Affordable Housing in Victoria: what's next?

Professor Carolyn Whitzman

August 2017

Transforming Housing Partnership is funded by Lord Mayor's Charitable Foundation, Launch Housing, Brotherhood of St. Laurence , Melbourne School of Design, and Melbourne Social Equity Institute

Photo credits Gipps Street, Melbourne CEHL | View of Melbourne by Alexander Sheko

Transforming Housing: what is it?

(Ramona Apartments, Portland)

A university-industry partnership, convened by researchers in planning, architecture, public health, economics, property development and geography, using a *collaborative planning* approach to improve housing affordability and quality outcomes.

Ramona Apartments, Portland **Image source** greenroofs.com)

Partnership approach - funders & industry research partners

- **University of Melbourne**
  Carlton Connect (interdisciplinary research initiative), Melbourne School of Design, Melbourne Social Equity Institute
- **Private developers**
  Urban Development Institute, Property Council, Australand/Fraser's
- **Community Housing**
  Launch Housing, Housing Choices Australia, Common Equity Housing Limited
- **State govt**
  Places Victoria, Victorian Planning Authority, Department of Water, Environment, Land and Planning, Department of Health and Human Services, Office of the Victorian Government Architect
- **Local govt**
  Melbourne, Port Phillip, 14 others
- **Investors**
  Lord Mayor's Charitable Foundation, NAB, ISTP Super
- **Design / policy advice**
  MGS, SGS

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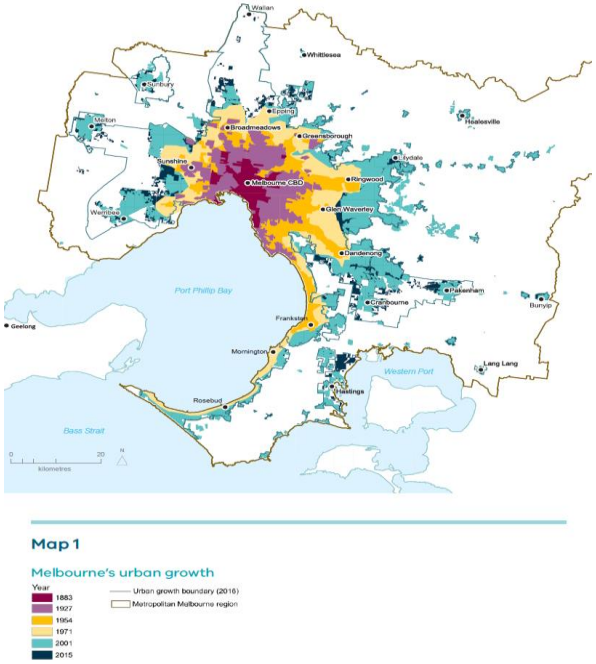
TRANFORMING HOUSING RESEARCH TEAM

Transforming Housing: 2013-16

- **Getting To Yes:** an initiative to develop a deliberative partnership for family-friendly affordable housing in central Melbourne
- **Transforming Housing:** intended to develop a three year agenda for action, with scope broadened to include all low and moderate income households, and all areas of metropolitan Melbourne well serviced by transport, jobs and services

The problem(s)

- **Housing affordability:** Median household income for Melbourne 2016 ~$1,750/week (id., 2017) affordable home for median income 3X $273,000
- **Affordable Housing/ housing stress:** 88% of private renters in the lowest income quintile pay over 30% of their income on housing, and 31% pay over 50%, placing them in severe housing stress (Hulse et al, 2015); In 16/31 municipalities, over 95% of appropriately sized dwellings on the private rental market are unaffordable to households reliant on Centrelink (welfare) payments (DHS, 2014). Risk of homelessness



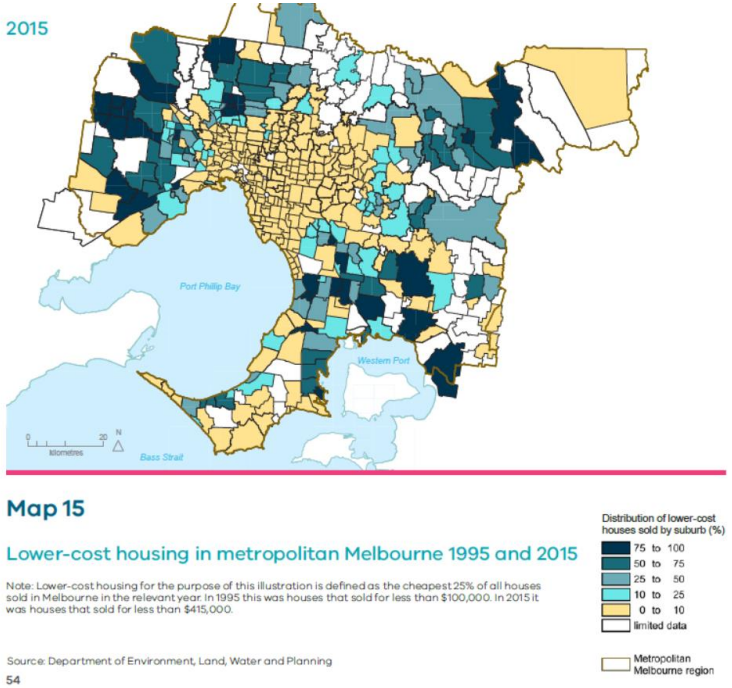
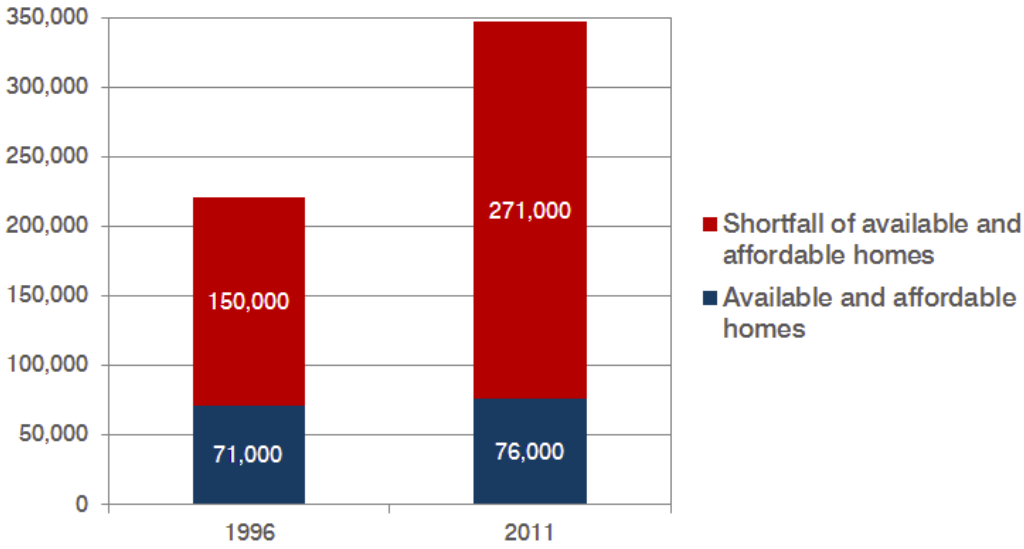


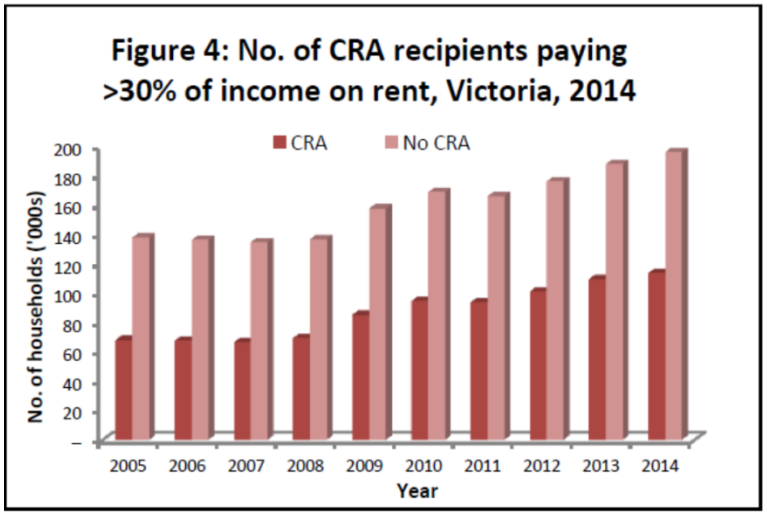
Image Source Plan Melbourne 2017

Image Source Plan Melbourne 2017

Case Study: Victoria, Australia (AHURI, 2015; TUV, 2015)

- Lowest proportion of social housing in Australia – high proportion of low-income households in housing stress
- Shortfall of new affordable housing supply (true across Australia) – particularly rental





Need for ongoing subsidy – but from where?

- 'Affordability gap' = difference between amount a household can afford to pay and actual cost of providing housing unit in a particular location
- Points to need for ongoing subsidy for some households (CRA plus construction funding)

Rental affordability gap scenarios:

Income:	Very low	Low	Moderate
Development cost per unit	$355,000 (50m2 apartment)	$355,000 (50m2 apartment)	$450,000 (70m2 apartment)
Maximum rent per unit	$165 /week (Pension +CRA)	$203 /week (30% income)	$340 /week (30% income)
Subsidy required	100%	91%	52%

Source: Case studies provided by CEHL (April 2016)

Since December, a lot has happened!

- Infrastructure Victoria 30 year strategy (Dec. '16): social housing as an infrastructure priority – need for 30,000 social housing units by 2027
- Homes for Victorians (Feb '17): $1 billion fund for new social housing, plus $1 billion in loan guarantees – 2,500 public housing units to be renovated plus 2,200 new units by 2022
- Plan Melbourne (Feb '17): need for 'diverse' housing near jobs, transport and services – no numeric targets

Vision/ Definition of Affordable Housing

- Victorian Labor Party platform 2014: “the right to safe, affordable and secure housing””- all Victorians to have access to affordable housing with secure tenure and appropriate size and location, close to jobs and services
- A diversity of housing types and sizes in each location – allows aging in place and social integration (not ghettoisation)
- Affordable (in relation to Area Median Income) – 30% of gross household income to rent plus utilities (renters) or 35% gross household income to mortgage, property taxes and insurance, rates and strata fees (owners)
  - Extremely low income (below 30% AMI)
  - Very low income (30-49% AMI)
  - Low income (50-79% AMI)
  - Moderate income (80-119% AMI)
  - High income (120%+)

Current need for affordable housing (.id, 2017 based on 2016 census)

Category	Definition	% of households	Number	Rent/Wk
Extremely low income	Less than 30% AMI (>$500)	12.8	203,504	$0-150
Very low income	30-49% AMI ($500-799) Note: should be $899	10	158,987	$151-270
Low income	50-79% AMI ($900-1499) Note: should be $1400	21.2	337,053	$271-450
Moderate income	80-119% AMI ($1500-1999)	11.9	189,207	$451-600

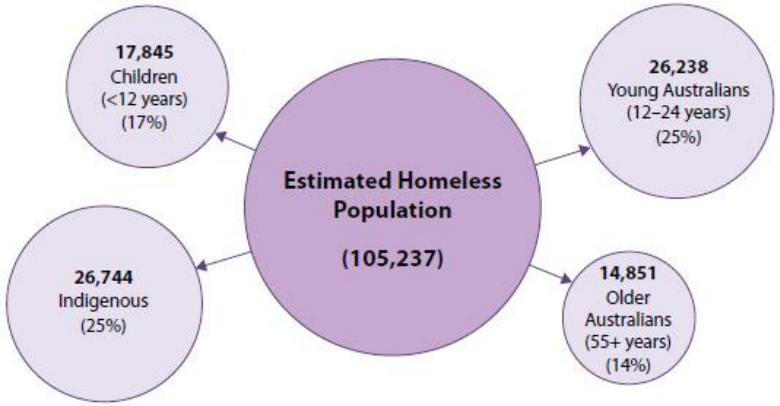
Note: these are rough and ready estimates of current, not projected, need

