



Affordable Housing

ACT Government
Affordable Housing Action Plan

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ACT Affordable Housing Action Plan 2007

- **Affordable Housing highest priority for ACT Government**
- **Affordable Housing Action Plan released April 2007**
- **Broad ranging multi-faceted strategy**
- **62 initiatives**



Reasons causing affordability crisis:

- **Substantial increase in house prices since late 1990s**
- **Demand/supply**
- **Borrowing capacity/available credit**
- **Bigger houses/lower occupancy rates**

Affordable Housing Action Plan

■ Ian Macfarlane (August 2006)

“Why have the prices of the 8 million houses in Australia basically doubled in the last decade? The answer... is almost entirely on the demand side”.

Quoted in the Financial Review, March 17-18 2007

Average two-earner household borrowing capacity, on one quarter of income, lifted from \$100,000 in the early 1990s to \$300,000 today. Saul Eslake 19 March 2007



Strong demand for housing resulted from:

- **Low unemployment**
- **Low interest rates**
- **Greater housing expectations**
- **Relatively strong returns on housing investment**
- **Number of Government grants and incentives**



Rental accommodation:

- **Rental vacancy rates highly volatile – 2.2%**
- **Canberra rentals high compared to other capital cities, second to Darwin**
- **Rents as a proportion of income have remained stable**



Income distribution:

- **ACT household incomes higher than national**
- **Average ACT household income is 60.7% above national average.**
- **Two income points:**
 - **single and double income households**
 - **Private and public sector salaries**



House prices:

- **Median ACT house price \$425,000**
- **House prices doubled 2000-2003**
- **Monthly mortgage 25% household income**
- **Lower income households cut out of the market**

Initiatives



■ **Accelerating land supply**

- 15% affordable housing stock in all new greenfields estates
- Regular englobo land sales
- Over-the-counter land sales
- Monitor supply/demand, land sales

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Initiatives



- **Streamlining land release and planning systems**
 - Planning pipeline
 - Developers pipeline
 - Builders pipeline
 - Review trunk infrastructure needs
 - *Planning and Development Act 2006*
 - Territory Plan review

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Initiatives



- **Diversity of housing products**

- House and land packages \$200,000-\$300,000
- Builders panels
- Compact blocks
- Demonstration villages
- Excellence in Housing Affordability Award for design and construction





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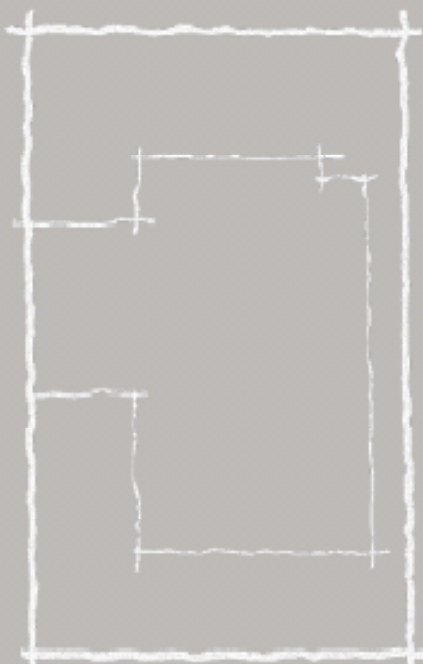
Small Lot Features

- 95m², 2 bedroom home on a 250m² lot
- Detached home
- Backyard
- Low land content for a detached home
- 12.5m wide frontage appears as large home and integrates with the existing built form
- Can be configured in an East-West orientation
- Can be “shandied” to throughout streets

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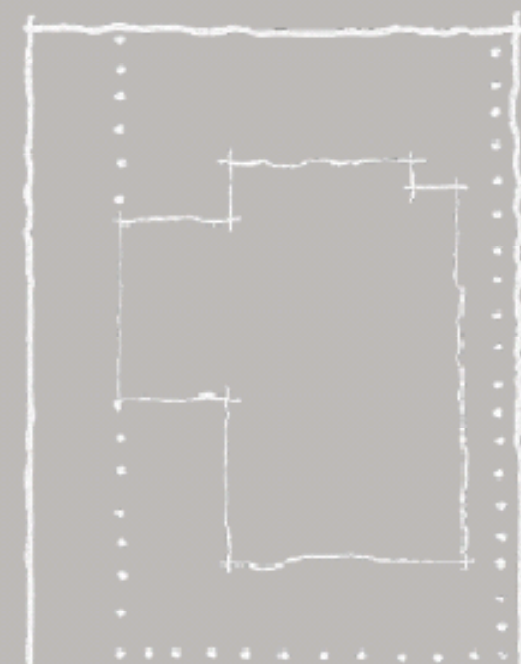
A small lot home

