

AFFORDABLE HOUSING POLICY AND ACTION PLAN 2010 – 2020

Adopted by Manningham City Council in November 2010

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ACRONYMS

AHURI	Australian Housing and Urban Research Institute
HAF	Housing Affordability Fund
LAAH Project	Local Action on Affordable Housing Project
LGA	Local Government Association
MAV	Municipal Association of Victoria
NAHA	National Affordable Housing Agreement
NRAS	National Rental Affordability Scheme
RA	Commonwealth Rental Assistance
SGS	SGS Economics and Planning Consultancy

Council Teams responsible for specific actions within the Affordable Housing Action Plan

ADS	Aged and Disability Services Team
BS	Building Services Team
C&M	Communications and Marketing Team
CPE	Community Planning and Engagement Team
EMT	Executive Management Team
EEP	Environmental and Economic Planning Team
Fin	Finance Team
GIS	Geographical Information Systems Team
P&V	Property and Valuations Team
SCS	Social and Community Services Team
SP	Statutory Planning Team

PART A – AFFORDABLE HOUSING POLICY AND ACTION PLAN

A1. INTRODUCTION

Manningham City Council views housing security as a foundation of healthy individual lives and a healthy society.

This *Affordable Housing Policy 2010-2020* provides a policy framework and the strategic direction for Council to address affordable housing issues over the coming decade.

This focus on affordable housing is consistent with Council's overarching social inclusion, wellbeing and affordability objective '*to support a socially inclusive and connected community that promotes health and wellbeing through accessible services and facilities, and strong community partnerships and participation*¹. This objective is underpinned by an aim of 'providing targeted support for disadvantaged groups in our community'.

Furthermore this document fulfils Action 2.1.8 of the Council Plan 2009-2013 that requires that Council '*Develop an Affordable Housing Policy and Action Plan to guide and assist the future development of affordable housing and to support Council's Residential Strategy*'.

The *Affordable Housing Policy* relates closely to Council's *Residential Strategy 2002* which provides a policy framework aimed at meeting the existing and future housing needs of the municipality. The *Residential Strategy* is expected to be reviewed and updated in 2011. This policy document will inform that review.

Aim of the Affordable Housing Policy and Action Plan

The overarching aim of this document is to establish the strategic framework within which Council can achieve its affordable housing policy objectives.

There are five specific Council policy objectives that focus on the provision of affordable housing and alleviating housing stress.

AFFORDABLE HOUSING POLICY OBJECTIVES

- 1. Council will advocate for increased government, developer and community support for the provision of affordable housing**
- 2. Council will actively encourage and support the provision of affordable housing in Manningham**
- 3. Council will examine opportunities to use government land for affordable housing**
- 4. Council will ensure new affordable housing developments are appropriately located and designed**
- 5. Council will provide appropriate community support initiatives and referral services to households facing housing stress.**

¹Source: 2009 Council Plan: 2009-2013

Affordable Housing Targets

By 2020, Manningham will have an increased supply of affordable housing that is well located and designed and that meets the diverse needs of Manningham residents.

1. Council will set an aspirational target that by 2020, 10% of housing units within the Doncaster Hill activity zone will be affordable housing units. This equates to approximately 200 units.
2. Council will conduct further research and will set targets for the provision of affordable housing across the municipality, as one of the actions of this document.

Structure of this Document

Part A of the document provides detail on the role of Manningham City Council in providing affordable housing. The Action Plan includes 14 goals and has 35 associated actions.

Affordable Housing Goals:	
Council will:	
Goal 1.1	Seek increased Commonwealth and State support for the provision of affordable housing.
Goal 1.2	Seek increased Developer support for the inclusion of affordable housing dwellings within developments
Goal 1.3	Seek increased community support for the provision of affordable housing
Goal 2.1	Identify Council planning tools to increase affordable housing supply
Goal 2.2	Provide education and incentives for the development of affordable housing in Manningham
Goal 2.3	Identify opportunities for Council to partner with other organisations to deliver affordable housing
Goal 2.4	Keep up to date on best practice models for the delivery of affordable housing.
Goal 2.5	Achieve a planned approach to the delivery of affordable housing
Goal 2.6	Evaluate and monitor this document, and affordable housing need, over time
Goal 3.1	Identify potential sites for the development of affordable housing
Goal 4.1	Ensure appropriate siting of affordable housing developments
Goal 4.2	Encourage new affordable housing developments to incorporate accessibility, adaptability and visibility standards.
Goal 4.3	Encourage new affordable housing developments to incorporate ecologically sustainable development (ESD) standards.
Goal 5.1	Assist households facing housing crisis.

