordable housing across the Australian states (February 2017). The report identified the majority of State Governments and their respective planning agencies had not adopted a formal policy position in regard to planning and affordable housing, nor did they provide guidance to local governments on the matter. "As a result inconsistent scheme provisions and policy is applied, adding time, cost and uncertainty to the planning and development process."

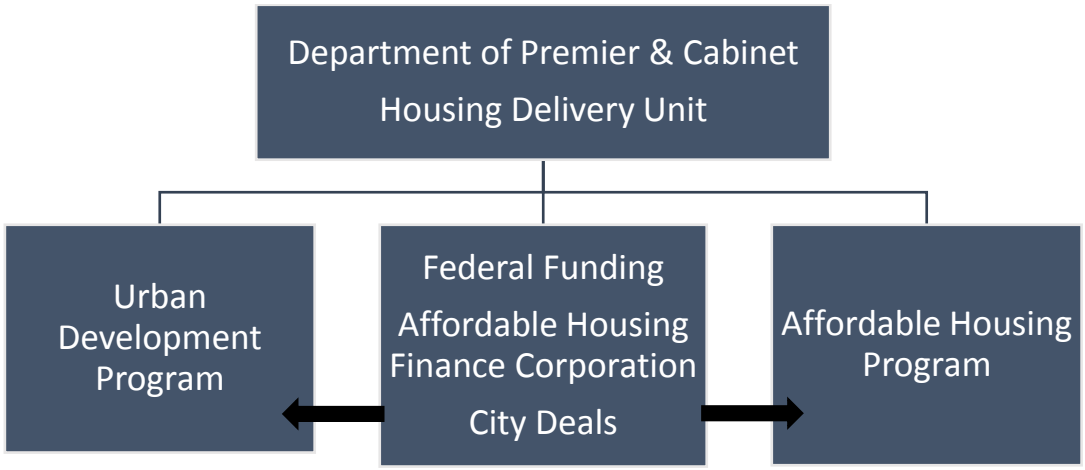
> *"The lack of a consistent whole of government approach to this issue limits the ability of housing providers, local governments and state based land development agencies to find effective solutions with private developers that provide clear rational for the introduction of provisions to facilitate development of affordable housing."*
> ***Frasers Affordable Housing Research in February 2017, Frasers Property.***

SEPP No. 70 – Affordable Housing (Revised Schemes) and *State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP)* provide the States planning framework for affordable housing. SEPP No. 70 identifies areas of application within Willoughby and City of Sydney LGA's, whilst the AHSEPP, amongst other things, is used to deliver new affordable rental housing by providing incentives through zoning permissibility, floor space ratio bonuses and non-discretionary development standards. It is also used to facilitate the retention and mitigate the loss of existing affordable rental housing.

More recently the State Government has started to apply affordable rental housing targets to urban transformation precincts within the draft District Plans. These affordable rental housing targets of 5% to 10% (subject to viability), will apply in urban renewal and land release areas. This remains contentious and the development industry is concerned that there are not the correct incentives in place with the cost of land making it increasingly difficult to prevent the balance of the development absorbing these costs. The HSAR report noted that those cities in the United States of America that adopted Inclusionary Zoning had prices rise 2-3% faster than the cities that didn't. Requiring a percentage of development for the supply of affordable housing will link it to the cyclical nature of development. Further, seeking affordable housing in urban renewal and land release areas may create some supply but not necessarily where the real housing need is. Rather, a long term, continuous and sustainable supply is required.

The State Government's Housing Delivery Unit (HDU) must adopt a formal policy position and address how these housing needs can be met. The actions suggested in this paper to improve the Housing Supply Chain will address supply but the Government must now intervene and lead with clear policy and planning intervention to deliver a continuing program addressing housing affordability, including affordable housing.

The State Government is well placed to coordinate the delivery of an 'Affordable Housing Program' (AHP). The AHP should report back to HDU of the Department of Premier and Cabinet and be the platform for the State Government to liaise with the Commonwealth on Affordable Housing Finance Corporation as depicted below.