features



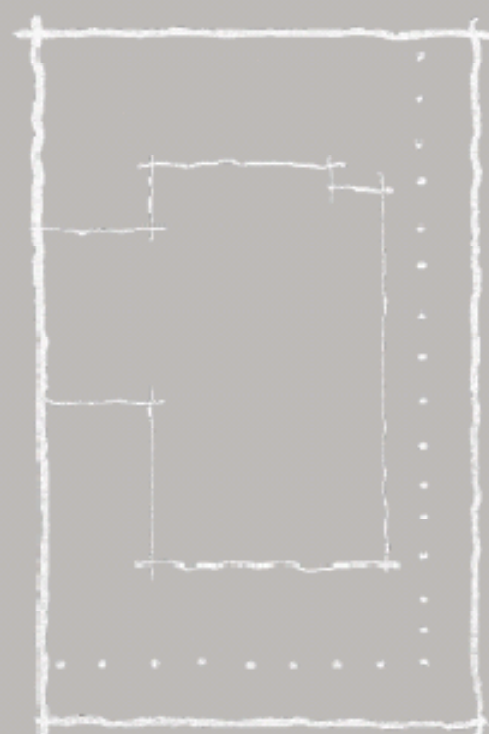
12m

20m



14m

22m



15.5m

20m

House Data Sheet - Small Lot Home Description

1 - 2 bedrooms with single drive thru garage

Home

Design Specification NS/EW

Build Price	\$128,580
Land Price @ \$400/m ²	\$96,000
Total Package	\$224,580
Lot Dimensions	12.5x20 m
Lot Area	250 sqm
Floor Area	95 sqm
Garage area	24 sqm
No. Bedrooms	1 to 2
Bathroom	1
Orientation	N/S E/W

Home

Territory Plan N/S

Build Price	\$128,250
Land Price	\$123,000
Total Package	\$251,250
Lot Dimensions	14x22 m
Lot Area	308 sqm
Floor Area	95 sqm
Garage area	21 sqm
No. Bedrooms	1 to 2
Bathroom	1
Orientation	N/S

Home

Territory Plan E/W

Build Price	\$128,250
Land Price	\$124,000
Total Package	\$252,250
Lot Dimensions	15.5x20 m
Lot Area	310 sqm
Floor Area	95 sqm
Garage area	21 sqm
No. Bedrooms	1 to 2
Bathroom	1
Orientation	N/S

A

small lot home

territory planning review

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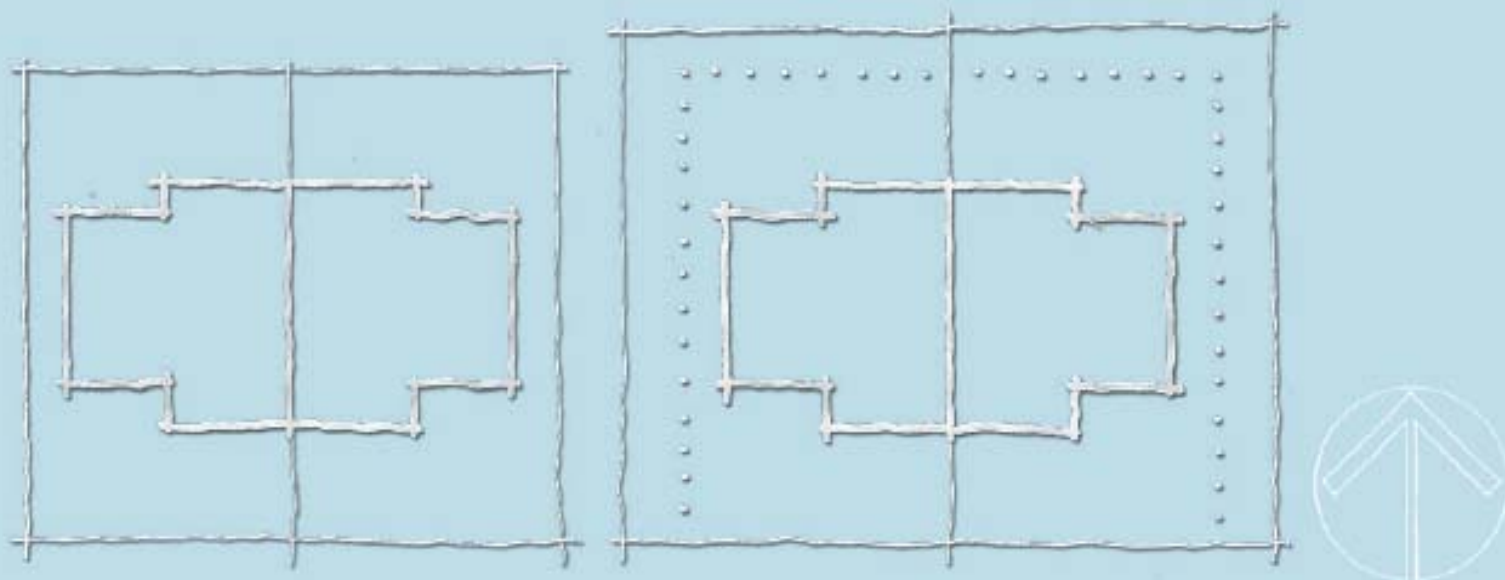




