



Delivering Affordable Housing: Opportunities for Councils, Developers and Providers

November 2023

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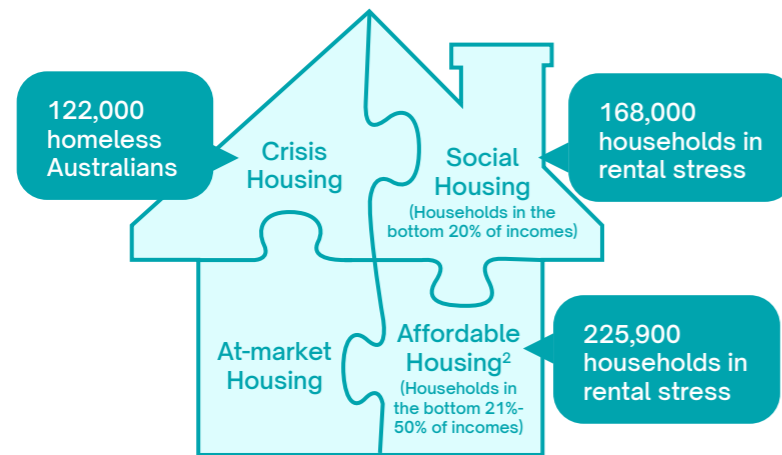
URBIS

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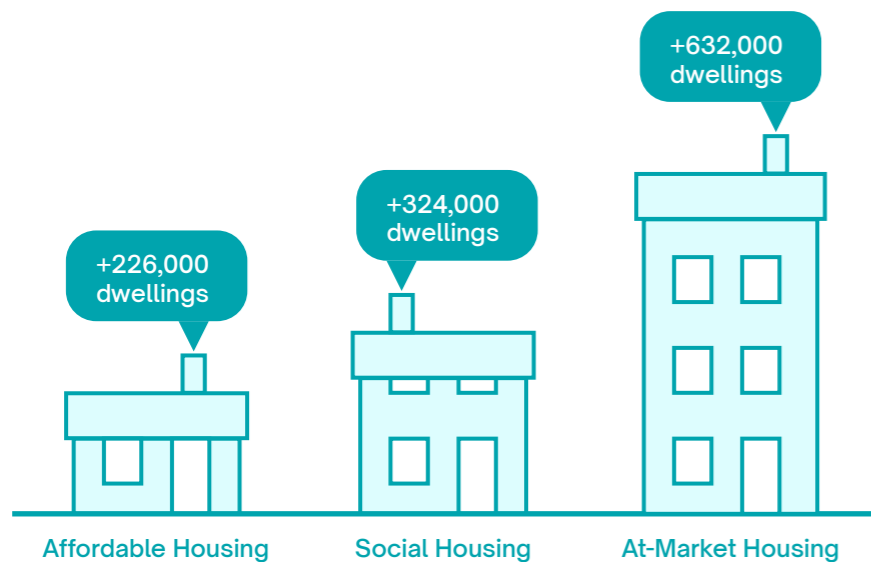
Our Thinking