Part B of the document provides background information on affordable housing need across Australia and within Manningham specifically; and on the various responsibilities of Federal and State Government in addressing this need.

Definition of Affordable Housing

Affordable housing is housing that is affordable for people with low to moderate incomes. The household income should be able to meet housing costs and leave sufficient money to meet other household needs and essential costs such as food, clothing, health, power and transport.

This is generally accepted to mean that households with less than 120% of median income should pay no more than 30% of their gross income in rent or 35% on mortgage repayments. If they are paying more they are categorised as being in housing stress.

This equation means that households earning less than approximately \$88,000 per annum (lower and moderate income households) are the current target group for affordable rental housing. In terms of the purchase of affordable housing, the target group is generally moderate income households as 'affordable housing' is likely to be out of reach for lower income households in the private market.

Table 1 – Household Income Definitions

Income category	Income received
Very low income household	Less than 50% of the median household income for the Melbourne Statistical Division.
Low income household	More than 50% but less than 80% of the median household income for the Melbourne Statistical Division.
Moderate income household	More than 80% but less than 120% of the median household income for the Melbourne Statistical Division.
Higher income households	More than 120% of the median household income for the Melbourne Statistical Division.

A2. THE ROLE OF MANNINGHAM CITY COUNCIL IN THE PROVISION OF AFFORDABLE HOUSING

Whilst Federal and State Governments have the legislative responsibility for affordable housing, there is an increasing expectation that Local Government will complement their work.

The effects of decreasing housing affordability are largely felt at a local level. Manningham City Council considers accessibility to affordable housing to be a social justice and a community well-being issue. To this end, a requirement for affordable housing is provided in the following Council documents:

- Manningham Residential Strategy, 2002
- Manningham Youth Policy and Action Plan, 2007 - 2010
- Ageing Well in Manningham 2006 - 2010
- Manningham Access and Inclusion Policy and Action Plan 2008 - 2012
- Doncaster Hill Strategy 2002 (revised in 2004)
- Municipal Public Health Plan 2009 – 2013
- Manningham Planning Scheme Review 2010

In addition Council has participated as one of six Councils in the State funded Local Action on Affordable Housing project (LAAH) to progress affordable housing at a local government level.

The overarching goal of this document is to establish a strategic framework within which Council can encourage the provision of appropriate affordable housing in Manningham.

As Council is not resourced to take a primary role in the delivery of affordable housing stock, and does not have the regulatory powers to enable it to compel the market to perform in particular directions, Council's role will be to influence affordable housing provision by:

1. Advocating for increased government, developer and community support for the provision of affordable housing.
2. Actively encouraging and supporting the provision of affordable housing in Manningham.
3. Examining opportunities to use government land for affordable housing.
4. Ensuring new affordable housing developments are appropriately located and designed.

Furthermore, Council will:

5. Provide appropriate community support initiatives and referral services to households facing housing stress.

An Affordable Housing Action Plan is provided in *Section A3* of this document that details the mechanisms through which Council will fulfil this role.

A3. ACTION PLAN TO ENCOURAGE THE PROVISION OF AFFORDABLE HOUSING IN MANNINGHAM

The objective of the Affordable Housing Policy and Action Plan is to increase the supply of affordable housing within Manningham. This document provides the strategic framework to encourage this approach. The long-term outcomes of this Policy will be measured in terms of whether or not it results in the provision of new affordable housing provision in Manningham, and to what degree it helps alleviate housing stress in the community.

Overall success cannot be expected to be achieved immediately, given the long-term nature of many of the actions and that Local Government does not have an obligation to provide affordable housing, nor to require other stakeholders to provide it. But in the short-term Local Government can advocate to other levels of government to improve the mechanisms and funding programs to encourage such development; and Manningham City Council can provide incentives to developers to encourage them to choose to develop within Manningham; and can be fully supportive of considering the full range of housing options to provide affordable housing.