The NSW Government is well placed to also work closely with local government, particularly in relation to utilising their land holdings for the delivery of affordable housing.

5.2.1 Affordable Housing Program

An Affordable Housing Program (AHP) is required to ensure the necessary coordination, consistent policy and practise and appropriate planning initiatives are in place to deliver affordable housing both to address the current backlog and forecast demand.

The Program would establish targets, monitor demand and supply, prepare policy framework and statutory planning mechanisms for the delivery of affordable housing. The program would be tasked to deal with:

- Shortage of affordable and available stock for very low income households is 52,600
- The proportion of very low income households paying unaffordable rents is 92%.
- Shortage of affordable and available stock for low income households is 40,500
- The proportion of low income households paying unaffordable rents is 55%.
  (Frasers Property, 2017)

The AHP would:

- Program the ongoing delivery of affordable housing;
- Coordinate the required planning regimes and incentives to deliver;
- Assist NSW Land and Housing Corporation with the '*Communities Plus'* program;
- Ensure there is a relevant planning instrument, eg. a 'Housing Affordability and Diversity' SEPP or amend existing planning instruments to deliver necessary housing outcomes;
- Work with Local Government to investigate opportunities for delivery of affordable housing on Local Government assets;
- Arrange Joint Venture opportunities with State and Local Government owned land, Community Housing Providers and Industry to deliver affordable housing;
- Work with the Commonwealth Government to secure financing through the National Housing Finance and Investment Corporation;
- Investigate new long term institutional investment models like 'build to rent' products; and
- Establish a program to deliver shared equity opportunities, like the Western Australian Key Start Scheme and United Kingdom examples.

The development industry is willing to work with Government and can contribute meaningfully to the supply of affordable housing but needs the appropriate products and incentives to deliver. There are numerous examples overseas of products that could be adapted to suit the Australian market. 'Multifamily Residential' is a potential asset class that could be transferred into the Sydney market with the right regulatory and economic changes. Well accepted in USA, Europe, Japan and more recently in the UK, these multi-unit residential buildings owned by a single entity have the potential not only **provide affordable rental housing, but create billions of dollars of institutional investment into a space that also supports government outcomes**.

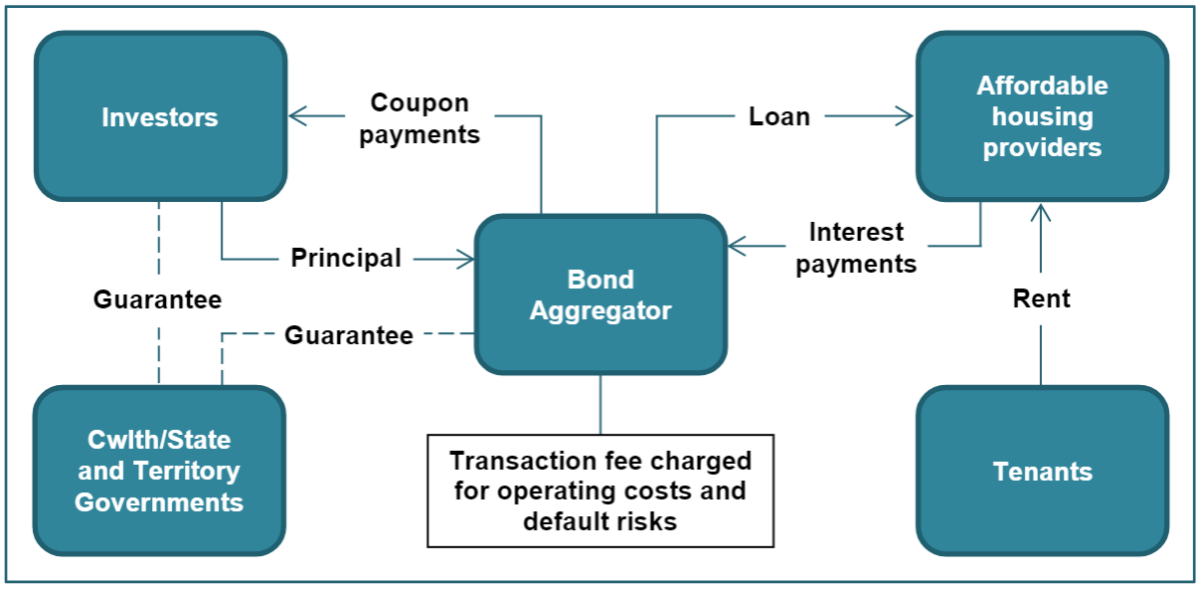
"In combination with partnerships with the public sector, more intense use of publicly-owned land, a more efficient and less political development approval process, and better coordinated and funded infrastructure provision, medium density development within inner and middle suburbs provides the best opportunity to increase the supply of diverse and affordable housing." AHURI 2012p3