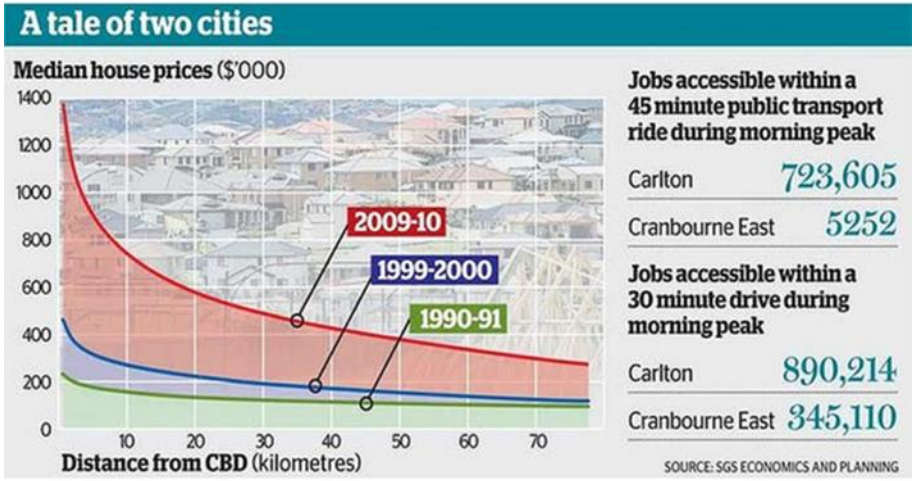
Scaling up Affordable Housing

- By that rough and ready calculation (which doesn't account for household size etc.) ~ 890,000 households should be paying less than $600/wk for rent or less than $312,000 for an owned unit
- Infrastructure Victoria: deficit of 75-100,000 social housing units across the state, 30,000 households on the public housing waiting list with 120,000 households in housing stress in Victoria receiving Commonwealth Rental Assistance for private or non-profit accommodation, of which 50,000 are in the very lowest income bracket
- 10,000 public housing units nearing obsolescence, 10 year waiting list for public housing
- Plan Melbourne: need for 1.6 million new homes by 2030 - ~50,000/ year, of which ~50% affordable to median income hhs.
  - 6,500 new units/year to serve people earning less than 30% AMI (more than 5 year targets)

Business As Usual Scenario… (Australian Institute for Health and Welfare, 2016; SGS in the Age)

- 74% increase in those sleeping rough in CBD over past two years (Street Count)
- Increasing geographic sprawl, traffic congestion as households flee to areas outside growth boundary, without public transport – unaffordable and unhealthy living
- Health and infrastructure costs to Australia as a society – 2.7:1 cost-benefit ratio to providing housing vs. health services to homeless (University of Melbourne/ SGS)





Every new affordable home is a life saved (image courtesy Simon Wollan, MGS Architects, Kyme Place, South Melbourne)

"Before coming here I lived in a boarding house for 12 years, where the kitchen was downstairs – it was a real inconvenience, especially after my knee replacement.

Here, we've got a kitchen, lounge, laundry and bathrooms on each floor. And there's a lift, even though we've only got three floors! It's the kind of place I can grow old in.

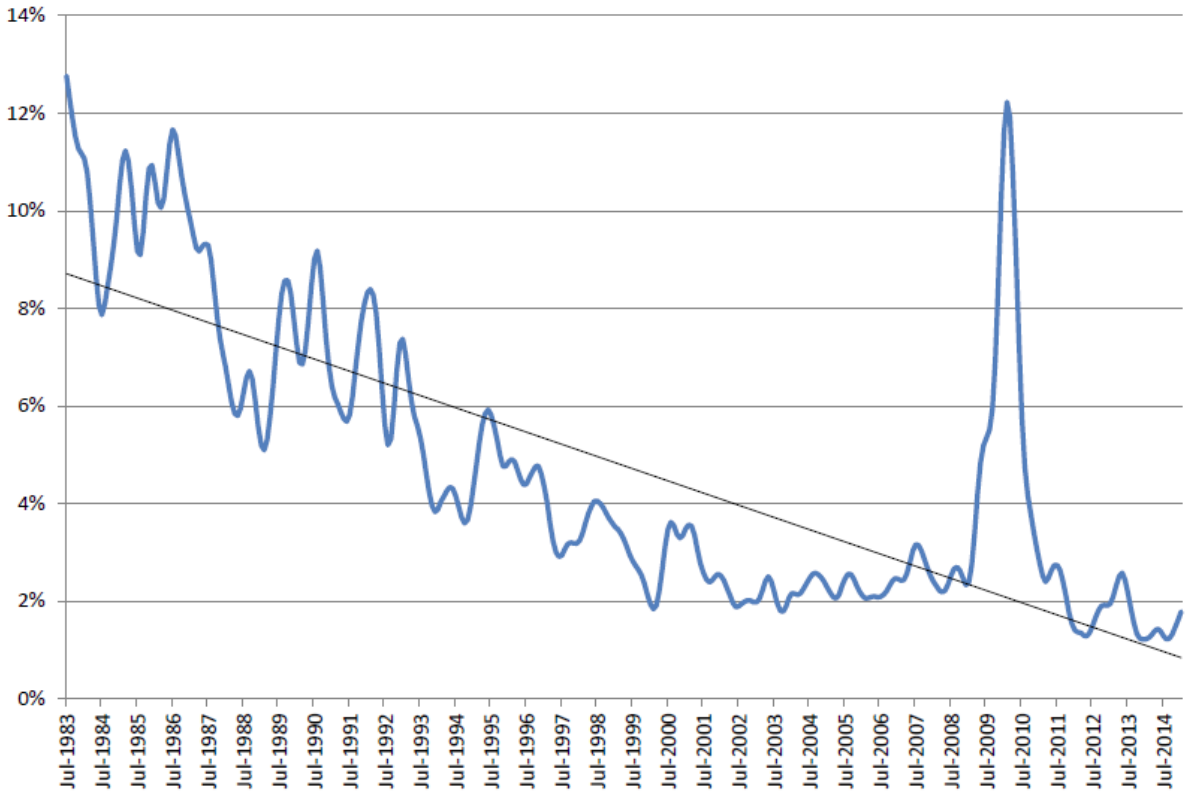
I'm a bit of a writer, and the layout in my room creates a special writing place. There's shelves and a desk built into the wall. And one of the best things is our rooms being designed to fit a decent sized fridge, one with a proper freezer that I can keep ice cream in. There's nothing more that I want. I feel as if I've come home."

What can be done? Federal-State funding stream for social housing (Gurran, 2015) – Bond Aggregator Model

Changing housing provision Australia

Social housing as a proportion of all Australian dwelling approvals 1983-2015

Source: ABS 8731.0 Building Approvals, Australia (March 2015)



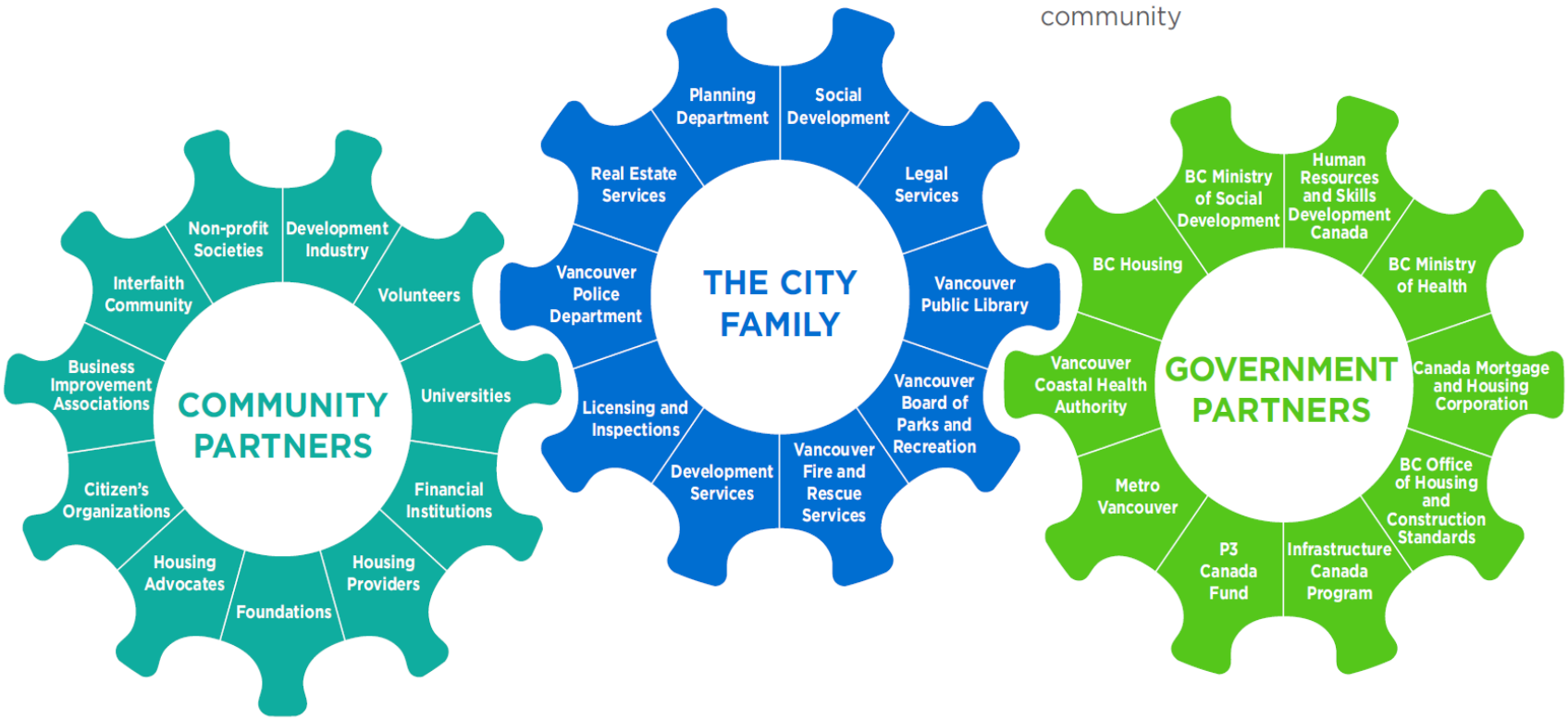
What Can Be Done (City of Vancouver, 2011)

Vision: A home for everyone

Goals: increase affordable housing by specified target in specified time – with annual report card (note: City of Vancouver 1.2 million, so multiply X4 = Metro Melbourne)

Vancouver Housing and Homelessness Strategy 2012-2021: implementation through partnerships