1. The housing shortfall will worsen with business as usual.

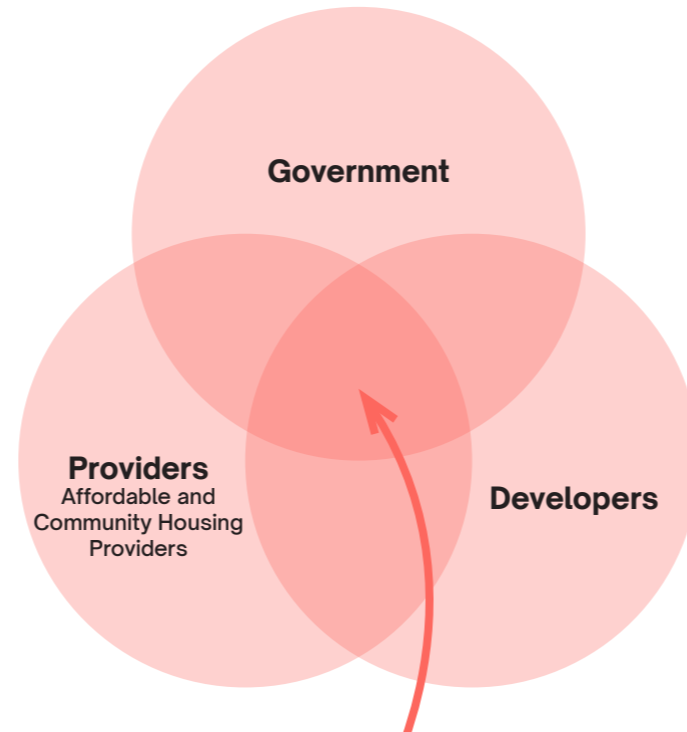
The housing shortfall is significant across all household types. Under our current trajectory, these gaps will worsen.



As a result, the National Cabinet's 1.2-million home target needs to be distributed across the housing continuum - and overcome the barriers that led to our current shortfall.



This report highlights opportunities to beat the barriers commonly faced by stakeholders who deliver housing.



2. Collaboration is key to successful delivery.

With policies in place, attention must soon turn to the delivery stages - so we hosted a workshop to explore how we can overcome common challenges between the three key stakeholders: Government, Developers and Providers.

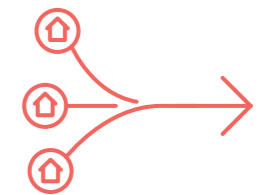


3. There are great opportunities ahead - and they are not 'one-size-fits-all'

Our workshop uncovered six significant opportunities - all supporting the view that a tailored approach unlocks the greatest opportunities.



