



Mount Alexander Shire Council


Policy Category: Community Development

Title: Housing Access and Equity

Adoption Method: ☐ CEO ☒ Council **Date Adopted:** 14 October 2014

Review Period: ☐ Annually ☒ Other **Date Last Reviewed:** N/A

Responsible Officer: Director Sustainable Communities **Next Review Date:** October 2016

CEO Signature:  **Date:** 6 February 2015.

Purpose:

To outline Council's commitment to ensuring there is housing that meets the needs of all residents of Mount Alexander Shire.

To provide an overarching framework outlining the actions Council will undertake to facilitate access to affordable and adaptable housing that meets the needs of the community.

Who is Affected by this Policy?

This policy will inform state and federal government, registered housing associations, housing developers, housing investors and others interested in the development of affordable housing options in Mount Alexander Shire.

Background:

As part of Council's goal of building sustainable communities it has committed to facilitating housing that meets the needs of the community.

Research commissioned by Council in 2012¹ confirms that there has been declining affordability in the housing market in the Shire over the past decade in both the rental and home ownership markets. The supply of social housing is not sufficient to meet local demand. There is a high concentration of private rental tenants receiving rental assistance who would otherwise be eligible for social housing. There is also a mismatch between the housing stock and population with an oversupply of three bedroom or more dwellings and the majority of households being one or two person households. The local housing support service reports that there are no dedicated crisis accommodation options for people in the shire.²

Housing affordability in Mount Alexander Shire³

The majority of households in Mount Alexander Shire are currently single persons or couples with no children:

- In 2011 62% of households were single person (18% lone male, 14% lone female) or couple with no children (30%) households.

- Projections to 2031 indicate the majority of households in Mount Alexander Shire will increasingly be single persons or couples with no children:
- By 2031 69% of households will be single person (15% lone male, 22% lone female) and couple with no children (32%) households.

However, the housing stock available in Mount Alexander Shire is not geared towards these household types with the majority of stock being separate houses of three or more bedrooms:

- In 2011 the vast majority of housing stock was separate houses (93%) with only a small percentage being flats, units or apartments (4%). There has been no change in this housing stock profile compared to 2006.
- The majority of housing stock is also larger (and therefore more expensive) than would be required. 21% of stock has four or more bedrooms, 49% of stock has three bedrooms. There has been no change in this housing stock profile compared to 2006.

There is a limited supply of affordable housing stock to purchase in Mount Alexander Shire:

- The vast majority of housing stock sold in Mount Alexander Shire is houses with between 250 and 350 houses sold each year. Unit sales are much lower at around 25 per year.
- There has been a decline in the number of houses sold in the Shire since a peak (of 400+) in 2000 and 2001, to less than 205 houses sold in both 2011 and 2012.
- The median (real) house price in Mount Alexander Shire has been climbing steadily since 2000. In 2012 the median (real) house price was in excess of \$325,000, more double what it was in 2000 (less than \$150,000).

There is also a limited supply of affordable housing stock to rent in Mount Alexander Shire:

- The percentage of private rental properties available for households on low incomes has been decreasing since early 2000 when 92-96% of stock was deemed affordable. In 2012 a record low 30% of private rentals were deemed affordable for low income households.
- There are very few one or two bedroom flats available to rent each year (consistently less than 20 properties between 2000 and 2012).
- The median (real) price of one bedroom flats has been increasing by an average of \$4 a year since 2001. A one bedroom flat in 2001 cost \$111 a week to rent; in 2011 it cost \$150 a week to rent.
- The median (real) price of two bedroom flats has been increasing by an average of \$5 a year since 2001. A two bedroom flat in 2001 cost \$164 a week to rent; in 2011 it cost \$210 a week to rent.
- There are generally less than 20 two bedroom properties available to rent each year. There has been an increase in the median (real) weekly rental price of two bedroom houses properties by an average of \$5 a year. In 2001 it cost \$170 a week to rent a two bedroom house; in 2011 it cost \$220 a week.
- There are more three bedroom houses to rent than any other stock in Mount Alexander Shire with an average of 42 houses available in any one year (there were as many as 64 available in 2005, yet only 34 in 2012). The median (real) weekly rental price of three bedroom houses has been increasing at an average of \$6 a year. In 2001 a three bedroom house cost \$196 a week to rent; in 2011 it cost \$260 a week to rent.
- There has been no increase in alternative, more affordable housing stock since 2006 with only

206 public housing properties and nine Independent Living Units available across the Shire.

Overall the profile of people and housing stock in Mount Alexander Shire is mismatched. It has been mismatched for a long time and is exacerbated by:

- The large number of people in the Shire receiving rent assistance or who are not in the workforce or have limited options to participate in the work force (those on disability pensions, age pensions or single parent payments);
- The growing number of smaller households looking for smaller, cheaper housing options; and
- The small and reducing number of properties considered affordable to rent or buy.

The end result is more and more people are finding themselves in housing stress.

Scope:

This policy supports both public and private opportunities for housing development within Mount Alexander Shire. It also actively encourages collaboration between public and private stakeholders in the development of affordable housing options.

Policy Content:

1. Overview

All levels of government contribute to shaping local housing markets and have a role to play in promoting better housing outcomes. Commonwealth taxation policies, commonwealth and state housing assistance programs, state and local land use and transportation planning processes and infrastructure programs, are just a few examples.

