Urbanista

AFFORDABLE HOUSING CONTRIBUTION SCHEME

RESILIENT SYDNEY PROJECT

EVIDENCE BASE

BACKGROUND

The Department of Planning and Environment (DPE) 'Guideline for Developing an Affordable Housing Contribution Scheme' requires under Step A that councils to establish an evidence base demonstrating the need for affordable housing in the LGA and sets out guidance in relation to the following parameters:

- Demographic analysis
- Affordable housing supply
- Affordable housing demand
- Affordable housing gaps

A robust assessment of these parameters is important for developing housing strategies, plans and policies at metropolitan, regional and local levels. The overarching housing strategy for NSW - Housing 2041, Greater Sydney Region Plan and District Plans, Regional Plans and State Environmental Planning Policies developed by state government and Local Strategic Planning Statements (LSPS) and Local Housing Strategies (LHS) developed by councils articulate housing issues and demonstrate the need for more affordable housing.

Notwithstanding that it is important for councils and their communities to understand housing needs, in view of the policy framework in place for housing, the current requirements for an additional evidence base for an Affordable Housing Contribution Scheme (AHCS) are duplicative and add unnecessary time and costs for councils.

Further, the instrument allowing for establishment of schemes, State Environmental Planning Policy (Housing) 2021 (Housing SEPP), identifies that there is a need for affordable housing in each area of the state (Cl.14).

There may nevertheless be valid reasons for councils to examine housing needs and issues prior to establishing a scheme. An understanding of housing at a local level can help local communities understand the need for a scheme in their area and the benefits it can bring. It will provide a shared basis for developers to understand the housing needs that can be met by applying developer contributions. Where timing allows, it would be desirable to use a common core data set in all strategic documents.

To streamline and support this step, it is recommended that a central database be developed by the state government with a set of consistent and standard measures that demonstrate the need for affordable housing that councils can present in support of establishment of a scheme. This would also assist DPE when schemes are submitted for approval and avoid the need for appraisal of varying approaches and evidence submitted by individual councils.

For the purposes of establishing a scheme, a set of core baseline metrics is proposed. Councils could produce a report from this data sufficient to meet Step 1 in the current Guideline. Desirably this would be through a standard report generated from the centralised data set. Pending this, councils could utilise the data sets identified in the tables that follows. The core metrics included here are designed to assist councils to focus on the most relevant information. It is anticipated that it will be refined over time, for example where definitions change or improved data sets are available.

This would not inhibit councils from additional analysis should they wish to explore issues in more detail, or understand broader housing context (however it is anticipated that this would be undertaken as part

of developing a local housing strategy or a local strategic planning statement).

Where council has a recent Local Housing Strategy or Local Strategic Planning Statement that establishes and documents housing needs, Council should liaise with the Department of Planning and Environment to confirm if this is sufficient to satisfy the requirements or if any gaps could be augmented to support an AHCS, rather than needing a full study.

ESTABLISHING A BASELINE

The approach taken to developing a baseline is by considering the key questions that need to be answered and the findings or indicators that would answer the question. Three focused questions with baseline indicators are proposed.

Question 1: Is there a current need for affordable housing in the LGA?

Question 2: What are the dimensions and influences of housing needs?

Question 3: What are the housing market constraints in the LGA?

The questions and baseline indicators enable councils to clearly demonstrate there is a need for affordable housing in the LGA. The questions and indicators are set out below.

The tables that follow then identify the data fields and sources to support it. (Note: This has been developed with a mind to data that is readily available and at least at an LGA level).

Question 1: Is there a current need for affordable housing in the LGA?

Baseline Indicators:

1A.   There is unmet demand for social and affordable housing.

1B.   A high number/proportion of low- and moderate-income households in housing stress.

1C.   Low- and moderate-income households are being displaced.

Question 2: What are the dimensions and influences of housing needs?

Baseline Indicators:

2A.   There are a range of households in housing need across housing tenures.

2B.   It is difficult for key workers to meet their housing needs.

Question 3: What are the housing market constraints in the LGA?

Baseline Indicators:

3A.   Low- and moderate-income households cannot afford to purchase and rent.

3B.   The amount of affordably priced housing is declining.

3C.   Mismatch between stock profile and household size.

3D.   (Where applicable) Investment in development projects and infrastructure will impact adequacy of affordable housing supply.

Baseline Indicators:

1A.   There is unmet demand for social and affordable housing.

1B.   A high number/proportion of low- and moderate-income households in housing stress.

1C.   Low- and moderate-income households are being displaced.