- Vancouver Affordable Housing Agency

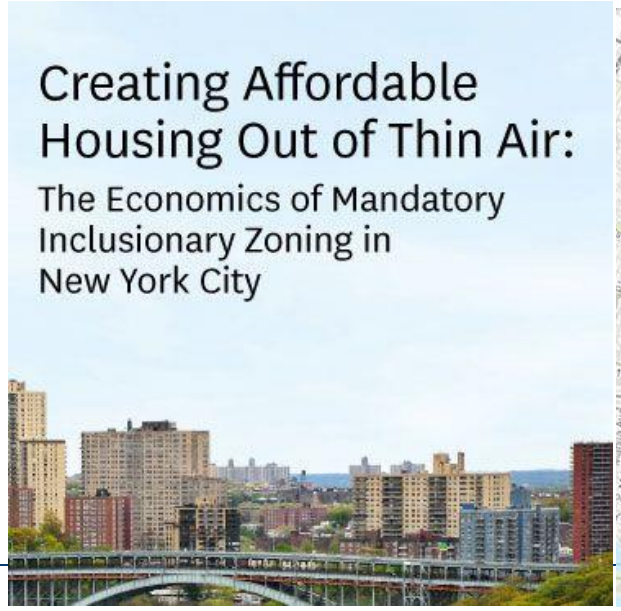


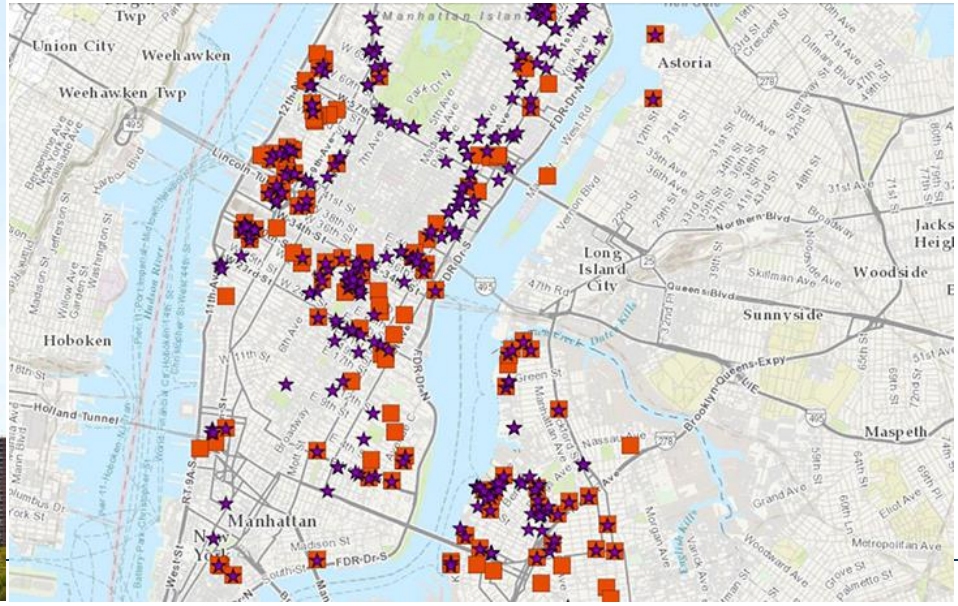
Inclusionary housing provisions (images: Fuhrman Centre, City of New York)

- London: 35% inclusionary housing now, 50% by 2020
- **New York**
  - **Option 1**: A 25 percent set aside at an average of 60 percent AMI, with a minimum of 10 percent at 40 percent AMI
  - **Option 2**: A 30 percent set aside at an average of 80 percent AMI
  - **Deep Affordability Option**: A 20 percent set aside at an average of 40 percent AMI
  - **Workforce Option**: A 30 percent set aside at an average of 115 percent AMI, with a minimum of 5 percent at 70 percent AMI and 5 percent at 90 percent AMI

  Options 1 and/or 2 for all developments more than 10 units

  Options 3 and 4 can also be required, depending on site



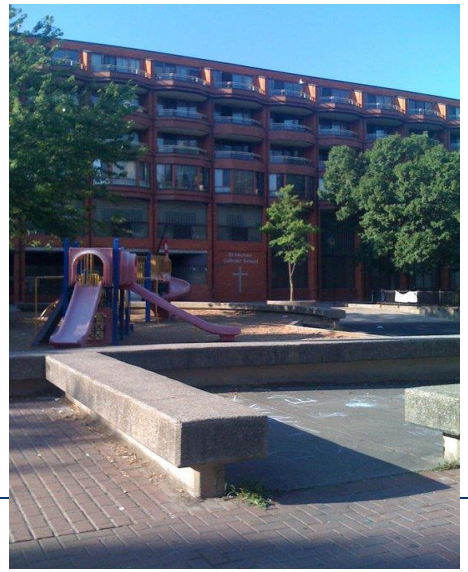


Spatialised Targets (preferably LGA-level)

- More affordable housing where there is basic ‘20 minute city’ infrastructure in place:
  - 400 m access to playground
  - 800 m access to primary school, bulk billing health service, well served public transport stop (train, tram or smart bus)…
- Link infrastructure improvements to more affordable housing

It has been done right eg., Toronto

- St. Lawrence Neighbourhood, Toronto – 1970s – community of 10,000 people near CBD (like Southbank or Docklands)
- **Timing:** Social housing (50%) and social infrastructure built before condominiums – no problem selling the latter!
- **Integrated planning**: 2 primary schools, 1 community centre, multiple shops and cafes in ground floors of apartment buildings – knit together by linear park



Singapore (www.app.sg; Singapore Daily Photo)

- Singapore enforces a **range of apartment sizes** in each building (1-6 bedrooms);
- every block of buildings is expected to have **community infrastructure** at the ground level: a small market, café, playground, parkette **at the ground level**;
- Childcare facilities, games courts, and/or children's playgrounds are also expected for every group of three to four buildings, and are linked by footpaths to schools and neighbourhood centres **– privileging access over mobility**

Planning Community Infrastructure Right: Vancouver (False Creek Elementary School, False Creek Real Estate)

- *High Density Housing for Families with Children Guidelines* (Vancouver 1992):
  - **Mandates** minimum number of family units in housing
  - **maximum walking distances** to primary schools, day care centres, after school care facilities, community centres, grocery shopping, and public transport.
  - Emphasizes **courtyard play spaces** and other opportunities for natural surveillance
  - **Post occupancy evaluation** with kids in False Creek – 90% liked living there!

Transforming Housing Now: Four Linked Activities

- **POLICY DEVELOPMENT AND IMPLEMENTATION**
  Inform and influence the development and implementation of viable affordable housing policy at all levels of government through facilitating a partnership model that includes the perspectives of private developers, investors, community housing providers, the government and the community
- **INNOVATIVE PROJECT DELIVERY AND EVALUATION**
  Support the development and delivery of innovative affordable housing projects through capacity building, partnership facilitation and by supporting the development, documentation and evaluation of projects that have the potential for wider application
- **SECTORAL DEVELOPMENT**
  Support capacity building within and between financiers, local and state government, private developers and community housing providers in order for these groups to work together and create a sustainable affordable housing industry delivering quality outcomes at scale.
- **A NEW GENERATION OF HOUSING RESEARCHERS**
  Improve the capacity of the University of Melbourne researchers to undertake ‘action research’ in affordable housing, with an emphasis on early career researchers

LRT Extension project, Edmonton (4LRT.ca)

. The Commons, City of Moreland (The Age)

Some Current Projects

- Lord Mayor's Charitable Foundation **Affordable Housing Challenge**: using philanthropic finance to engender innovative affordable housing solutions: call for sites to Aug 18; then partnership development for a 60-100 unit prototype site -> Dec.
- Documenting **Launch Housing/ VicRoads** affordable housing partnership (government land) -> Dec.
- **Innovation in Housing Exhibit**: What can we learn from recent and not-so-recent affordable housing projects in Melbourne – exhibit and 'open house' in Nov.
- **Supporting State government capacity to find suitable sites for affordable housing**: by modelling 20 minute 'catchments' of essential social and transport infrastructure in relation to suitable land parcels
- **Financing Models for Federal and State government** to support bond aggregator proposals

Conclusion: Lessons so far (photos: Rebecca Choon's designs, site 2)

- Question isn't 'what to do': lots of evidence-based research
- It is 'how to get there from here': deliberative consensus building and partnership development
- University as mediator, creator of 'safe spaces' to share ideas and build partnerships based on trust and mutual interest

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Affordable Housing for All: Insights from the 2017 Housing Summit

Dr Kate Raynor, August 2, 2017

Photo credits: Photos from the 2017 Housing Summit, Jane Lovejoy

The 2017 Housing Summit in numbers

- 50 attendees
- 6 sectors:
  - Researchers, state government, local government, private developers, the investment community and not-for-profit housing associations
- 10 ideas in the background paper
- 9 solutions from the Summit
- 5 renewed research agendas

Changes between 2015 and 2017 Summit

- This Summit built on the 2015 Summit which influenced government policy
- Far more optimism in 2017
- Range of new government policies and announcements
  - Plan Melbourne, Homes For Victorians, federal announcement about a bond aggregator model
  - Infrastructure Victoria identifying social housing as ‘critical infrastructure’
- Many familiar faces but also new players and new projects

Transforming Housing : **The Housing Summit 2017**

Investment and Finance

5 The role of the Federal Government in funding and planning for housing

Current context and recent changes

The **Federal Budget** offered a number of reforms aimed at increasing housing affordability, addressing homelessness and supporting low income households.

The **Capital Gains Tax** concession to individuals investing in qualifying affordable housing managed through a Community Housing Provider (CHP) only requires the property to be affordable for three years to receive this concession.

The **Bond Aggregator** is designed to aggregate and source large amounts of capital from the bond market to provide lower interest, long term loans to not-for-profit housing associations developing housing for lower income households. These bonds would receive a government guarantee to reduce risk. This model has the potential to leverage private investment in affordable rental housing but will require input from a range of stakeholders across CHPs, government, investors and banks.

Significant improvement to social housing supply cannot be achieved without support and funding from Federal Government.

Exemplars

The National Rental Affordability Scheme (NRAS) was discontinued just when momentum and private-sector investor confidence was building.

While the scheme had a number of problems, NRAS was an effective supply stimulus, delivering tens of thousands of units in a relatively short timeframe.

http://realpropertyaustralia.com.au/property-investment-advice/

Questions

- Is there anything else Commonwealth government could do to maximize affordable rental?
- What needs to happen to support the bond aggregator model proposed by the Federal Government working well with Victorian State strategies?
- Are institutional investors, housing associations, government and private developers prepared to respond to institutional investment in affordable rental housing?

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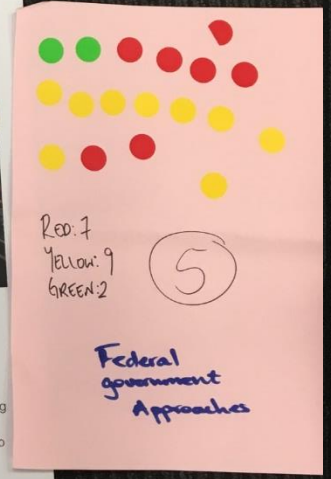

Transforming Housing : **The Housing Summit 2017**

Partnerships and Innovation

6 Scaling up affordable housing through redevelopment and transfer of existing public housing

Current context and recent changes

Many jurisdictions in Australia and internationally are using the regeneration of well-situated public housing estates as a mechanism for improving the stock of social housing and cross-subsidising projects through the inclusion of market housing. Goals include the creation of mixed-income, mixed-tenure communities, increased density, renovation of aging public housing stock and the transfer of public housing to community housing associations.

Homes for Victorians designates $185 million for a **Public Housing Renewal Program**. It has also committed to **streamlining planning processes on public housing estate redevelopment**. This model has the potential to improve community cohesion, add to social housing stock in an economically sustainable fashion and improve the quality of life for occupants across income ranges, tenures and housing types.

Victoria requires stakeholder collaboration to provide both the housing and the associated services to support tenants.

Exemplars

In Melbourne, estate redevelopments with varying levels of success include Markham Estate, Kensington Redevelopment and Flemington Estate.