Financing Opportunities with Federal Government – Affordable Housing Bonds

The commitment of the Federal Government to proceed with the Bond Aggregator Model and provide low-cost long term debt to the Community Housing Sector though Housing Bonds represents a huge opportunity for State and Local Governments to provide affordable housing on government land. Affordable Housing Bonds, backed by the Federal Government, has the potential to attract institutional funding and provide much needed capital to provide affordable housing. It would perform much like the Stimulus Program, with the State Government taking the leadership role to 'make it happen'.

Low cost, long term investment capital from Housing Bonds would provide the NSW State Government and NSW Local Governments the opportunity to turn under-utilised land into income producing affordable housing with an enormous social benefit. The added value of the improvements to the Government land required to develop affordable housing will be funded by this new source of low cost long term debt with no net effect on the government's balance sheet or credit rating.

Affordable Housing Bond Aggregator



Source: Council on Federal Financial Relations -Innovative Financing Models to Improve the Supply of Affordable Housing (October 2016)

5.2.2 Utilising Government Land

Transport for NSW, Housing NSW, NSW Health and the NSW Department of Education all own significant undeveloped landholdings close to transport and other infrastructure, services and facilities. Similarly, UrbanGrowth NSW has projects that include State Government land holdings suitable for residential (affordable) housing.

Many Local Governments also have significant landholdings that could also be utilised in the Affordable Housing Program. Some local governments own 'at grade' car parks that could be redeveloped, replacing the parking whilst delivering affordable housing close to facilities, services and transport. There is considerable opportunity for the NSW Government to build a large portfolio of affordable housing dwellings through the Affordable Housing Program.

5.2.3 The Delivery Model

Once a potential site is identified it would be assembled into the Affordable Housing Program (a pipeline of projects). The site could be offered to the market seeking proponents to develop and bring the development capital to fund the development phase.

Once completed some units could be sold to reduce the project debt so the remaining units can be managed and sold or vested to Community Housing Providers (CHPs). The acquisition of these units would be financed with debt provided by the Bond Aggregator and backed by Housing Bonds.

The ownership of the dwellings may remain with the State or Local Government and a CHP appointed to manage the assets and tenants. Alternatively, the units could be sold or vested to CHPs with them funding the acquisition of the dwellings.

The great benefit of the establishment of a NSW Affordable Housing Program is that is scalable and the NSW Government has the option of holding onto or selling the dwellings to CHPs and 'not-for-profit' organisations. NSW State Government must act immediately to establish an Affordable Housing Program. The Program must establish the necessary policy, planning initiatives and delivery of a long-term supply of affordable housing for NSW.

Successfully executed, the AHP will address both affordable housing at scale now and build a portfolio of publicly owned assets for the next generation.

5.3 Delivering Housing that is More Affordable

To deliver housing that is more affordable generally requires a smaller land component and/or smaller dwelling or unit size. HSAR noted a role for government to ensure "..planning regimes do not constrain the capacity of the market to respond to changes in demand for land and dwelling types and by supporting innovative design..". This includes the promotion of innovative housing design, including smaller affordable housing options.