1. Council will advocate for increased government, developer and community support for the provision of affordable housing.		Timeframe	Responsibility	Resources
Goal	Action			
1.1 Seek increased Commonwealth and State support for the provision of affordable housing.	1.1a Advocate to the Federal and Victorian Governments to: <ul style="list-style-type: none"> increase funding to the not-for-profit sector to facilitate affordable housing for low to moderate income households. establish a financial framework that encourages the development of affordable housing initiatives by the private sector. 	Ongoing	EMT, SCS, EEP, SP	Existing resources
	1.1b Advocate for State-wide adoption of : <ul style="list-style-type: none"> the establishment of an Affordable Housing Levy to facilitate the collection of contributions for affordable housing. a minimum benchmark for the provision of affordable housing in well located private developments. 	Ongoing	EMT, SCS, EEP, SP	Existing resources
	1.1c Advocate for a change to the Local Government Act (1989) to: <ul style="list-style-type: none"> Allow local government land to be leased for periods of up to 100 years for the purpose of establishing affordable housing. Include 'affordable housing' language within the Act. Consider and explore the option of amending Section 193 of the Act (whereby Council requires Ministerial approval for Joint Ventures where Council land is to be made available for affordable housing) in order to minimise delays to such development. 	Ongoing	EMT, SCS, EEP, SP	Existing resources

1. Council will advocate for increased government, developer and community support for the provision of affordable housing.		Timeframe	Responsibility	Resources
Goal	Action			
1.2 Seek increased Developer support for the inclusion of affordable housing dwellings within developments.	1.2a Advocate to developers, Council's desire to negotiate a proportion of affordable housing within any larger developments proposed in key locations such as Doncaster Hill. Provide developers with associated information on available funding programs such as the Housing Affordability Fund (HAF) and National Rental Affordability Scheme (NRAS), and how partnerships with Housing Associations can provide tenancy management for rental properties.	Ongoing	SP	Existing resources
1.3 Seek increased community support for the provision of affordable housing.	1.3a Design and implement a community engagement program/communications strategy to provide community education on the benefits of providing affordable housing.	Ongoing	CPE, C&M	To be determined

2 Council will actively encourage and support the provision of affordable housing in Manningham		Timeframe	Responsibility	Council Resources
Goal	Action			
2.1 Identify Council planning tools to increase affordable housing supply.	2.1a At the next review of the Municipal Strategic Statement (MSS), include an objective of meeting the needs of Manningham residents for affordable housing.	2014/15	EEP, SP	Existing resources
	2.1b Review planning controls to ensure that there are no limitations which work against the provision of affordable housing to low – moderate income households. Such controls might include, but not be limited to: <ul style="list-style-type: none"> • Ensure provisions in the MSS actively encourage, and do not discourage, secondary dwellings in appropriate locations. (A secondary dwelling is a self-contained dwelling that is located: within, or is attached to, or is separate from, the principal dwelling and is on the same lot of land e.g. granny flats, shop-top housing, part of a house etc) • Investigate incorporating kit-homes into the spectrum of permissible dwelling structures that may be constructed in Manningham. • Identify locations where additional subdivisions could occur throughout Manningham and review associated density zones. 	2014/15	EEP, SP, BS	Existing resources
	2.1c Increase the supply of affordable housing within the Doncaster Hill activity zone by setting an aspirational target that by 2020, 10% of its housing units will be affordable housing.	2020	EEP, SP	Existing resources
	2.1d Explore setting minimum targets for the provision of affordable housing by developers in well located housing developments in the rest of Manningham (i.e. excluding Doncaster Hill which is covered by Action 2.1c).	2012	EEP, SP, SCS	Existing resources
	2.1e Determine the feasibility of establishing an 'Affordable Housing Quick Path' to be available where affordable housing is incorporated as part of a development. This may include : <ul style="list-style-type: none"> • Provision of an affordable housing planning application 'process map' which outlines the process for assessing applications for affordable housing. • Early feasibility identification; • Facilitate the accelerated provision of infrastructure; • Where possible accelerate the path through the development process; and • Technical assistance with project development. 	2011	SP, EEP	To be determined

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2 Council will actively encourage and support the provision of affordable housing in Manningham		Timeframe	Responsibility	Council Resources
Goal	Action			
	2.1f Recognise and address any legitimate issues raised by residents about specific aspects of any proposed affordable housing development through a transparent review and planning approval process.	Ongoing	SP	Existing resources
2.2 Provide education and incentives for the development of affordable housing in Manningham.	2.2a Identify and implement potential incentives for developers to provide affordable housing in new developments such as: <ul style="list-style-type: none"> • Reduction in development contributions • Reduced car parking requirements where appropriate • Rate waivers • Reduction in Council services fees. 	Ongoing	SP, EEP, Fin, CS	To be determined dependent upon initiatives
	2.2b Conduct business seminars for residents on opportunities available to them to provide affordable housing solutions such as providing accommodation for boarders (families, students, older persons, single adults etc); B&Bs; secondary dwellings; granny flats etc.	Ongoing	EEP	Existing resources
	2.2c Investigate the need, and if appropriate, host workshop(s) between developers and Housing Associations to provide clarity about how these sectors can work together.	2011	EEP, SCS, SP	Existing resources
2.3 Identify opportunities for Council to partner with other organisations to deliver affordable housing.	2.3a Continue to develop relationships with Housing Associations to identify opportunities to add housing in Manningham to their portfolio, with particular emphasis on identified priority groups (seniors, single parents, young people and people with a disability).	Ongoing	SCS	Existing resources
	2.3b Identify suitable financial models for Council to partner with the State Government, Housing Associations, the not-for-profit sector and/or the financial sector in order to increase affordable housing provision within Manningham.	Ongoing	Finance, SCS	Existing resources
	2.3c Ensure that affordable housing partners and providers are aware of Council's identified need, and associated priorities and supports, for the development of affordable housing within Manningham.	Ongoing	SCS	Existing resources
	2.3d Investigate means by which Council could support asset rich, income poor Manningham households with large houses to take on rentals (particularly students and lone elderly persons).	Ongoing	EEP	To be determined