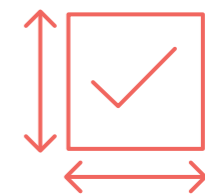
'Non-apartment' markets



Consolidation, rather than Salt and Pepper



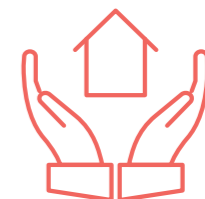
Supporting build to rent



Planning incentives



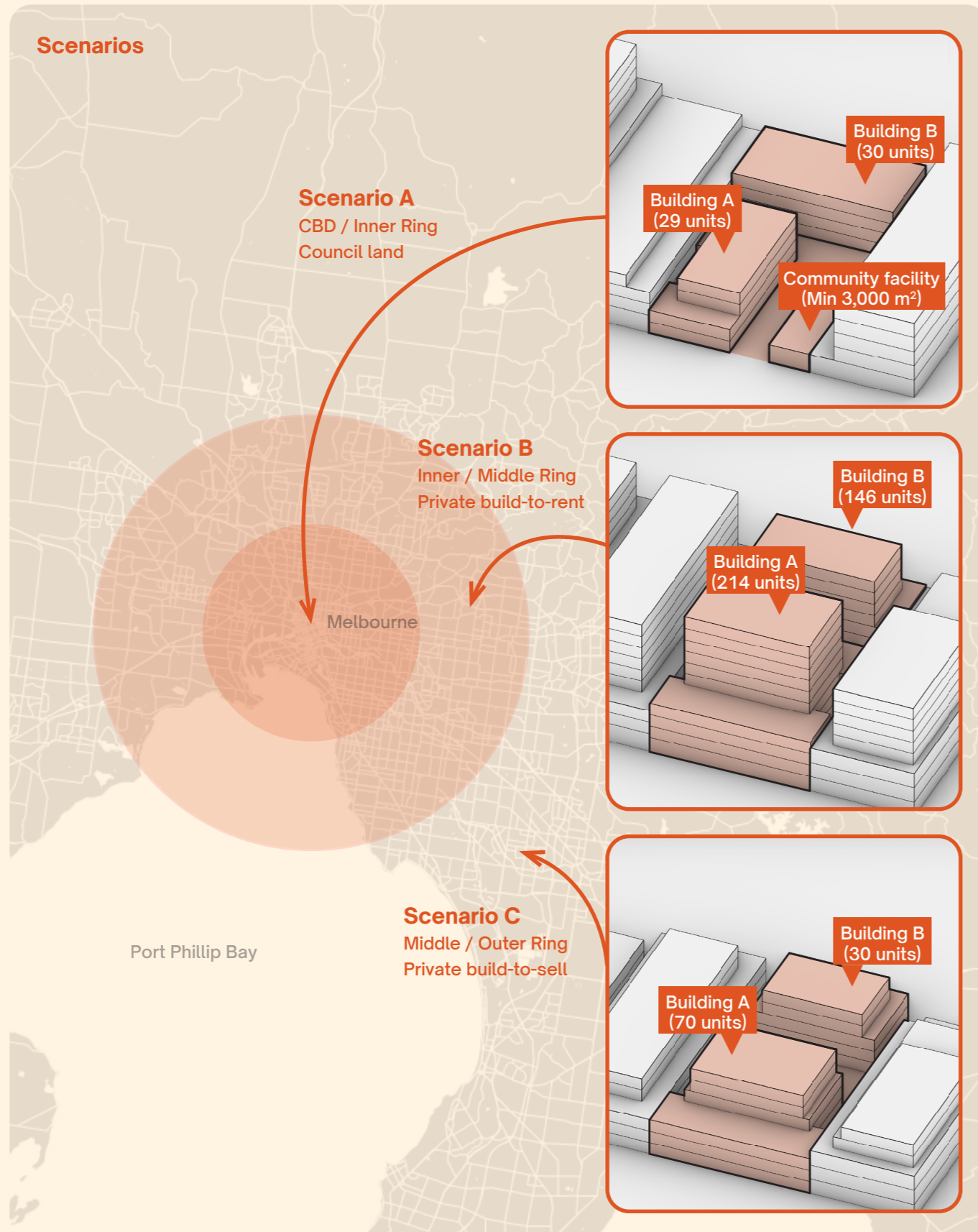
Land transfers



Support beyond Planning

A 'one-size-fits-all' approach appeared less successful - there were no common preferences between stakeholders, sites and scenarios. Constructive and early engagement between the Council, Developer and Provider is vital to optimising results.

Our Workshop Process



Format

- 3 scenarios (A-C)
- 2 groups per scenario
- Each group reviewed their case study scenario and evaluated their preferences, the opportunities and the challenges against the three Discussion Topics
- Each scenario featured representation from Government, Providers and Developers

Discussion Topics

Site preferences

- Location
- Yield and Mix
- Proximity to services

Partnership options

- Gifted land
- Discounted sale
- Groundlease
- Turnkey
- Housing Provider provides Tenancy Management
- Housing Provider provides Tenancy and Property Management

Planning opportunities

- Increase yield potential
- Reduce parking requirements
- Fast-track planning process
- Section 173 Agreement - Monetary contribution to the Housing Provider
- Section 173 Agreement - Management rights to the Housing Provider
- Section 173 Agreement - Ownership rights to the Housing Provider



What we uncovered

Providers can support Developers out of 'non-apartment' markets.

Providers typically require discounted sales or gifted land in these higher-priced suburbs (Balwyn, Kew, etc.)