Innovative housing that meets the changing needs of the population and is price sensitive is produced in other Australian States. Western Australia has recently completed its White Gum Valley (WGV) project in Fremantle. This is a demonstration project that has delivered 'Generation Y'

housing in the form of three one-bedroom apartments, on a 250m² block. WA Landcorp undertook the development to demonstrate cost effective dwellings to suit 21st Century living. "The model provides an excellent demonstration of a housing solution that bridges the gap between the single house and large apartment block, providing stealth density…".

The development industry can produce more compact and innovative housing for around half the median house price in Sydney. There is real opportunity for the government to work with industry to develop new suitable new housing typologies fit for 21st Century lifestyles.

The supply of smaller, well designed, innovative products is an important component to addressing affordability and meeting the changing housing needs of Sydney. The planning regime currently limits and often restricts the delivery of these housing products. Action 3 suggests the necessary planning amendments that can be made immediately to deliver more housing diversity. However there is opportunity to introduce new innovative compact housing typologies into both infill medium density developments and new communities in land release areas. The industry would welcome the opportunity to work with the Government to establish the necessary planning regime to facilitate these new innovative products, either through amendments to existing planning instruments or in the form of a new 'Housing Diversity and Affordability' SEPP.

By providing smaller housing typologies at competitive price points with the supporting stamp duty concessions or exemptions will provide entry-level housing products to the market. These smaller housing typologies will also meet the needs of lone households and be suitable for downsizers. Once the supply is met with the correct products, tax advantages and financial incentives can be used to protect these market segments by encouraging those to purchase and investors to be disadvantaged.

Immediate Actions (Full Action Plan – see section 6.2)

6. Establish an Affordable Housing Program that:

a) Sets the policy agenda, the facilitating planning instrument and delivery program;
b) Liaises with Federal Government and accesses the Bond Aggregator model;
c) Works with Local Government on identifying suitable land for inclusion in the AHP;
d) Establishes a program to deliver shared equity opportunities, like the Western Australian Key Start Scheme and United Kingdom examples; and
e) Works with the development industry on joint venture opportunities and innovative affordable housing models like 'build to rent'.

7. For the Government to work with industry to establish the necessary planning regime to facilitate these new innovative products, either through amendments to existing planning instruments or in the form of a new 'Housing Diversity and Affordability' SEPP.

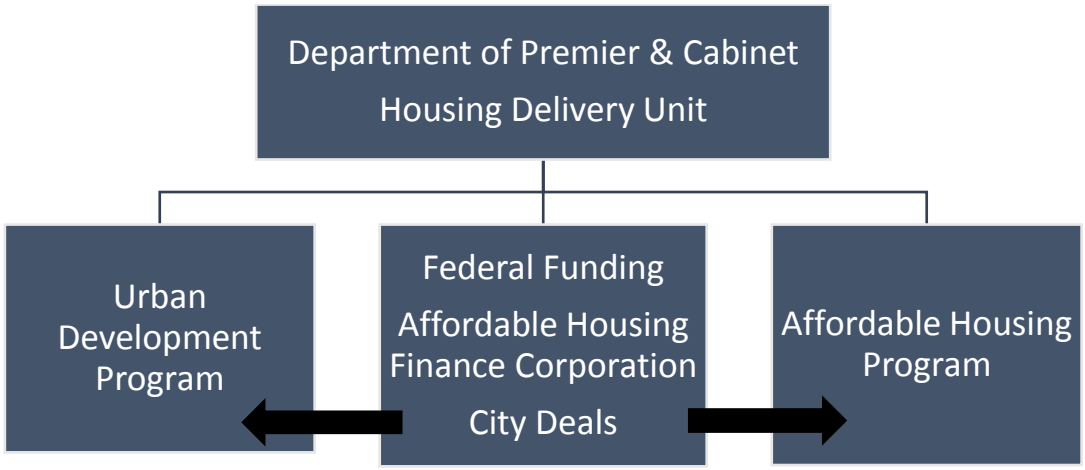
6. Action Plan

6.1 A Phased Approach

There is no single and easy solution to making Sydney's housing more affordable. Sydney's housing supply chain is a dynamic, complex system working beyond its capacity and can't be solved with a quick fix. Indeed, a quick fix may inadvertently create unintended consequences.