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2 Council will actively encourage and support the provision of affordable housing in Manningham				
Goal	Action	Timeframe	Responsibility	Council Resources
2.4 Keep up to date on best practice models for delivery of affordable housing	2.4a Monitor initiatives and models for the provision of affordable housing across Victoria.	Ongoing	SCS	Existing resources
	2.4b Continue to be a member of relevant organisations for the progression of affordable housing regionally, such as the Eastern Affordable Housing Alliance.	Ongoing	SCS	Existing resources
	2.4c Schedule / attend forums where State Government, property developers and Housing Associations can present and discuss affordable housing options for Manningham.	Every 2-3 years	EEP, SCS	Existing resources
2.5 Achieve a planned approach to the delivery of affordable housing	2.5a Investigate the development of affordable housing targets for Manningham. This will provide a framework to deliver actions that meet specific affordable housing objectives such as ensuring it is well located, is of an appropriate size, meets accessibility, adaptability, visitability and ecologically sustainable development objectives etc.	2012	SCS, EEP	To be determined
2.6 Evaluate and monitor this document and affordable housing need over time.	2.6a Monitor affordable housing need over time in order to ensure appropriate targets and actions are in place. Following each census, undertake a housing needs analysis.	2012, 2018	CPE, SCS	Existing resources
	2.6b Undertake an annual review of progress of the Affordable Housing Policy and Action Plan. Prepare a Progress Report.	Annually	SCS	Existing resources
	2.6c Review the Affordable Housing Policy and Action Plan in 2019 / 2020	2019 / 2020	SCS	Existing Resources

3 Council will examine opportunities to use government land for affordable housing				
Goal	Action	Timeframe	Responsibility	Council Resources
3.1 Identify potential sites for the development of affordable housing.	3.1a Undertake a land audit every five years to identify suitable Council, Commonwealth or State owned sites that may be appropriate for the development of affordable housing.	2012, 2017	EEP, P&V, GIS, SCS	Existing resources
	3.1c Undertake Feasibility Studies, as required, of identified site(s) to progress determination of their suitability for affordable housing	Ongoing	SCS, EEP, SP	To be determined

4. Council will ensure new affordable housing developments are appropriately located and designed.				
Goal	Action	Timeframe	Responsibility	Council Resources
4.1 Ensure appropriate siting of affordable housing developments.	4.1a Through the Planning Scheme, encourage affordable housing developments to be sited in proximity to public transportation, activity centres and other shopping centres.	Ongoing	SP	Existing resources
4.2 Encourage new affordable housing developments to incorporate accessibility, adaptability and visibility standards.	4.2a Advocate to the State Government for the extension and formalisation of accessible housing standards through the Victorian Building Regulations.	Ongoing	SP, SCS	Existing resources
	4.2b Encourage all affordable housing developments to meet at least a minimum standard of universal accessibility, and ensure sufficient units within each development are suitable for high needs clients with disabilities, according to the situation and target group for each development, in line with Councils 2003 'Access to the Built Environment Policy'.	Ongoing	SP	Existing resources
4.3 Encourage new affordable housing developments to incorporate ESD standards	4.3a Encourage all affordable housing developments to incorporate ESD standards into their design to reduce ongoing water and energy bills.	Ongoing	SP, EEP, BS	Existing resources