Additional renewal is planned across nine sites in Brunswick, North Melbourne, Heidelberg West, Clifton Hill, Brighton, Prahan, Hawthorn, Northcote and Ascot Vale.

http://www.dhs.vic.gov.au/about-the-department/plans,-programs-and-projects/projects-and-initiatives/housing-and-accommodation/current-building-projects/markham-estate-redevelopment

Questions

- What should be the evaluation criteria?
- What partnership models would deliver new communities that service diversity in households and incomes?
- How can we increase not only social housing for extremely low income, but also low income rental there, while keeping potential for cross-subsidy through income mix?
- What are our exemplars?
- How could the sites in these initiatives be packaged together to deliver best value for money to Government?

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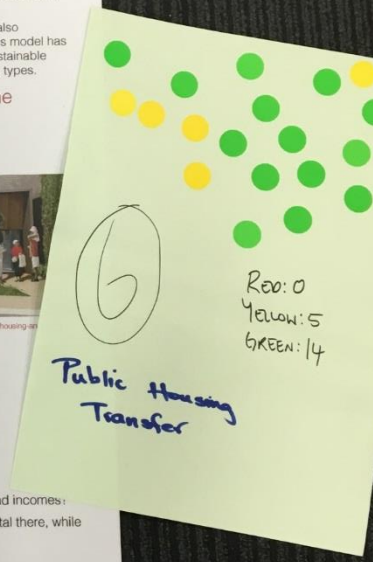
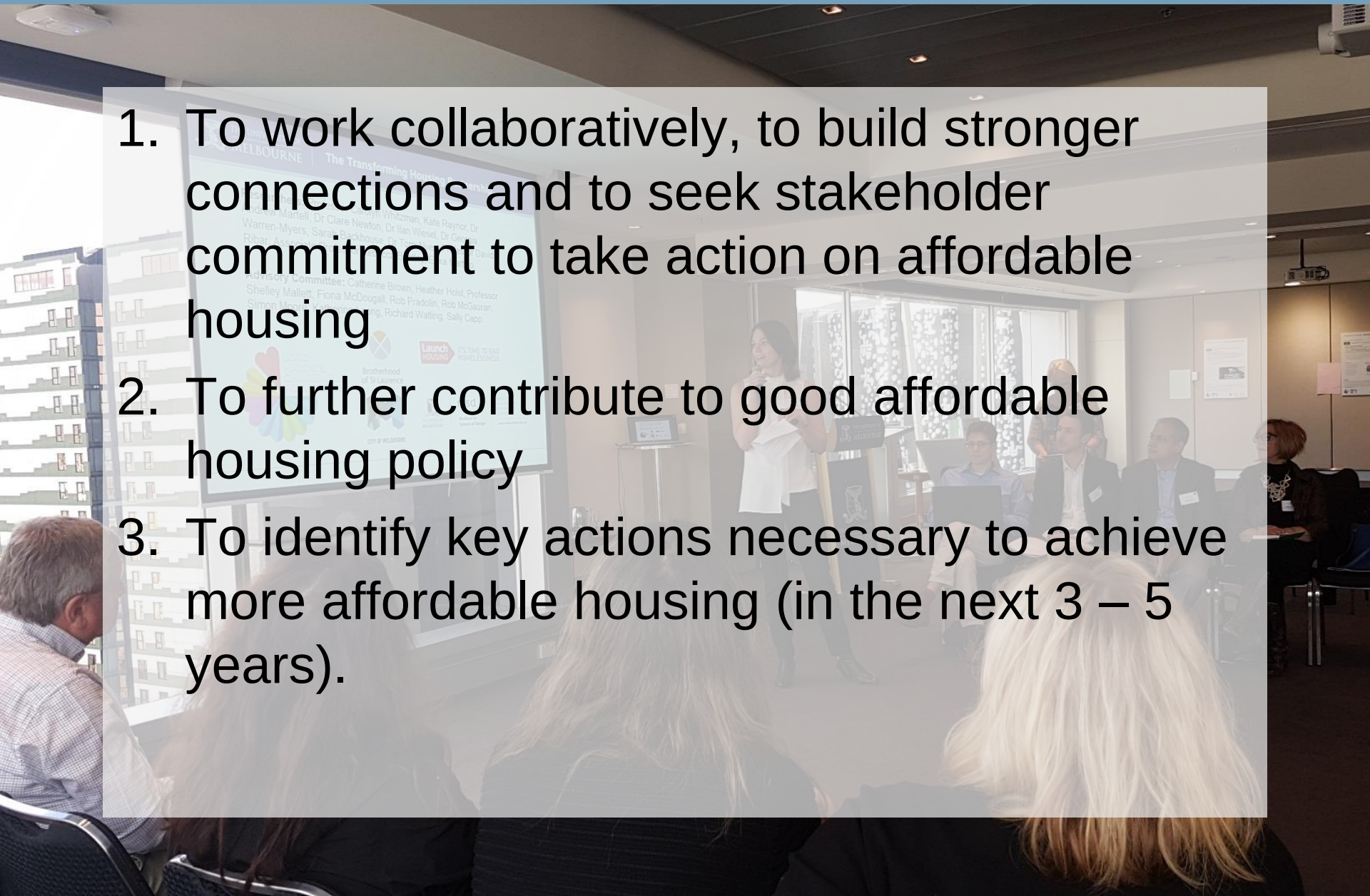
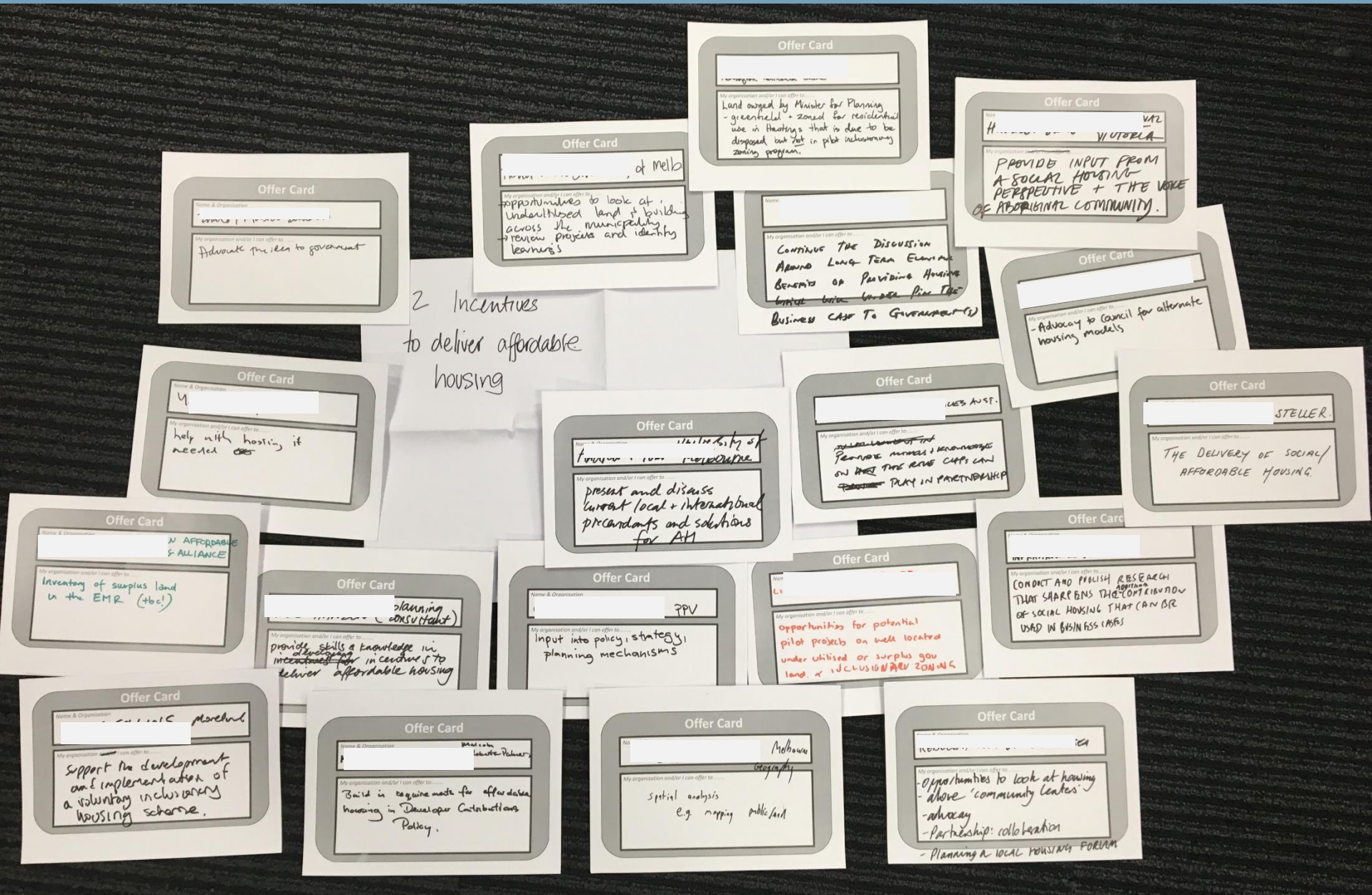


Housing Summit Goals



1. To work collaboratively, to build stronger connections and to seek stakeholder commitment to take action on affordable housing
2. To further contribute to good affordable housing policy
3. To identify key actions necessary to achieve more affordable housing (in the next 3 – 5 years).

1. Collaboration, connections and commitments



1. Collaboration, connections and commitments

CALL TO ACTION:

Be part of the conversation: The Transforming Housing Partnership works hard to facilitate cross-sectoral conversations and provide forums for partnership creation. Email katrina.raynor@unimelb.edu.au to be added to our mailing list

Be involved in the Lord Mayor's Charitable Foundation's Affordable Housing Challenge. The Foundation has allocated a $1 million grant to the Challenge together with an opportunity for another $2 million impact investment via Social Enterprise Finance Australia. If you have any questions please contact Kerryn Jones by calling 03 9633 0023 or emailing kerryn.jones@lmcf.org.au

Create and negotiate sustainable partnerships: Nita Prekazi of PWC, a champion for effective housing partnerships at the Housing Summit, is interested in helping stakeholders to structure partnerships for housing provision. Contact her at nita.prekazi@pwc.com if you'd like to know more

PARTICIPANT OFFERS:

Many local government participants offered their skills in facilitating partnerships and providing the mechanisms to make them sustainable. Housing associations and developers offered to share their experiences as case studies and to continue to work in partnership. Academics pledged to host events and broker relationships across sectors. State government representatives offered to broker discussions across departments and offered to facilitate partnerships through Metropolitan Partnerships. Across sectors, there were commitments to being part of the discussion. Consultants pledge to involve communities, and provide advice on partnership and commercial models.

2. Contributing to housing policy

INTEGRATED POLICY

1. Recent policy announcements, including Homes For Victorians, the refreshed Plan Melbourne and 2017 Federal Budget, have been received with optimism. This level of integrated policy is a key difference between the 2015 Housing Summit and 2017 Housing Summit.
2. There is a desire to transition from piece-meal, opportunistic affordable and social housing development towards scaling up to affordable housing as sustainable 'business-as-usual.' This requires embedded policy from federal, state and local government, with a leadership role for the State Government.
3. There was a strong interest in the role of the Metropolitan Partnerships outlined in Plan Melbourne and a desire to see these partnerships take responsibility for establishing, monitoring and supporting sub-regional housing targets

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3. To identify key actions

1. ATTRACTING AND FACILITATING INSTITUTIONAL INVESTMENT IN AFFORDABLE HOUSING

This idea combines two elements necessary to attracting and facilitating institutional investment in affordable housing; 1) Creating an Affordable Housing Infrastructure Fund and 2) Establishing a subsidised bond aggregator model

2. ESTABLISHING AN AFFORDABLE HOUSING DEVELOPMENT AUTHORITY

Establish a development authority designed to address existing issues around limited innovation, fragmented governance, lack of coordination, lack of capacity, rigidity and a lack of an affordable continuum of products.