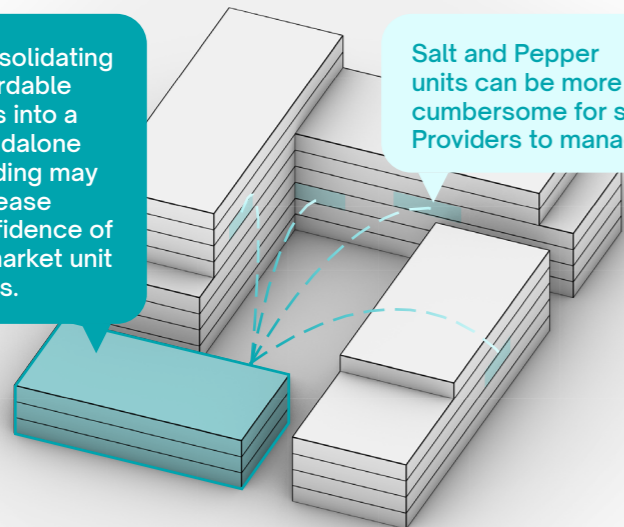
'Non-apartment' markets: Developers can be hesitant about delivering apartments in these lower-priced suburbs. They could sell to Providers who can more readily afford these sites.



Consolidation simplifies operations and partnerships.

Consolidating affordable units into a standalone building may increase confidence of at-market unit sales.

Salt and Pepper units can be more cumbersome for some Providers to manage.



Providers can assist Developers in the burgeoning BTR market.

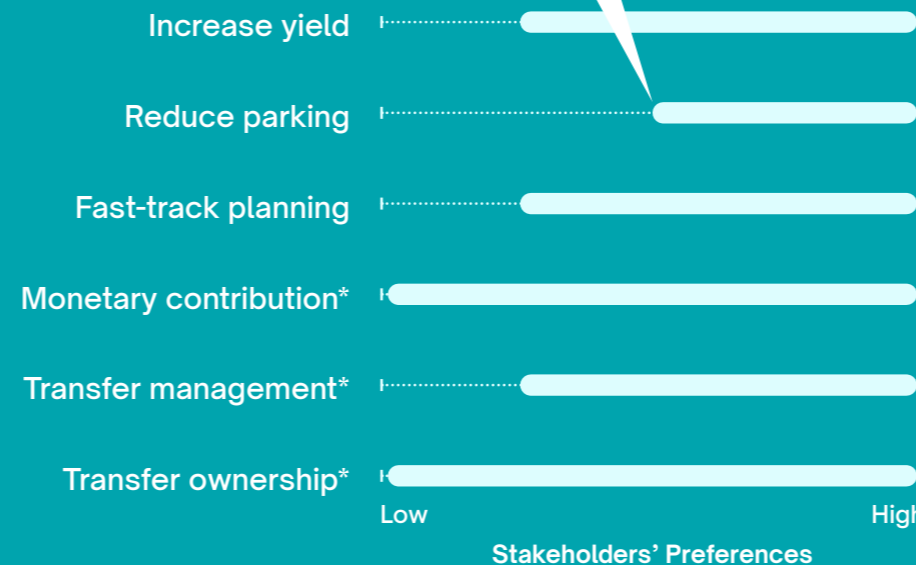
Some Housing Providers may be well-positioned to provide tenancy and property management services - particularly in the affordable build-to-rent market.

Community Housing Providers are the only regulated organisations in tenancy management services.

Explore other planning incentives.

Incentives: All incentives exhibited mixed levels of favourability.

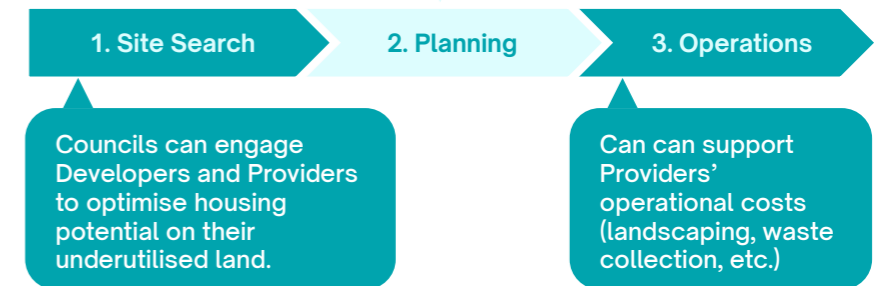
Common assumptions don't always hold true. For example, some Providers don't like reduced parking; their tenants hesitate to move to a home that does not allow them to retain their cars - their 'backup' home.