Duplex Features

- 85sqm, 2 bedroom home on a 144sqm lot
- North to rear, finishes block end
- Lot size is reduced by decreasing lot depth
- 18m wide frontage appears as large home and integrates with the existing built form
- Single garage, visitor parking on driveway

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House Data Sheet - Duplex

Description

Attached 2 bedroom Home with single drive thru garage *(Assumes two storey Zero Lot)

Home

Design Specification NS/EW

Build Price	\$123,450
Land Price @ \$400/sqm	\$57,600
Total Package	\$181,050
Lot Dimensions*	9x16 m
Lot Area*	144 sqm
Floor Area	85 sqm
Garage area	21 sqm
No. Bedrooms	2
Bathroom	1
Orientation	N/S

Home

Territory Plan N/S

Build Price	\$123,450
Land Price	\$90,000
Total Package	\$213,450
Lot Dimensions*	11x20.5 m
Lot Area*	225 sqm
Floor Area	85 sqm
Garage area	21 sqm
No. Bedrooms	2
Bathroom	1
Orientation	N/S

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Indicative Streetscape - New Housing Typology

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Initiatives



- **Expanding community housing sector**
 - Transfer 135 dwellings - \$40 million
 - Direct sale of three properties – rolling program
 - 480 affordable dwellings over 5 years
 - 1,000 affordable dwellings over 10 years
 - 250 rental dwellings within 5 years
 - 500 rental dwellings within 10 years
 - \$50 million revolving finance facility
 - Shared equity for tenants

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Initiatives



- **Targeted delivery of public housing**
 - House top priority tenants within 3 months
 - Stock restructure to meet client needs
 - Purchase up to 20 new stand alone 2 bedroom houses
 - Eligibility reviews – incomes over \$80,000
 - Shared equity for eligible tenants
 - Stairwell model

Initiatives



■ **Institutional investment in rental accommodation**

- 200-400 dwellings
- Single or spread across a number of sites
- EOI – consortiums to package development, financing, tenancy management, asset maintenance services
- Assistance to tenancy advocacy services - \$80,000
- Improve effectiveness of Commonwealth Rental Assistance

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Initiatives



- **Supported accommodation**
 - Stairwell
 - Enhance living skills of clients
 - Transition of tenants to longer term sustainable accommodation
- **Aged accommodation**
 - Identify sites throughout Canberra
 - O'Connell Centre Griffith

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Initiatives



- **Land Rent**
 - Rent rather than buy land
 - ACT Revenue Office
 - Initially concessional rate
- **Shared equity**

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Initiatives



- **Financial concessions**

- Conveyance duty deferral
- Home Buyer Concession scheme

- **Skilled workers**

Attracting and accommodating

- Apprenticeship skills and training

Initiatives



■ **Data systems**

- Improving data and demographic information systems with ABS
- Update Medicare address campaign

■ **Further information**

- www.actaffordablehousing.com.au