3. PROMOTING 'AS OF RIGHT' SECONDARY DWELLINGS

Modify existing planning codes to allow for secondary dwellings designed to increase the flexibility of housing choices and provide a source of affordable rental stock

4. STATE PLANNING PROVISION TO INCENTIVISE AFFORDABLE HOUSING

Establish a broad-based voluntary mechanism based on providing incentives to developers for the creation of affordable and social housing.

5. PARTNERSHIPS BETWEEN THE GOVERNMENT, NOT-FOR-PROFIT AND PRIVATE SECTOR

Allowing for partnerships based on shared risk and shared benefits, rather than Community Housing Providers being added as an afterthought or a last-minute addition to satisfy contractual obligations.

6. ENCOURAGING SMALL INVESTORS TO LEASE AFFORDABLE HOUSING TO HOUSING ASSOCIATIONS

Changing funding arrangements to assist Registered Housing Associations to take long term leases from private landlords, thereby increasing the stock of affordable rental housing in the market.

7. PRIVATE SECTOR SHARED EQUITY SCHEME

This scheme would allow first home buyers to co-purchase their home with a developer, reducing the barrier to saving a deposit. Building upon lessons learned from the existing HomesVic framework in Victoria, this private-sector scheme would expand the program and offer a greater diversity of purchase options for home buyers than the existing Buy Assist scheme.

8. VOICES OF THE COMMUNITY - PUTTING COMMUNITY FIRST

Creating people-centric housing outcomes that consider the needs of tenants and communities effected by housing and focus on transparent community involvement in decision-making.

9. LEVERAGING STATE GOVERNMENT LAND FOR AFFORDABLE HOUSING

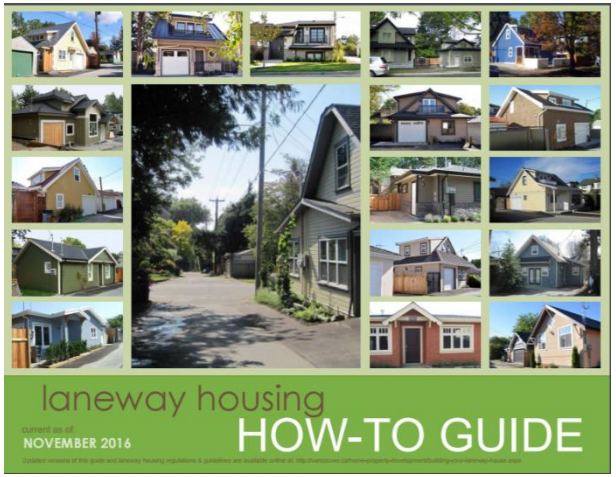
Improving and continuing current initiatives including Inclusionary Zoning on government land and the Public Housing Redevelopment Program

1. ATTRACTING AND FACILITATING INSTITUTIONAL INVESTMENT IN AFFORDABLE HOUSING

- Involves creating a not-for-profit Affordable Housing Infrastructure Fund
- Leverages the Bond Aggregator model, Social Housing Growth Fund and Future Fund
- Supplemented by government incentives to make investment financially viable
- Connected to the National Housing Finance and Investment Corporation (NHFIC)
- Requires long-term, stable policy and incentives
- Will be supported by TH research

3. PROMOTING 'AS OF RIGHT' SECONDARY DWELLINGS

- Plan Melbourne (Action 31) offers to streamline approvals for secondary dwellings
- Part of a goal to gently increase density in well-serviced suburbs
- Responding to need for flexible, affordable rental
- TH research will focus on design, planning and economic impacts



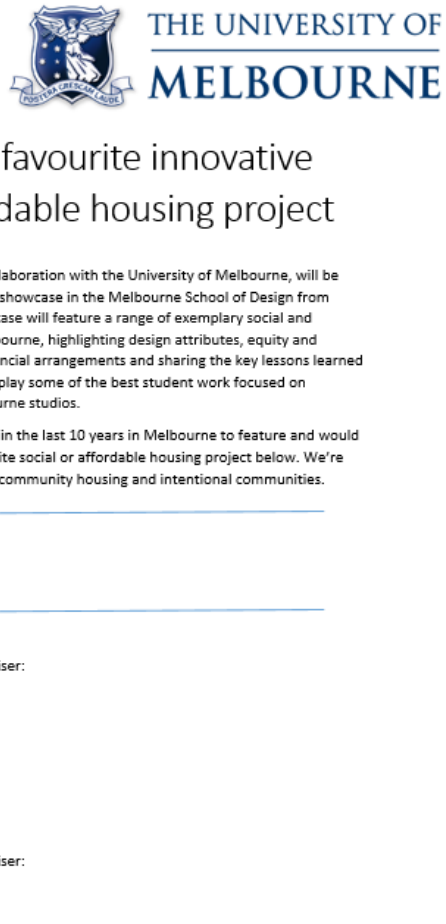
5. PARTNERSHIPS BETWEEN THE PRIVATE SECTOR, GOVERNMENT AND NOT-FOR-PROFIT SECTOR

- Particularly important as social housing is increasingly delivered through private developers partnering with CHPs
- Goal is integrated communities, not differentiated ‘us’ and ‘them’ developments
- TH is deeply committed to facilitating partnerships

9. LEVERAGING STATE GOVERNMENT LAND FOR AFFORDABLE HOUSING

- Focusing on ensuring existing initiatives like Public Housing Renewal and inclusionary housing on government land are creating ‘good’ outcomes
- Transitioning pilot programs to ‘business-as-usual’
- TH research will be mapping and assessing surplus government land

Next Project: Affordable Housing Showcase



THE UNIVERSITY OF MELBOURNE

Nominate your favourite innovative Melbourne affordable housing project

The Transforming Housing Partnership, in collaboration with the University of Melbourne, will be curating an *Innovation in Affordable Housing* showcase in the Melbourne School of Design from October 30 to November 12 2017. The showcase will feature a range of exemplary social and affordable housing projects from across Melbourne, highlighting design attributes, equity and service elements, partnership structures, financial arrangements and sharing the key lessons learned from each project. The showcase will also display some of the best student work focused on affordable housing from University of Melbourne studios.

We're currently selecting projects developed in the last 10 years in Melbourne to feature and would love your input. Please nominate your favourite social or affordable housing project below. We're looking for all types – from public housing to community housing and intentional communities.

Your Name:

Your Email Address:

1. Name of nominated project:
   Name of architect/ developer/ organiser:
   Reason for nomination:

2. Name of nominated project:
   Name of architect/ developer/ organiser:
   Reason for nomination:

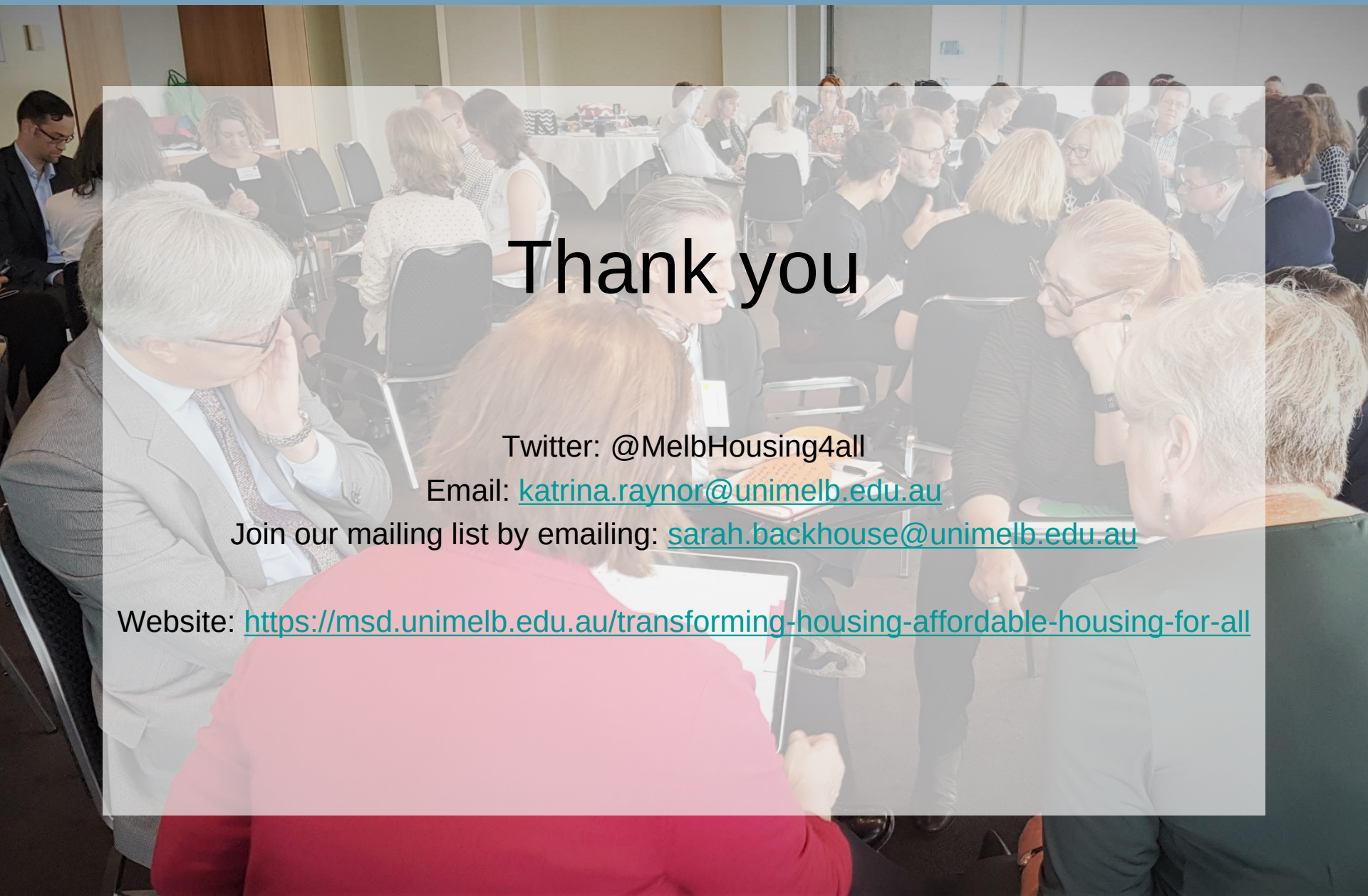
Showcase in MSD from October 30 to November 13

Showcasing approximately 20 innovative housing projects developed in the last 10 years

Community nominations, self nominations and researcher nominations will inform choice of projects

About sharing best practice, building a critical mass of knowledge

The Transforming Housing Partnership
The University of Melbourne
Victoria 3010 Australia
T: +61 3 9035 4360 **F:** +61 3 8344 5104 **W:** https://msd.unimelb.edu.au/transforming-housing-affordable-housing-all
Twitter: @MelbHousing4all #TransformingHousing



Thank you

Twitter: @MelbHousing4all

Email: katrina.raynor@unimelb.edu.au

Join our mailing list by emailing: sarah.backhouse@unimelb.edu.au

Website: https://msd.unimelb.edu.au/transforming-housing-affordable-housing-for-all

Spatial allocation of State Government infrastructure expenditure in Sydney and Melbourne, 1989-2015