While the primary responsibility for housing policy and housing funding lies with federal and state government, local government can play a key role in facilitating housing delivery and retaining existing affordable housing. This role may be a direct one, where local government provides affordable housing in its own right or in partnership with other organisations; and/or an indirect one where local government facilitates the provision of housing by others. This latter approach is proposed by Mount Alexander Shire Council.

2. Policy foundations

Mount Alexander Shire Council acknowledges that more people are finding it difficult to access secure, affordable and appropriate housing within the Shire.

Mount Alexander Shire Council recognises that low income households, women¹, single people, young people and old people are disproportionately affected by a lack of secure, affordable and appropriate housing.

Mount Alexander Shire Council recognises the right of all people to be able to access secure, affordable and appropriate housing.

Mount Alexander Shire Council recognises that secure, affordable and appropriate housing should be well designed, comfortable to live in, affordable to run and accessible to essential

¹ ¹ Women are more vulnerable to housing stress due to a range of factors including: having lower levels of savings and superannuation funds due to workforce participation in low paid employment and casual work, lack of access to childcare that enables women to be more suitably employed, career interruptions from family commitments such as raising children and caring for ageing parents; having to leave their family home due to domestic violence, divorce or separation.

services.

Mount Alexander Shire Council believes it has an important leadership role to play in advocating for and facilitating access to a greater supply of secure, affordable and appropriate housing across the Shire.

3. Actions to date

Mount Alexander Shire Council has expressed public commitment to addressing access to secure, affordable and appropriate housing through the following Plans, Strategies and actions:

- The Council Plan 2013-2017 identifies *Building Sustainable Communities* as a key goal. This includes the objective to “facilitate housing that meets the needs of the community.”
- The Public Health and Wellbeing Plan 2013-2017 identifies under *Goal 3: Dynamic and Resilient Local Economies* the objective of “Advocate for more housing that meets community needs.”
- The Economic Development Strategy 2013-2017 under *Objective 5: Improve factors that impact on livability* identifies the strategy to “Develop a housing strategy to support adequate future housing supply.”
- In 2012 Council commissioned the Swinburne Institute for Social Research to develop a discussion paper “Housing Needs and Opportunities in Mount Alexander Shire.”
- Council has held two housing roundtables in 2011 and 2012 with local agencies interested in addressing issues of social and affordable housing.

4. Council Commitments

Mount Alexander Shire Council is committed to a role as a broker, enabler, facilitator and advocate for affordable housing and in doing so will actively work with and support a broad range of stakeholders (individually and collectively) interested in the development of affordable housing options across the Shire.

Mount Alexander Shire Council is committed to actively bringing together key public and private stakeholders (government, community housing associations, real estate agents, builders, financiers, developers etc.) to educate them about the opportunities for increased investment in a greater diversity of housing types across the Shire.

Mount Alexander Shire Council is committed to monitoring the supply of affordable housing across the Shire as well as state and federal government policy, programs and funding that affect the supply of affordable housing across the Shire.

Mount Alexander Shire Council is committed to advocating to state and federal government for increased policy, programs and funding to support the development of additional affordable and appropriate housing across the Shire.

Mount Alexander Shire Council is committed to encouraging applications for smaller land subdivisions and supporting other low cost actions (such as rate relief and application fee waivers) that support the creation of more one and two bedroom housing developments across the Shire.

Mount Alexander Shire Council is committed to undertaking strategic studies and reviewing key Council strategy documents to ensure they support the supply of additional land, including smaller land subdivisions (where appropriate), and other actions to support the development of a greater diversity of housing stock across the Shire.

5. Key Stakeholders

Mount Alexander Shire Council acknowledges a wide range of public and private stakeholders with an interest in, or potential role in, the development of affordable housing in the Shire. These stakeholders include, but are not limited to:

- Federal Government
- State Government
- Community Services Organisations
- Registered Housing Associations
- Builders
- Developers
- Investors
- Real-Estate Agents

Definitions:

Affordable housing is 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 such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income. While this figure provides a useful benchmark of housing affordability, the definition of affordability varies according to a household's individual circumstances. Demands on the same gross income may differ significantly.⁴

Adaptable housing refers to the means of designing a house/unit that enables easy and relatively cheap adaptation to make it fully comply with access standards. This housing is designed in such a way that it can be easily modified in the future to meet changing needs of occupants⁵.

Social housing in Victoria comprises public housing and community housing. In total, approximately 160,000 people live in Victorian social housing⁶ with approximately 181 in Mount Alexander Shire⁷.

Public housing is owned and managed by the Victorian Government and constitutes the majority of social housing, with around 65,000 properties⁸ across Victoria including 206 properties in Mount Alexander Shire⁹.

Community housing is owned and/or managed by community or not-for-profit organisations. The community housing sector manages around 19,000 dwellings, including short-term housing for people experiencing homelessness, and long-term rental housing. Community housing is currently delivered by eight registered housing associations and 34 housing providers¹⁰ across Victoria. In 2010 there were 74 community housing properties in Mount Alexander Shire¹¹.

Affordable and Social Housing Model

Diagram 1 below provides a useful summary of how affordable and social housing, models of tenure and government support mechanisms fit together on a continuum. It also indicates the relative public and private sector involvement in these models. Depicted as falling outside of these formal arrangements is homelessness and (some) privately owned rooming houses. While rooming houses have played and continue to play a pivotal role in providing accommodation for disadvantaged individuals, some rooming houses capitalise on the lack of regulation in the system and the vulnerability of tenants to operate for maximum profit and without regard for residents' safety, security, rights, etc.