5. Council will provide appropriate community support initiatives and referral services to households facing housing stress		Timeframe	Responsibility	Council Resources
Goal	Action			
5.1 Assist households facing housing crisis.	5.1a Council will provide community support initiatives to assist households in-need to stabilise their circumstances without having to relocate to more affordable housing out of Manningham, including: <ul style="list-style-type: none"> • Funding through Service Agreements and Community Grants to strengthen the community and support families • Referral service to Doncare and Centrelink where appropriate • Ongoing advocacy to Federal and State Government that Manningham receive a greater share of federal and state funds for the supply of housing and to assist households in housing stress • Ongoing advocacy for improvements in public transport in Manningham to reduce household costs associated with private vehicles • Rates payment plans on a case-by-case basis • Debt waiver of Council charges on a case-by-case basis • Promotion of affordable living measures such as means by which to reduce energy costs. 	Reviewed annually	SCS, Finance, ACP, ADS, EEP	Existing resources

PART B - AFFORDABLE HOUSING CONTEXT AND BACKGROUND

B1. SHORTAGE OF AFFORDABLE HOUSING IN AUSTRALIA

Housing affordability in Australia has deteriorated substantially over the last twenty years. During the latter half of this period:

- Average house prices relative to income have doubled (i.e. over time housing prices have increased at a substantially faster rate than incomes)
- Average monthly payments on new loans have risen more than 50%
- The proportion of low-rent homes has fallen by at least 15%
- Opportunities to rent public housing have fallen by at least 30%.

At least ¾ million lower-income households now have housing costs above the common affordability benchmark of 30% of income. The majority of them are private renters, many of whom actually pay more than 50% of their income on housing. Many other owners, purchasers and renters have to live in unsuitable housing to avoid unaffordable rent or mortgages. These “hidden” victims may already out-number those who are paying above the benchmark.²

The overall supply of affordable rental housing in the private market is inadequate, despite large increases in expenditure on Commonwealth Rent Assistance (RA) during the last 15 years or so. Vacancy rates are at historically low levels, rents are rising substantially and investment in new rental housing has declined, especially at the lower end of the market³.

Why do we need affordable housing?

When households are housed in appropriate housing, household outcomes improve such as education, health and employment; and societal outcomes improve, through reduced government expenditure on the consequences of social and economic exclusion, and greater social and economic participation.

Communities that provide affordable housing ensure that:

- Greater choice/diversity in housing stock is available;
- Those who work in the local area can afford to live in the communities they serve;
- Younger residents can find a home of their own in the area they grew up in;
- Seniors can find smaller, low maintenance homes within their local area;
- Households whose financial resources decrease can remain in their local area and remain linked with their support networks;
- The local economy is supported;
- Vulnerable people can find appropriate shelter and are not at risk of being homeless.

The social and economic cost to individuals, the community and the municipality when affordable and appropriate housing is not available includes⁴:

- Increasing rates of individual and family stress and breakdown;
- Movement of people out of the community, threatening the age mix and employment base;

² AHURI, Affordable Housing in Australia, 2007

³ AHURI, Affordable Housing in Australia, 2007

⁴ MAV Local Government Housing Kit, 2006

- A potential for growth in crime and anti-social behaviour;
- Growing agitation from residents for Local Government to 'do something';
- Impacts on local community services;
- Inability to attract labour to the area, threatening labour market efficiency;
- Increasing rates of homelessness - each night 105,000 Australians are homeless nationwide. Homelessness does not simply mean that people are without shelter. A stable home provides safety and security as well as connections to friends, family and a community.⁵

Reducing the shortage of affordable housing supply within Manningham will provide better social and economic outcomes for Manningham as a whole, as well as for households that are facing housing stress.

B2. AFFORDABLE HOUSING NEED IN MANNINGHAM

Housing in Manningham is becoming increasingly unaffordable. High housing costs significantly exclude lower-income and even moderate-income households.

Within Manningham, the cost of housing is higher than many other middle-ring areas of metropolitan Melbourne. Rent and sales prices are not only high compared to the metropolitan area but also are significantly higher than the eastern region as a whole.

Manningham Council conducted an 'Understanding Our Community' Survey in January/February 2010. One of its areas of focus was housing. It found that 49% of respondents do not believe that housing in their local area is affordable (compared to 39% in 2009)⁶.

B2.1 Barriers to Home Ownership in Manningham

A combination of factors including low density development, a tendency towards high-specification housing development, a shortage of land and the high price of land, has resulted in a high cost of housing across Manningham. In comparison to the 79 LGAs state-wide, Manningham ranks:⁷

- 4th on median land cost
- 8th for median house price

This high cost of housing means that there is no current first step onto the home ownership ladder in Manningham.