The complexity of the supply and demand side equation of housing affordability, including taxation settings and financial regulations, macro economics, strategic planning, immigration and other government policy settings requires clear-minded and well thought through leadership initiatives from the State Government.

UDIA suggests a phased approach. Phase 1 establishes the Government structure (illustration below), Phase 2 is the necessary detail formed through engagement with industry and other professional groups to ensure that the change is robust and well considered. Phase 3 delivers the change.



Proposed government structure

The suggested phased approach and timing:

PHASE 1 – Establish the Structure

- Establish the Housing Delivery Unit, Urban Development Program and Affordable Housing Program.
- Deliver housing diversity through amendments to the standard LEP template and changes to existing SEPPs.
- Review the *EP & A Act* and associated policies to facilitate supply.
- Set program for the extension of *ePlanning* into all facets of the development process.
- Moratorium on any new fees, charges, contributions or levies that impact cost of development.

Immediately

PHASE 2 – Detail the Change

- Detail the coordination and reporting of agencies and responsibilities in the UDP.
- Framework of a new housing affordability and diversity SEPP in conjunction with industry.
- Detail the process for levying infrastructure in line with HSAR findings.
- Complete review of the *E P & A Act* for productivity and efficiency savings.
- Align planning and policy with the Affordable Housing Program and detail the necessary changes. Establish a delivery program.
- Work with the Commonwealth on bond aggregator model for affordable housing.
- Create a portfolio with Local Government of land holdings for affordable housing.

Completed by June 2018

PHASE 3 – Delivery

- Ongoing monitoring, coordination and reporting of the UDP.
- Full integration of *ePlanning* program through whole development process, streamline integrated DA, concurrent rezoning and DA etc.
- Infrastructure contribution policy finalised.
- Innovative delivery models for affordable housing adopted including shared equity, build to rent etc.
- Undertake demonstration projects of affordable and innovative housing.

Completion beyond 2018

6.2 The Action Plan

Action 1. Establish a Housing Delivery Unit (HDU)

Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Establish a Housing Delivery Unit led by the Department of Premier and Cabinet that oversees the Urban Development Program and Affordable Housing Program.			
▪ Oversee the coordination and delivery of social, affordable and market housing targets. ▪ Provide necessary policy reform. ▪ Liaise with Commonwealth and Treasury for supporting funding.			
▪ Ongoing role of monitoring, programming and delivering housing.			

Action 2. Establish an Urban Development Program (UDP)

Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Establish an Urban Development Program to prioritise projects, funding and supporting infrastructure.			
▪ Build the necessary coordination and reporting of the various agencies and responsibilities. ▪ Establish quarterly reporting to enable monitoring and input back into policy development of housing supply programs. ▪ Establish processes for industry to submit to UDP accelerated projects that meet housing needs.			
▪ Continued report, monitoring and coordination of short, medium and long term housing targets and their delivery through the UDP.			

Action 3. Deliver Housing Diversity

Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Work with industry to review opportunities to amend the Standard LEP Instrument and/or other SEPPs to: ➢ Introduce new definitions that reflect the medium housing typologies identified in the *Missing Middle Design Guide* ➢ Standardise the types of housing product that are permissible across the R2 and R3 residential zones; ➢ Identify the locational criteria that must be satisfied to ensure good amenity; and ➢ Recalibrate the minimum lot size for certain dwelling types to align with the Codes SEPP and enable a greater proposition of dwellings to be approved as complying development.			
▪ Detail and amend the necessary various planning instruments to deliver low scale medium density. ▪ Work with industry to deliver new, innovative housing typologies, the 'nex gen' housing, streamline approval through further amendments to existing SEPP's or through a new 'Housing Affordability and Diversity' SEPP.			
▪ Work with the development industry to produce new innovative housing solutions and undertake demonstration projects.			