Ilan Wiesel and Fa

Background

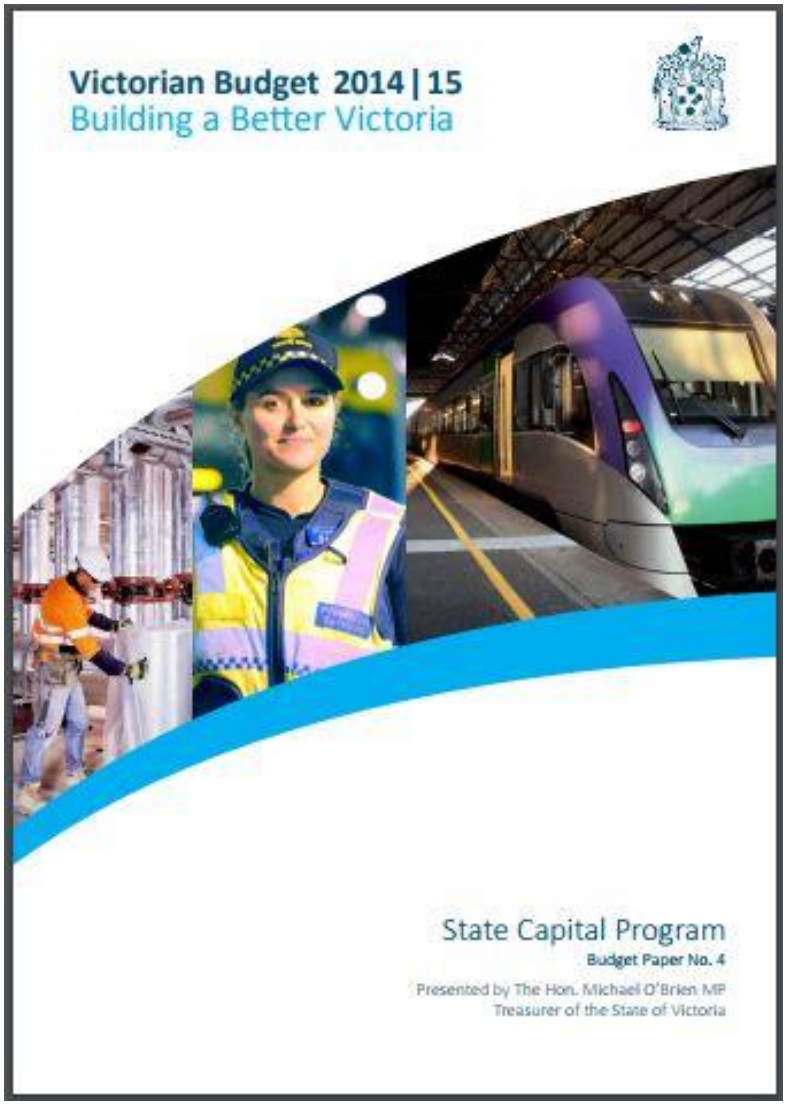
- Government decisions about spatial allocation of public funding determine equity in access to health, education, transport, amenities and other urban infrastructures and services
- No comprehensive empirical data on ‘who gets what, where and how’

Aims

Compare the spatial allocation of investment by the NSW and VIC State Governments in a wide range of services and infrastructure in metropolitan Sydney and Melbourne, over last two decades (budget years 1999/00-2015/16).

Method

- Data source: “State Capital Program” or “infrastructure statement” in state budget papers
- Analysis:
  - GIS mapping
  - Investment level and types compared against socioeconomic status of areas

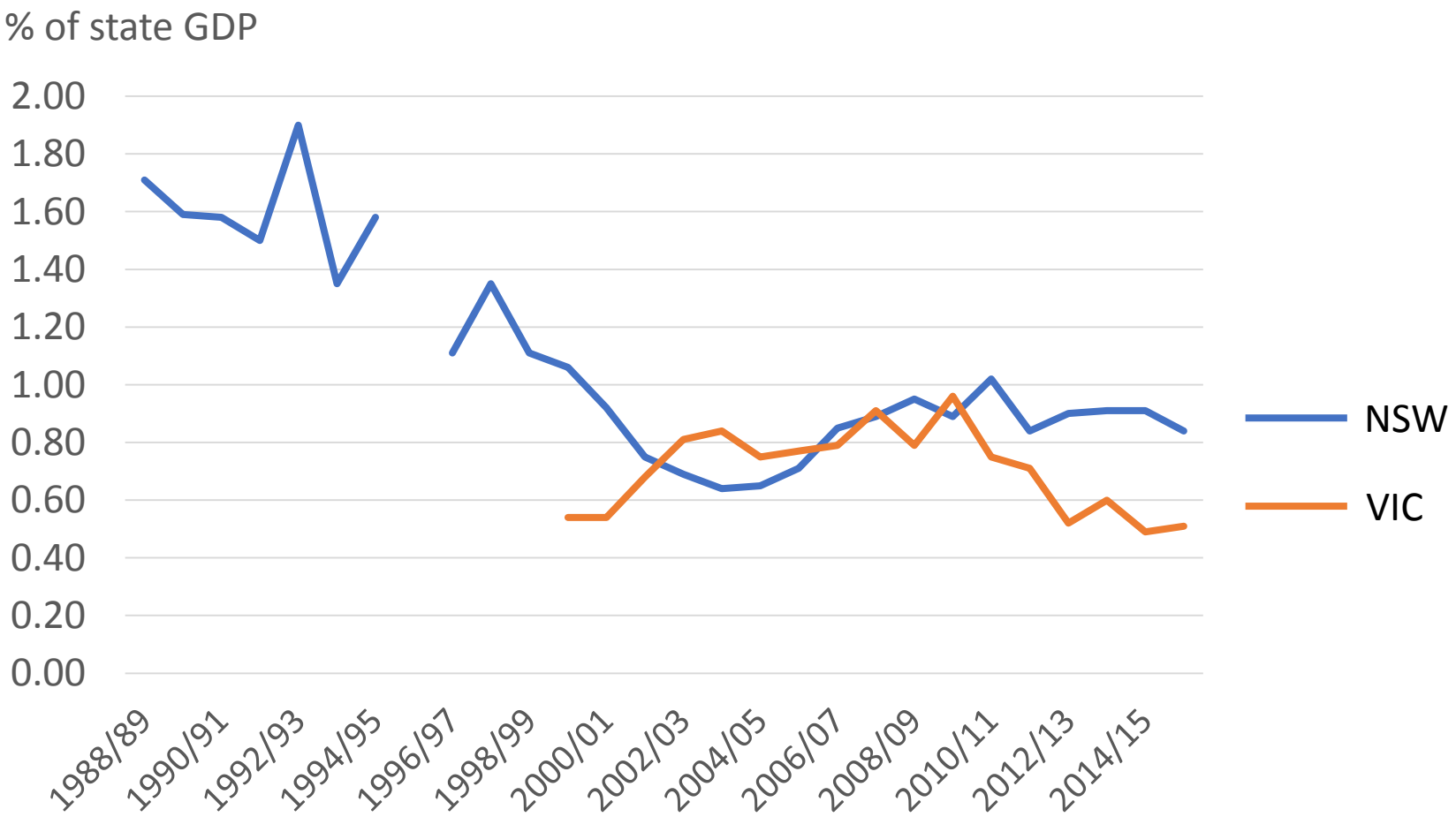


Limitations

- Only State capital funding
- Limited differentiation between types of investment
- No analysis of the outcomes of investment
- Focus on residential geography

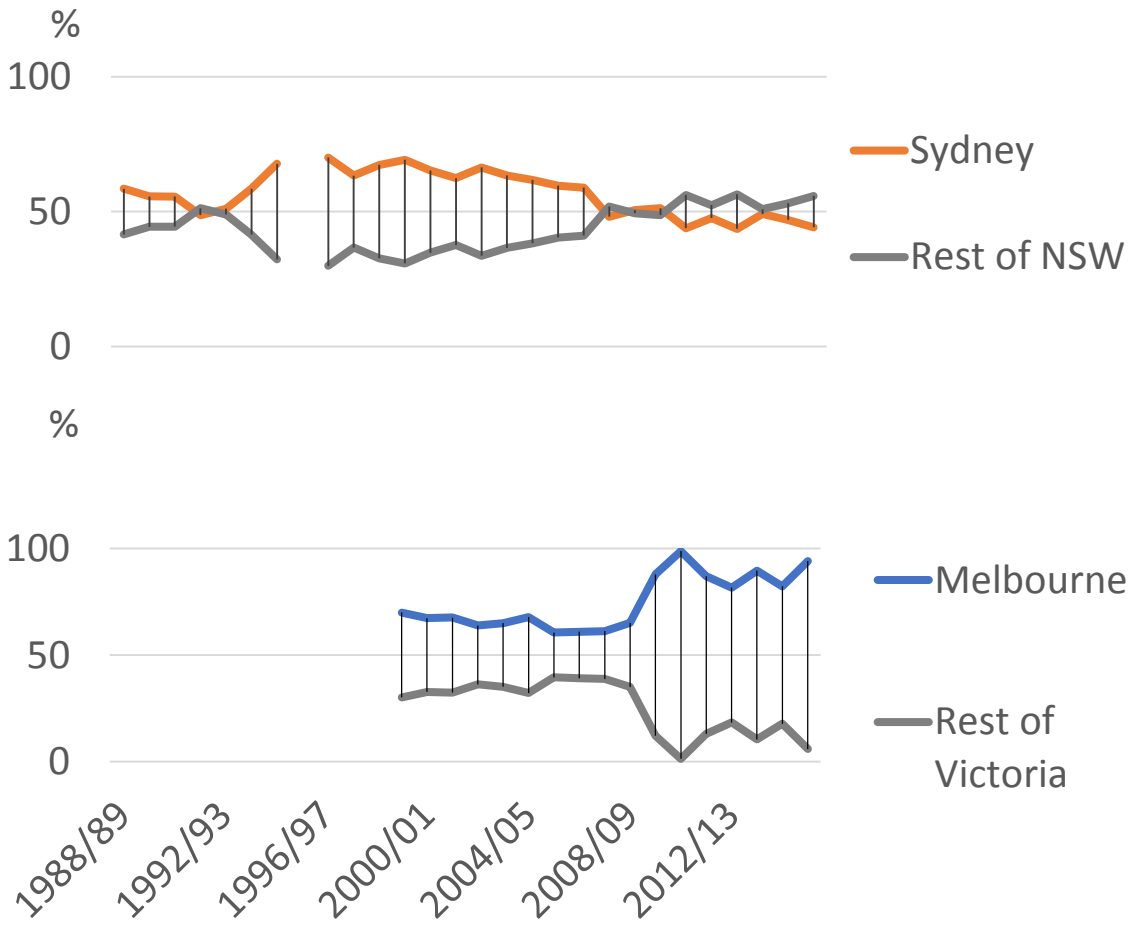
1. Declining state infrastructure investment

State infrastructure spending as a percentage of state GDP, 1988 – 2015 (Statewide)