While a relatively large proportion of moderate income earners already own homes, home ownership is out of reach for renters in this income group, as demonstrated in *Table 1a*, and is out of reach for low income rental households, as demonstrated in *Table 1b*. (It is worth noting, however, that 41% of low-income elderly households already own their own home⁸ – they are asset rich and income poor. Whilst some would be prepared to sell and downsize, the lack of appropriately sized and priced alternatives in the area is a deterrent.)

⁵ Federal Government Which Way Home Report, 2008

⁶ Manningham City Council, Understanding Our Community Research Paper, March 2010: 95% confidence level and a confidence interval of $\pm 4.22\%$.

⁷ Victorian Local Government Areas: 2007 Statistical Profile

⁸ Census 2006

Table 1a - Potential demand for affordable home ownership, current Manningham households earning 80% - 120% median income (moderate income households)

	Moderate Income Households	Suitable accommodation	Affordable Price with 20% deposit	Median Price	Median 25 percentile price
Lone persons	1,600	1-2 bedroom flat	\$175,000 - \$270,000	\$440,000	\$360,000
Family household (inc. couples without children)	5,500	2-3 bedroom house	\$355,000 - \$530,000	\$615,000	\$525,000

Source: SGS *Housing Stress and Affordable Housing Potential in Manningham* LAAH report, April 2010 based on Valuer General's Residential Price Statistics, 2009 for 2008 median.

Table 1b - Potential demand for affordable home ownership, current Manningham households earning less than 80% median income (low income households)

	Low Income Households	Suitable accommodation	Affordable Price with 20% deposit	Median Price	Median 25 percentile price
Lone persons	1,600	1-2 bedroom flat	\$95,000 - \$150,000	\$440,000	\$360,000
Family household (inc. couples without children)	4,200	2-3 bedroom house	\$190,000 - \$305,000	\$615,000	\$525,000

Source: SGS *Housing Stress and Affordable Housing Potential in Manningham* LAAH report, April 2010 based on Valuer General's Residential Price Statistics, 2009 for 2008 median.

These households would need to earn between 140% to over 200% of median household income to afford Manningham dwelling prices, so that they pay no more than 35% of household income on mortgage payments. Earning less than this would be likely to result in housing stress⁹.

In general, strategies for increasing the affordability of home ownership are targeted at moderate income households, not low income households, as the gap between income and dwelling price is enormous. The gap for moderate income earners is also considerable, with over 7,000 such households finding home ownership unaffordable, particularly if they are a lone-person household.

The priority targets for increasing the supply of affordable housing for purchase (by moderate income households) in Manningham should be:

- Advocacy to State and Federal Government for increased support for the provision of affordable housing
- Identification of Council planning tools to ensure they support affordable housing provision.

⁹ SGS, Local Action on Affordable Housing (LAAH) Project, 'Advice Towards the Development of a Local Plan for Action on Affordable Housing for Manningham City Council', 2010; a joint initiative of the Office of Housing and Local Government Victoria.

B2.2 Affordable Rental Housing Need in Manningham

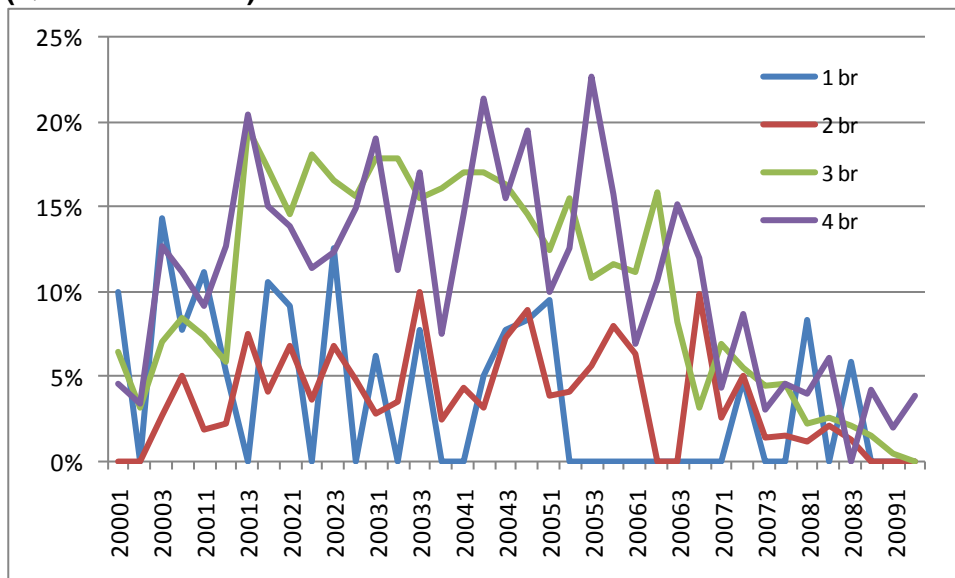
Current rental housing stress among existing Manningham residents is significant and is felt by both family and lone-person households.