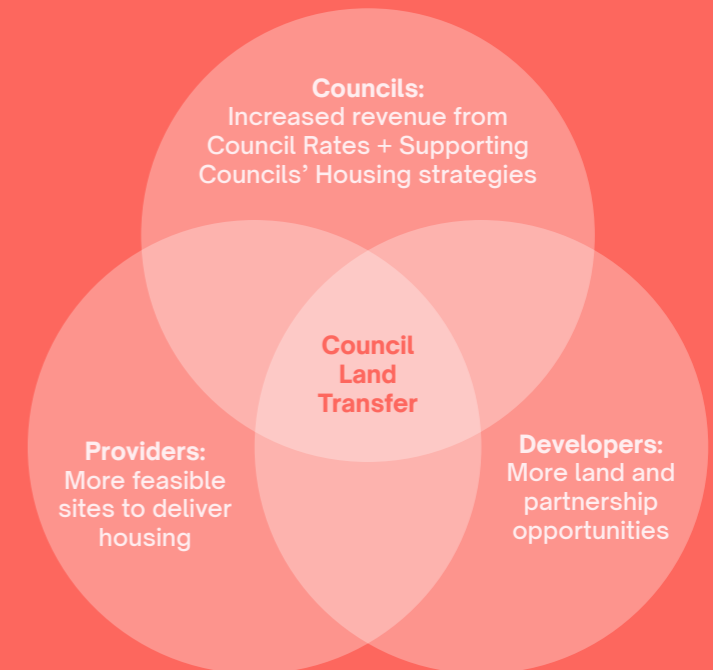
* Transfer to CHP via Section 173 Agreement

Councils can support Providers beyond the Planning stage.

Currently, Councils are most engaged during the planning process.



Land Transfers may be more beneficial than Ground Leases.



Who was involved

Workshop Participants

This report was made possible by the generous contributions and insights provided by the workshop participants.*

Aboriginal Housing Victoria
Affordable Housing Solutions
Banyule City Council
Barings Australia
Breathe
CBRE
Cbus Property
City of Boroondara
City of Melbourne
Department of Transport and Planning
Development Victoria
Frankston City Council
Haven; Home, Safe
Hines
HousingFirst
Launch Housing
PDG
Plenary
Servants Community Housing
Super Housing Partnerships
Unison
Urbanxchange
Urbis
Women's Property Initiatives

*Their workshop contributions may not be representative of the organisations with which they work for.

Workshop Organisers and Report Authors

This research and the workshop was organised by Australasian Housing Institute (AHI) in partnership with CBRE and Urbis.

ahi:

AHI is a not-for-profit organisation that supports and empowers the social, affordable and community housing sector in Australia and New Zealand.

Our events educate, empower and connect people in the sector to build brighter futures for the most vulnerable in our community.

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CBRE

The AHI (VIC) Housing Workshop has identified that to tackle the current housing crisis and best deliver the state government's Housing Statement initiatives there is a need for active collaboration between CHPs, developers, local and state government.

CBRE Development & Infrastructure (CBRE D&I) are well placed to assist partners to interrogate development feasibility, delivery strategies, planning, procurement and optimisation. We work closely with private and public stakeholders leveraging our relationships to unlock value for our clients.

Get in touch

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URBIS

Urbis is a market-leading firm with the goal of shaping the cities and communities of Australia for a better future.

Drawing together a network of the brightest minds, Urbis consists of practice experts, working collaboratively to deliver fresh thinking and independent advice and guidance – all backed up by real, evidence-based solutions.

Working across the areas of planning, design, policy, heritage, valuations, transactions, economics and research, the expert team at Urbis connect their clients in the public and private sectors to a better outcome, every time.

Get in touch

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