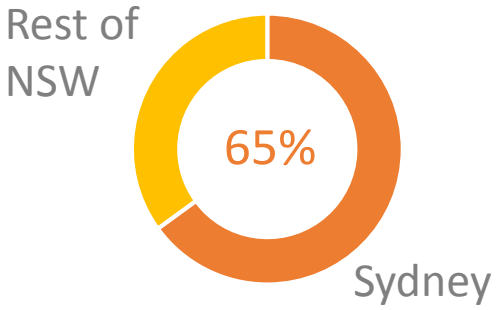
2. Metro VS regional

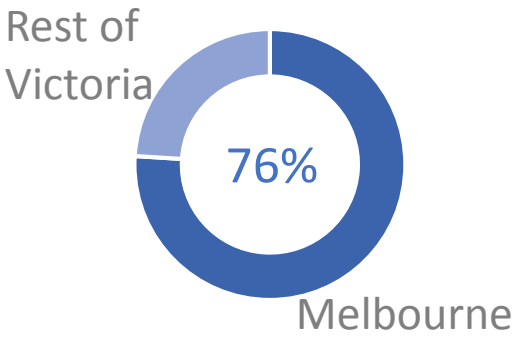
Infrastructure investment share



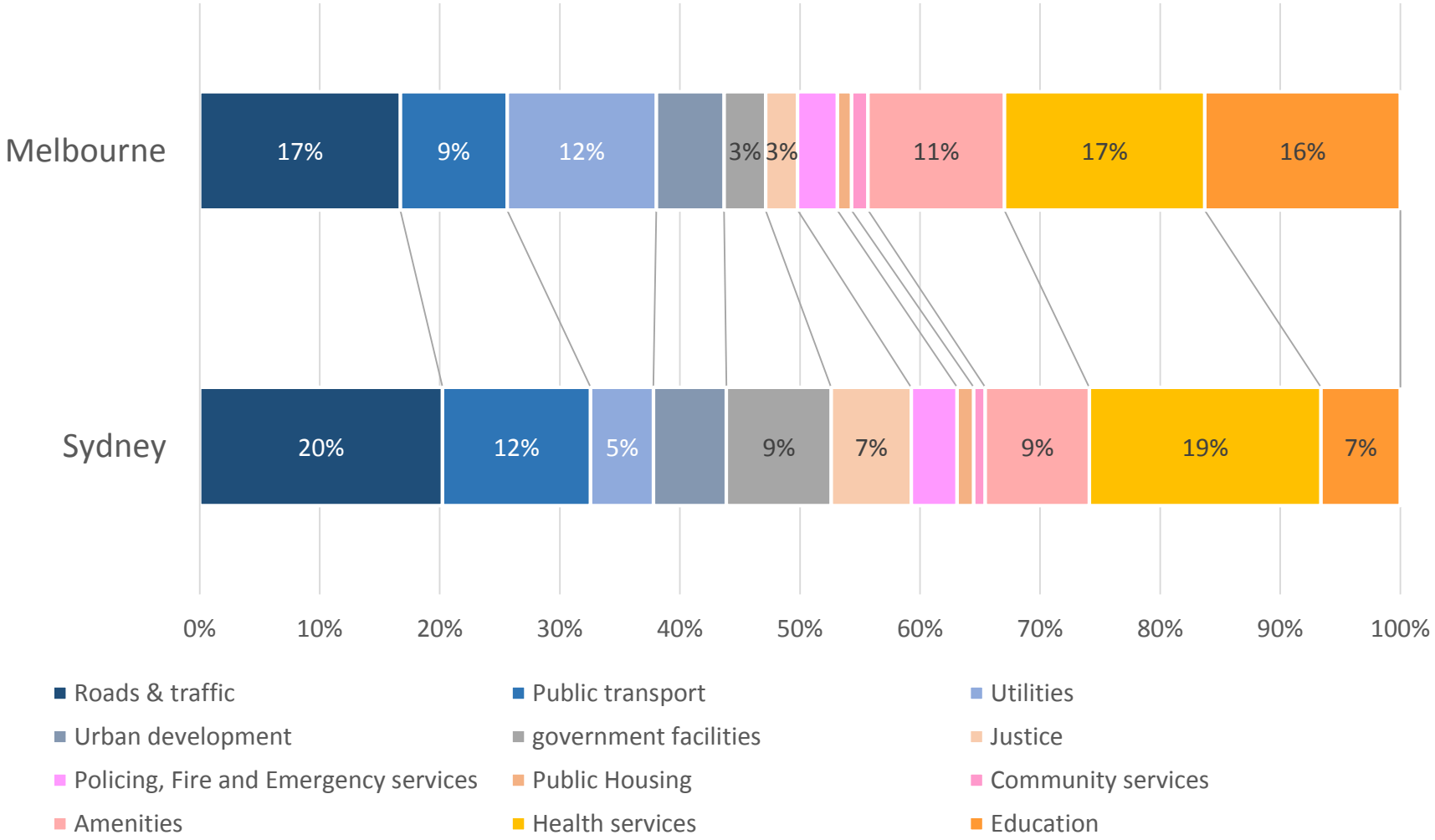
Population share

(2016 Census)

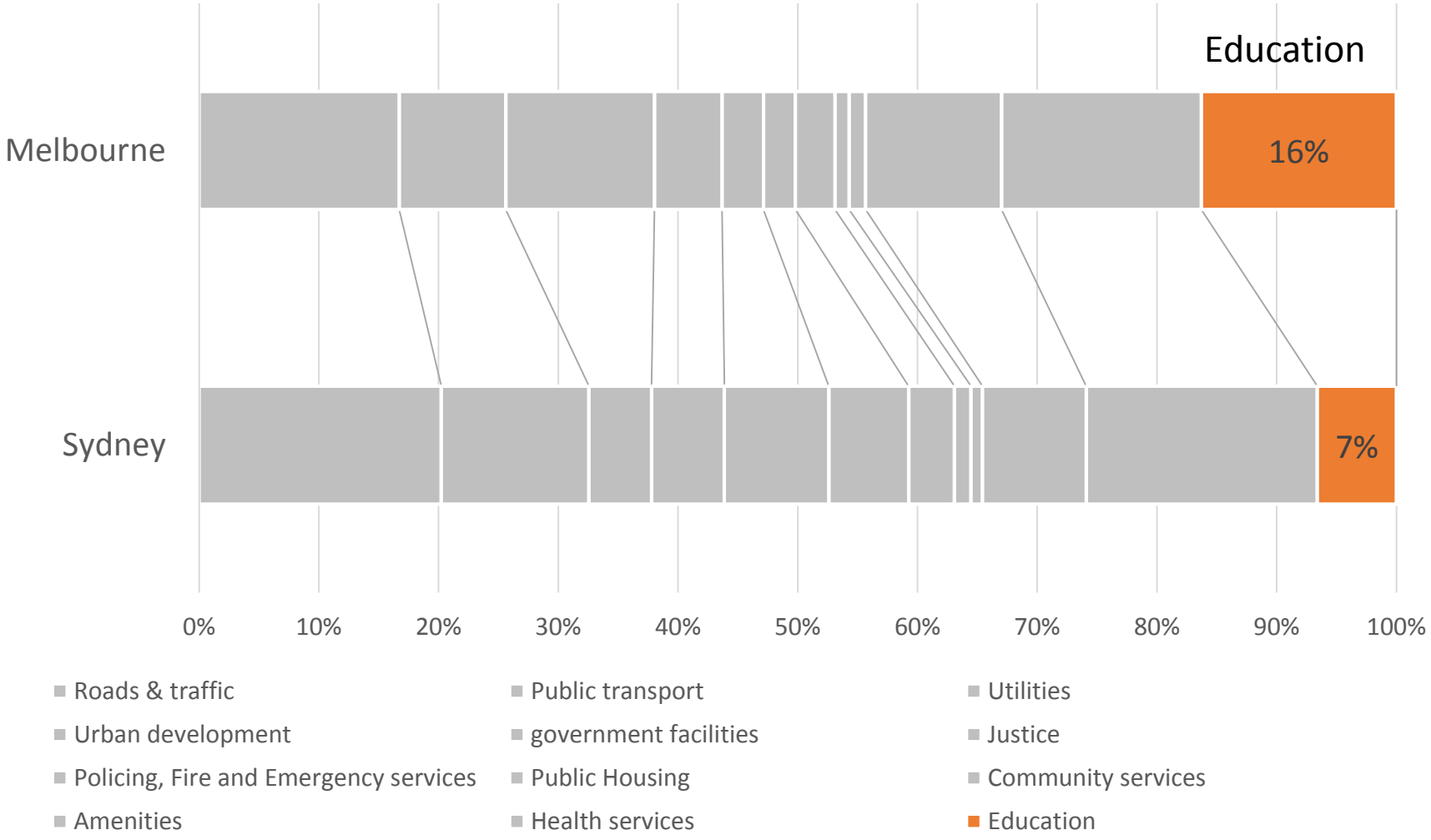




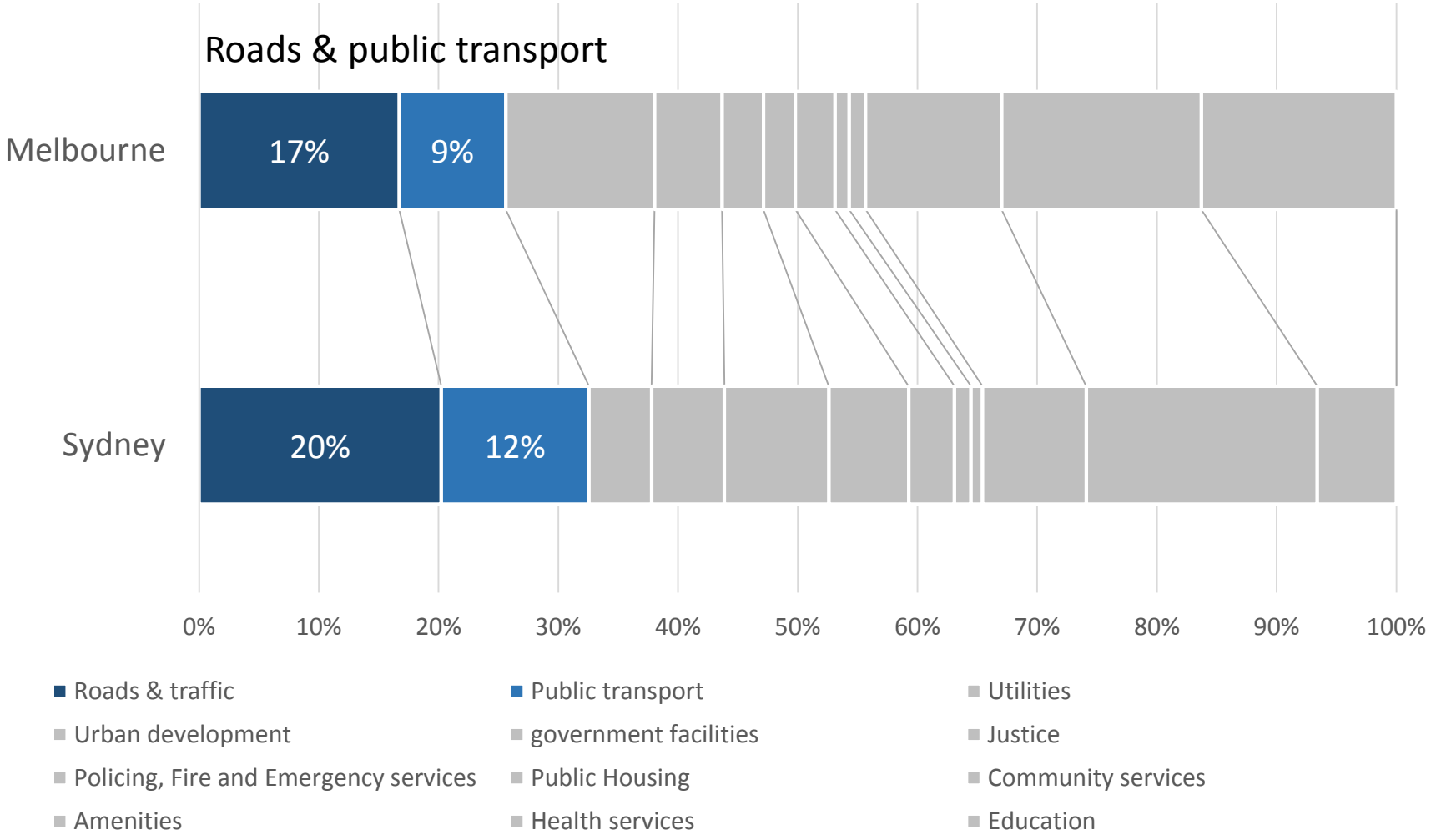
3. Investment priorities: Hard VS soft infrastructure