The cause of this rental housing stress includes the following factors:

- Manningham contains approximately half the number of rental properties as compared to the average across the Melbourne statistical division.
- The rental prices of the housing stock that is available for rent are high.

Graph 1 indicates that a very low percentage of rental properties in Manningham are affordable to households with low incomes receiving Centrelink assistance, and that since mid-2006 rental housing has become even less affordable.

Graph 1 - Share of lettings affordable to Centrelink recipients, Manningham, 2000-2009 (Quarters 1 and 3)



Source: Rental Report 2009

It has been estimated that between 850 and 1,000 current Manningham households have an affordable rental housing need (i.e. they are currently facing housing stress in their living arrangements).¹⁰ A breakdown of the household types facing housing stress and the rental accommodation size they require is provided in *Table 2*.

¹⁰ SGS, LAH Project - Advice Towards the Development of a Local Plan for Action on Affordable Housing for Manningham City Council, 2010.

Table 2 - Indicative affordable rental housing need, current Manningham residents

	Households	Suitable accommodation
Singles under 55	200-225	1-2 bedrooms
Singles 55+	150-175	1-2 bedrooms
Couples 55+	100-110	2 bedrooms
Couples under 55	25-50	2 bedrooms
Smaller families with children	225-250	2-3 bedrooms
Larger families with children	175-225	3 bedroom +
All	850-1000	

Source: SGS *Housing Stress and Affordable Housing Potential in Manningham* LAAH report, April 2010, based on a comparison of Census 2006 and Centrelink Rental Assistance data.

It should be noted that quantifying existing housing stress (*Table 2* above) offers a limited view of potential affordable housing demands in Manningham. Much larger numbers of people would seek housing in Manningham if affordable dwellings were available – there is significant evidence of displacement and exclusion.

The low proportion of lower-income households in Manningham suggests evidence of:

- Displacement of these households from the area arising from change of circumstances of existing residents (e.g. single parents, divorcees that lose the family home, benefit dependent disabled adults, local workers, young people from the area setting up a household and many others that were Manningham residents but found their economic circumstances changed); and
- Exclusion of lower-income households due to minimal affordable rental housing and a very limited supply of public housing in Manningham.

In terms of how much low to moderate income households can afford to pay for rent, this depends on their actual income, as detailed in *Table 3* below. Households receiving Rent Assistance can afford to pay more than the amounts shown, but as was depicted in *Graph 1*, in 2009 less than 2% of rental stock in Manningham was affordable to lower income households even with Rent Assistance (and no 1BR, 2BR or 3BR dwellings were affordable).

Table 3 Affordable weekly rental ranges, Metropolitan Melbourne (without RA)

	Very low income	Low income	Moderate income
1-person household	<\$95	\$95-\$150	\$150-\$260
2-person household	<\$130	\$130-\$210	\$210-\$365
3-person household	<\$170	\$170-\$270	\$270-\$470
4-person household	<\$205	\$205-\$330	\$330-\$575

Source: SGS *Housing Stress and Affordable Housing Potential in Manningham* LAAH report, April 2010 based on September 2009 data,

Median weekly rental in the west of Manningham (Bulleen, Templestowe and Doncaster) is currently (Dec 2009) \$300 for a 2-bed unit and \$360 for a 3-bed house. In the eastern

suburbs of Doncaster East and Donvale it is \$320 for a 2-bed unit and \$350 for a 3-bed house. These median rentals are clearly higher than most low and moderate income earners can afford without causing housing stress.

At the time of publishing this document, a limited range of affordable rental housing options is available in Manningham - there are a small number of social housing properties (provided by the Office of Housing) and assisted living properties (that are subsidised through the Supported Accommodation Assistance Program). However, construction has commenced on a 98-unit affordable housing development on Tram Road, Doncaster within the Doncaster Hill precinct (a Lodden Mallee Housing Association development), and Warrandyte Community Association hopes to construct a small number of affordable 1BR and 2BR units for older people in Warrandyte.

It is hoped that the number of affordable rental housing properties in Manningham will continue to increase over time. Council is committed to advocating for and supporting this process.

The priority target-groups requiring affordable rental housing in Manningham are:

- older persons
- single parent families
- younger singles

The base target is to provide sufficient housing to meet existing identified need. This represents a need for between 850 and 1000 affordable rental dwellings.