Action 4. Remove Uncertainty and Delays in the Planning Process

Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Review the *Environmental Planning and Assessment Act 1979* and associated policies for opportunities to further improve supply efficiency. ▪ Begin further enhancements of the *ePlanning* program to track the applications against mandated statutory timeframes and referral to other agencies.			
These supply improvements may be achieved by: • Including large scale residential development as State Significant Development; • Reform State Government concurrence and integrated approval through 'deemed to comply' provisions that contain standard conditions and obligations; • Make the planning proposal and development application process more efficient to remove duplication and unnecessary information. The lodgement of concurrent applications should be encouraged. • Deeming State Government referral agencies and/or planning authorities have approved development applications if they had not responded in the mandated timeframes.			

Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Extend the *ePlanning* program to track the life of a project, utilising DA and consent numbers to engage with other agencies and service authorities, including the Land Titles Office.			
▪ Ongoing monitoring of Councils performance through *ePlanning* and benchmarking against other jurisdictions. ▪ Ongoing review of planning instruments to ensure their relevance and performance in achieving their intended effect. ▪ Further refining of code based outcomes to ensure simplification of planning process where possible.			

Action 5. Review of all fees, charges and infrastructure costs in line with the HSAR report.

Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Place a moratorium on any new charges or taxes, including compliance levy, planning gains, Inclusionary Zoning until the real cost of these charges and the impact they are having on the cost of housing is better understood.			
▪ Comprehensive review and impact assessment on the effect costs, fees, levies, charges, S94/945A contributions, Planning Agreements, Value Capture and Inclusionary Zoning are having on the cost of delivering land and housing supply. ▪ Utilise the HSAR Working Party *A Best Practice Guideline for Infrastructure Charging Principles* in a detailed review of infrastructure charges to better achieve transparency, accountability, predictability and equity. ▪ The rezoning and contribution phase of development should have provision for the Minister to 'call in' applications that cannot be agreed to by councils and the applicant where parties are unable to arbitrate transparent, equitable, accountable and predictable contributions and outcomes.			
▪ Publication of clear methodology and transparent, accountable and equitable infrastructure charges.			