Indicators	Measure/Benchmark	Data fields / cross tabs	Data set /Availability	Data Owner/Updates	Geography
1A. The supply of social and affordable housing is not keeping pace with population growth.	The number of social and affordable housing dwellings as a proportion of all dwellings. Benchmark: % of social and affordable housing declining/increasing. or Rate of increase (compared with previous years).	The number of social housing dwellings.	Department of Communities and Justice – Social Housing Residential Dwellings dashboard	Department of Communities and Justice ABS?	District/LGA/Suburb (Census mesh blocks)
		The number of affordable housing dwellings.	Not currently collated(?) In future through improved tracking. (Planning Portal). See recommendation R5 below.	Councils/DCJ/CHIA NSW	District/LGA/Suburb
		Total number of dwellings.	Census	ABS	District/LGA/Suburb (Census mesh blocks)

Indicators	Measure/Benchmark	Data fields / cross tabs	Data set /Availability	Data Owner/Updates	Geography
1A. There are households on the waiting list for social housing.	Number of applicants for social housing. Wait times for social housing.	Number of applicants for general and priority housing. Social housing wait time.	Department of Communities and Justice dashboard.	Department of Communities and Justice	Allocation Zones
1B. There are low- and moderate- income households in housing stress.	The number of low- and moderate- income households renting and purchasing who are paying more than 30% of income in rent.	Household income cross tabbed to rental payments and mortgage payments.	Census Rent and Sales Report	ABS DCJ	District/LGA/Suburb (Census mesh- blocks)
1C. Low-moderate income households have been displaced.	The proportion of low- and moderate- income households has declined over time. (Home purchasers and renters).	Household income. Tenure.	Census	ABS	District/LGA/Suburb

Baseline Indicators:

2A.   There are a range of households in housing need across housing tenures.

2B.   It is difficult for key workers to meet their housing needs.

Indicators	Measure/Benchmark	Data fields / cross tabs	Data set /Availability	Data Owner/Updates	Geography
2A. Type and size of households in need of affordable housing.	Low to moderate households in housing stress by household size and type. (Home purchasers and renters)	Income Household size Household type Tenure	Census	ABS	District/LGA/Su burb
2B. The presence of key workers and levels of housing stress.	Key worker profile for the area. Number of key workers in housing stress. (Home purchasers and renters)	Household type/occupation (for location) Housing stress Tenure	Census	ABS	District/LGA
2B. The ratio of key workers housed to key worker jobs.	Number of key worker residents. Number of key workers employed.	Occupation	Census	ABS	District/LGA

QUESTION 3: WHAT ARE THE HOUSING MARKET CONSTRAINTS IN THE LGA?

Baseline Indicators:

3A.   Low- and moderate-income households cannot afford to purchase and rent.

3B.   The amount of affordably priced housing is declining.

3C.   Mismatch between stock profile and household size.

Where applicable:

3D.   Investment in development projects and infrastructure will impact adequacy of affordable housing supply.

Indicators	Measure/Benchmark	Data fields / cross tabs	Data set /Availability	Data Owner/Updates	Geography
3A. Housing costs are not affordable for low- and moderate-income households.	Dwellings that can be affordably purchased or rented by low- and moderate-income households. Size of gap between housing costs and 'affordable' housing costs.	Household income Rents and house prices	Census Rent and Sales Report	ABS DCJ	District/LGA/Suburb
3B. The supply of affordably priced housing.	Number of private rental properties over time. Vacancy Rate.	Rental bonds	Rent and Sales Report Census	DCJ ABS DPE	District/LGA/Suburb

Indicators	Measure/Benchmark	Data fields / cross tabs	Data set /Availability	Data Owner/Updates	Geography
3C. Mismatch between dwelling stock profile and household size.	Mix of large and small dwellings Presence of small and large households	Number/% of dwelling: ≤ 2 bedrooms ≥ 3 bedrooms Number/% of households: 1-2 persons 3+ persons	Census	ABS	District/LGA/Suburb
3D. **Where applicable** Housing costs are projected to increase and/or needs change as a consequence of infrastructure augmentation or planning/development proposals.	Changes in future housing supply or quality. Major infrastructure investment Rents/ House prices forecasts.	Anticipated impacts on dwelling profile, housing costs and housing demand	Local/ state planners Infrastructure NSW Other agencies?	State and Local Government	District/LGA/Suburb
3D. **Where applicable** Greater shortfall in affordable housing supply as a result of loss of affordable housing supply or increased demand.	Redevelopment/renewal of existing affordable housing for other purposes. Increased demand for affordable housing as a result of increase in demand for key workers.	Anticipated impacts on existing supply of affordable housing. Projected demand from proposed developments.	Local/ state planners Infrastructure NSW Other agencies	State and Local Government	District/LGA/Suburb