In order to achieve this, additional affordable housing capacity will be required. This could be in the form of houses, units, shop-top housing, granny flats, renting out of spare rooms, or rental of a portion of a house as a self-contained dwelling (secondary dwelling) for example.

B3. NATIONAL AND STATE RESPONSIBILITIES IN PROVIDING AFFORDABLE HOUSING

Declining housing affordability is a major policy issue that is confronting government of all levels around Australia and indeed the world.

There are a range of Federal and State policies that support the progress of affordable housing. Policies are driven by three key work areas:

1. Facilitation of the efficient operation of the housing market
2. Ensuring housing and residential development support the Government's wider economic, social and environmental sustainability objectives
3. Minimisation of 'housing stress'.

Key housing policies include:

- *The Framework for National Action on Affordable Housing (NAAH), 2009*
- *Commonwealth White Paper on Homelessness – The Road Home, 2008*
- *A Fairer Victoria, 2009*
- *Towards an Integrated Victoria Housing Strategy, 2006*
- *State Planning Policy Framework – Clause 16.05-1 – has as its objective 'To deliver more affordable housing closer to jobs, transport and services'.*

- *Planning for all of Melbourne, 2008*
- *Melbourne 2030 – Melbourne at 5 million.*

Specific recent Government affordable housing initiatives include:

- *National Affordable Housing Agreement (NAHA), 2009* - aims to ensure that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation. It is an agreement by the Council of Australian Governments that commenced on 1 January 2009, initiating a whole-of-government approach in tackling the problem of housing affordability. It will provide \$6.2 billion worth of housing assistance to low and middle income Australians in the first five years.
- *National Rental Affordability Scheme (NRAS)* - an Australian Government initiative to stimulate the supply of new affordable rental dwellings by up to 50,000 by June 2012. The scheme provides \$10,000 of annual incentives over ten years to encourage developers and investors to build and rent properties to eligible low - middle income Victorians at twenty per cent below market rents.
- *The National Building Economic Stimulus Plan, 2009* - This Stimulus Plan included significant funding provision for the development of affordable housing. This funding, however, is no longer available.
- *Local Action on Affordable Housing (LAAH), Victorian Office of Housing 2008-2010* - Manningham City Council is one of six local authorities involved in this project which aims to improve policy and practice in relation to the local provision of affordable housing.

In addition, a number of other Government housing programs and initiatives are available to assist in providing affordable housing, including Commonwealth Rent Assistance, First Home Buyers Grants, Bond Loan Scheme, Supported Accommodation Assistance Program, Crisis Accommodation Program and Public Housing.

Relevant legislation includes:

- Planning and Environment Act 1987
- Housing Act 1983

To harness private and community capital in delivering housing assistance, the State Government has also:

- Established a regulatory framework for registering housing associations to encourage the growth and development of the Victorian not-for-profit housing sector
- Registered eight housing associations under this Framework and established the Office of the Registrar of Housing Agencies. Housing agencies are expected to grow affordable housing by leveraging government funding and land, and existing property portfolios.

These housing associations currently include Housing Choices, Loddon Mallee Housing Services, Common Equity Housing, Community Housing, Port Phillip Housing Association, Supported Housing, Wintringham Housing Ltd and Yarra Community Housing.

B4. CONCLUSION

Manningham City Council is committed to addressing the identified need to increase the supply of affordable housing within Manningham.

Council will address this need through a five-pronged approach:

1. Council will advocate for increased government, developer and community support for the provision of affordable housing;
2. Council will actively encourage and support the provision of affordable housing in Manningham through, for example: its planning scheme; the setting of affordable housing targets; partnering with appropriate organisations to deliver affordable housing; and the provision of incentives for the development of such housing within Manningham;
3. Council will examine opportunities to use government land for affordable housing;
4. Council will ensure new affordable housing developments are appropriately located and designed; and
5. Council will provide appropriate community support initiatives to households facing housing stress.

Success will result in a Manningham community that has:

- Greater choice and diversity in housing stock;
- Housing stock that is affordable for people who work in the local area to live in the communities that they serve;
- Housing stock that is affordable for younger residents to find a home of their own in the area they grew up in;
- Housing stock that is suitable for older residents to downsize into;
- Housing stock that is suitable for asset-rich, income-poor households to move into and release some of the equity in their homes;
- Housing stock that is affordable for households whose financial resources have decreased, thus enabling them to remain linked with their support networks;
- Housing stock that vulnerable people can access and so not become at risk of being homeless.

Increasing the supply of affordable housing supply within Manningham will provide improved social and economic outcomes for households and for the overall community.