Action 6. Establish an Affordable Housing Program

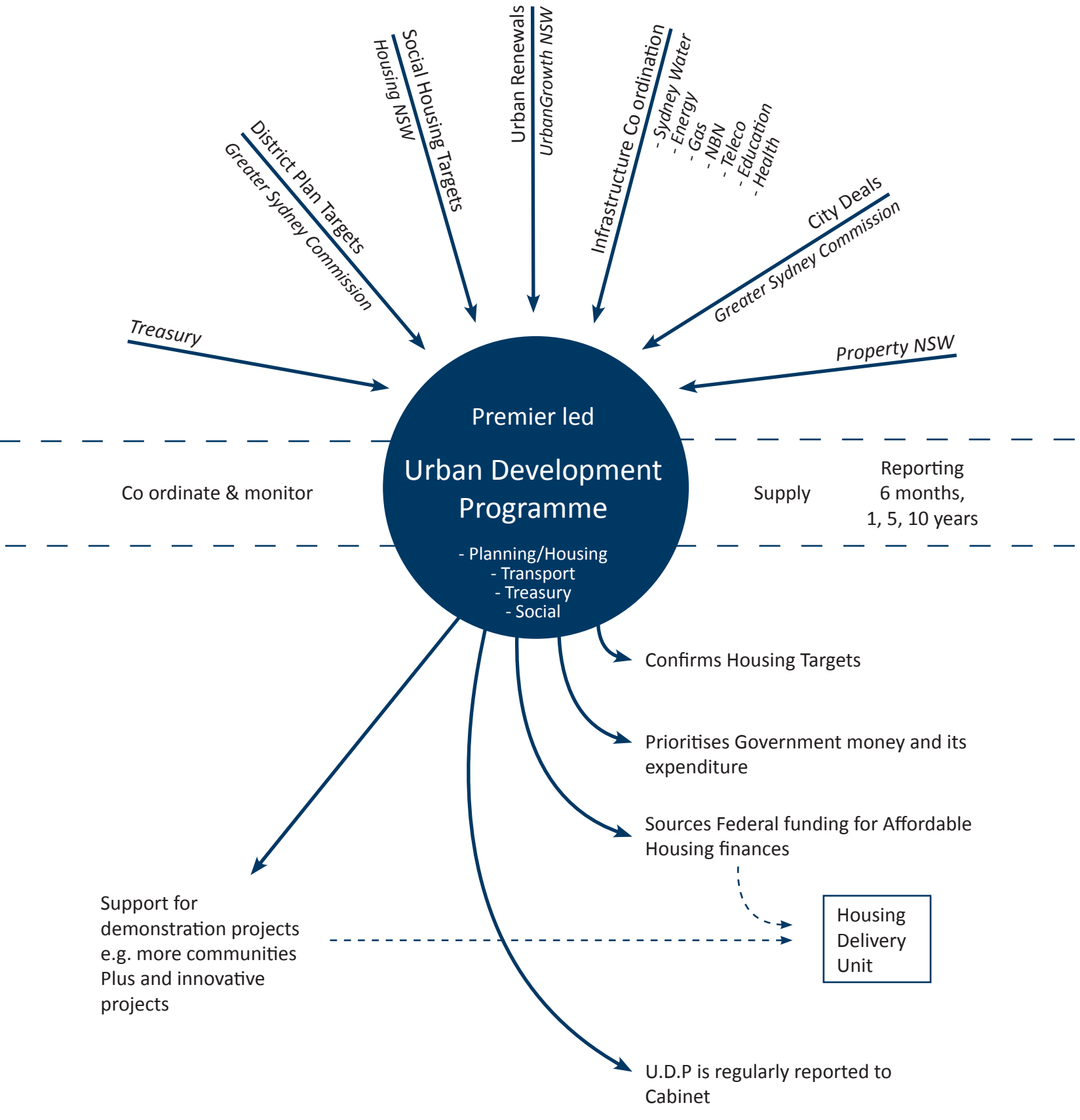
Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Establish an Affordable Housing Program (AHP) to coordinate the delivery of affordable housing.			
▪ Detail formulated to establish the AHP to: ➢ Program the ongoing delivery of affordable housing; ➢ Coordinate the required planning regimes and incentives to deliver; ➢ Assist NSW Land and Housing Corporation with the '*Communities Plus*' program; ➢ Ensure there is a relevant planning instrument, eg. a 'Housing Affordability and Diversity' SEPP or amend existing planning instruments to deliver necessary housing outcomes; ➢ Work with local government to investigate opportunities for delivery of affordable housing on Local Government assets; ➢ Arrange joint venture opportunities with State and local government owned land, Community Housing Providers and industry to deliver affordable housing; ➢ Work with the Commonwealth Government to secure financing through the bond aggregator model; ➢ Investigate new long term institutional investment models like 'build to rent' products; and ➢ Establish a program to deliver shared equity opportunities, like the Western Australian Key Start Scheme and United Kingdom examples.			
▪ Continue to work with industry and CHP and NFP's to address housing affordability now and build a portfolio of publicly owed housing assets for the next generation. ▪ Undertake demonstration projects.			

Action 7. Provide more Innovative Housing Choice

Actions	Phase 1 Immediate action	Phase 2 Completion by June 2018	Phase 3 Completion beyond 2018
▪ Establish a government-led working group with industry to deliver the 'nex gen' of housing suitable for first home buyers, lone person households, with potential for lifecycle adaptability, including ageing in place.			
▪ Work with industry to detail the necessary changes to planning and building legislation to deliver these housing forms through either amending existing legislation or a new "Affordable Housing and Diversity" SEPP.			
▪ Undertake demonstration projects			

ATTACHMENT 7.1

Urban Development Programme


District Plan Targets
Greater Sydney Commission
Social Housing Targets
Housing NSW
Urban Renewals
UrbanGrowth NSW
Infrastructure Co ordination
- Sydney Water
- Energy
- Gas
- NBN
- Teleco
- Education
- Health
City Deals
Greater Sydney Commission
Treasury
Property NSW
Premier led
Urban Development Programme
- Planning/Housing
- Transport
- Treasury
- Social
Co ordinate & monitor
Supply
Reporting
6 months,
1, 5, 10 years
Confirms Housing Targets
Prioritises Government money and its expenditure
Sources Federal funding for Affordable Housing finances
Housing Delivery Unit
Support for demonstration projects e.g. more communities Plus and innovative projects
U.D.P is regularly reported to Cabinet

ATTACHMENT 7.2

Land Development Process

Urban Development Institute of Australia
NEW SOUTH WALES

NSW Residential Land Development Process Map

Macro Process

Develop Strategy → Feasibility Study → Master Plan → Development Applications → Sub-Division construction → Dwelling construction

Developer

7 - 10 years duration

- Opportunity
- Vision
- Intuition

High level Feasibility study "Back of the Envelope" / Other Feasibility study types "Trigger to Buy" (4 weeks)

- Land Title?
- Delayed Settlement?

High level Design - Confirmation of yield (2-3 months) → Concept Design (validate with all authorities) (1-6 months) → Negotiation re Planning Proposal (0.5-2 years) → Planning Proposal to Re-Zone (Draft LEP) (4-6 months) → EPI's: LEP amended - SEPP - Development Control Plan (4-6 months) → - VPA - Section 94 (TBA) → Prepare Development Application (DA) (1-6 months) → Lodge DA (1 day) → DA Approval (3-9 months) → Request Compliance Certificates - Energy - Comms - Gas -NBN (3-6 months) → Prepare detailed Engineering Design (1-3 months) → Lodge Construction Certificate (CC) applications (1 day) → CC approvals (2-6 weeks) → Engage Contractors "Build" (6 months) → Works as Executed - Surveyed (3-4 weeks) → Complete works - All infrastructure assets certified (4-8 weeks) → Sub-Division Certificate application (2-4 weeks) → Meet Section 94 obligations (TBA) → Sub-Division Certificate issued (TBA) → Lodge LPIs (1 day) → Land & Property Information registration (4 weeks) → Buyer's settlement (1-4 weeks) → Dwelling approval to Build → Build & occupy

DPE

Government Triggers

Negotiation re Planning Proposal

Land Owner

See relevant SIPOC for process detail

Negotiation in an evironment of trust

Utilities and Community

See relevant SIPOC for process detail

Feasibility Studies

Concept Design validation

LEP amended

DA Preparation

Development Application consultation (Town Planning)

CC Approvals

Sub-Division Certificate application

Local Councils

See relevant SIPOC for process detail

Negotiation re Planning Proposal

LEP amended

DA Preparation

DA Approval

ATTACHMENT 7.3

Housing Supply Continuum

	The Housing Supply Continuum							
	Targeted Initiatives and Innovation coordinated under Affordable Housing Program and referenced in UDP					**Housing Supply Chain** coordinated under the UDP		
Housing Need	Emergency shelters/ crisis accommodation	Transitional/ supported housing	Social housing (including public housing)	Affordable (rental) housing	Affordable home ownership/ shared ownership	Private market affordable rental housing (including boarding houses, student accommodation, which maybe govt. subsidised)	Private market rental housing	Home ownership
Housing Provider	**Government subsidised housing (including housing provided by the government and the community sector)**			**Non-market housing (community housing sector)**		**Market housing**		

Government role

Community Housing Providers

Public/Private Partnerships

Market Housing