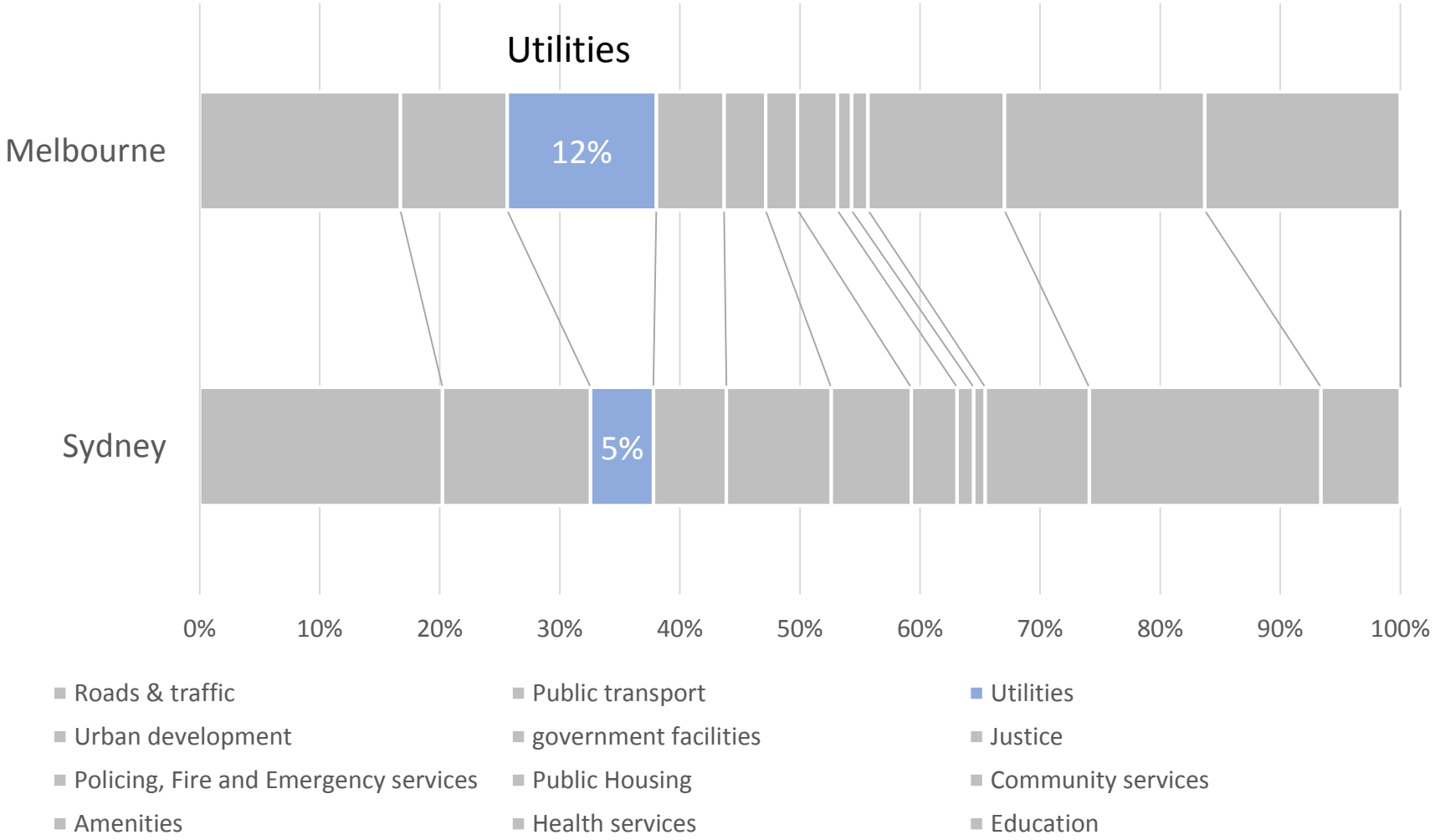
Investment priorities: education



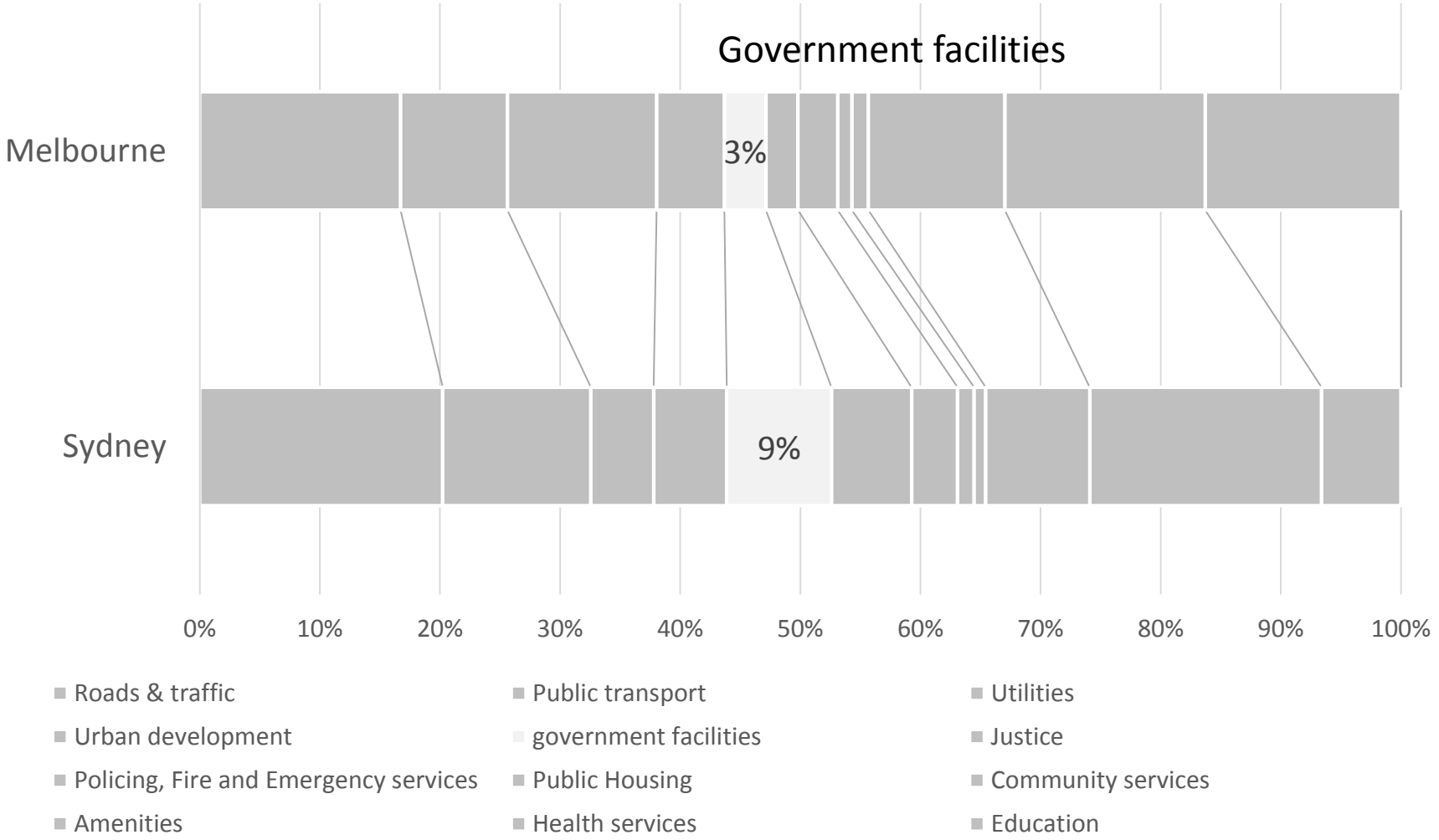
Investment priorities: roads and public transport



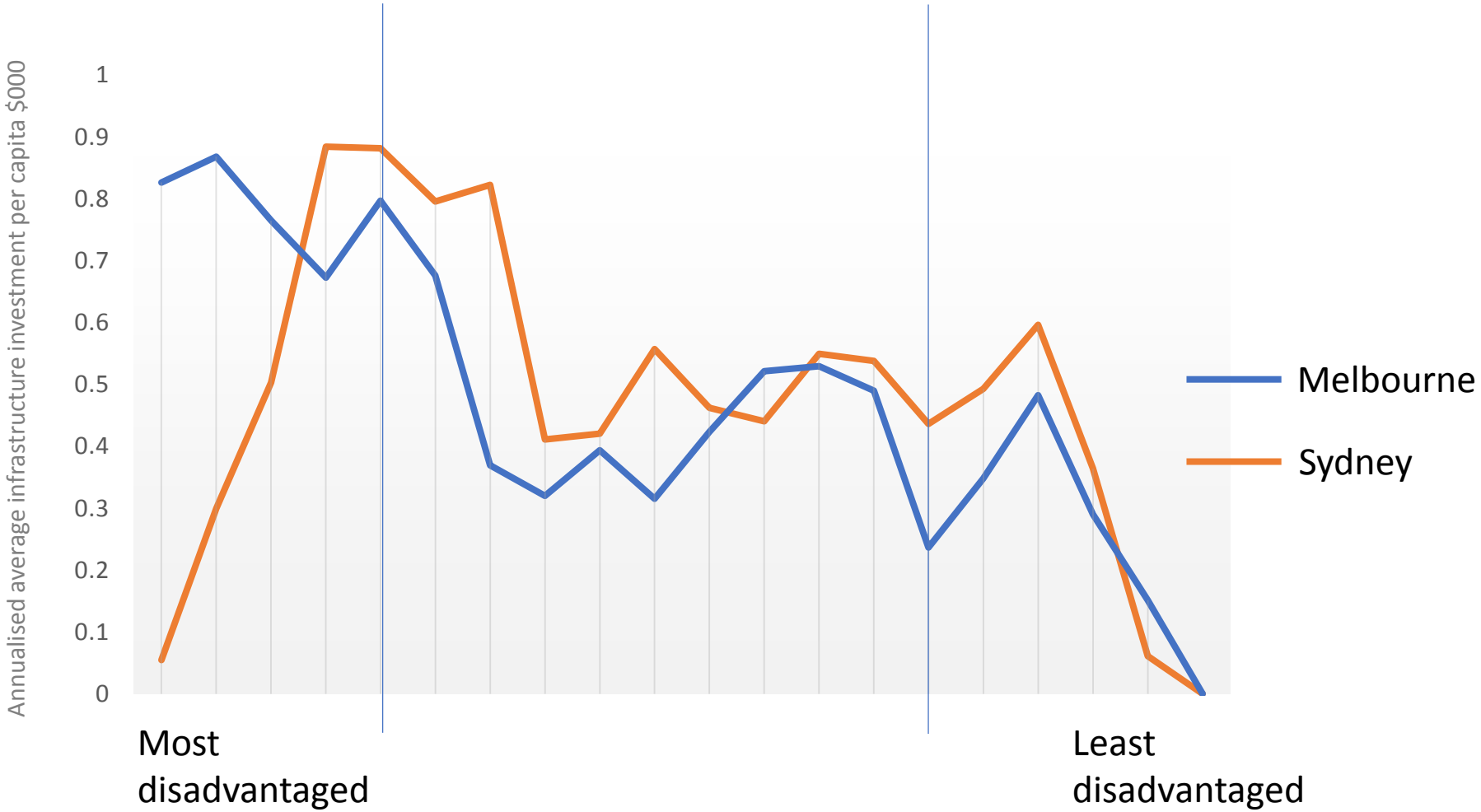
Investment priorities: utilities



Investment priorities: government facilities

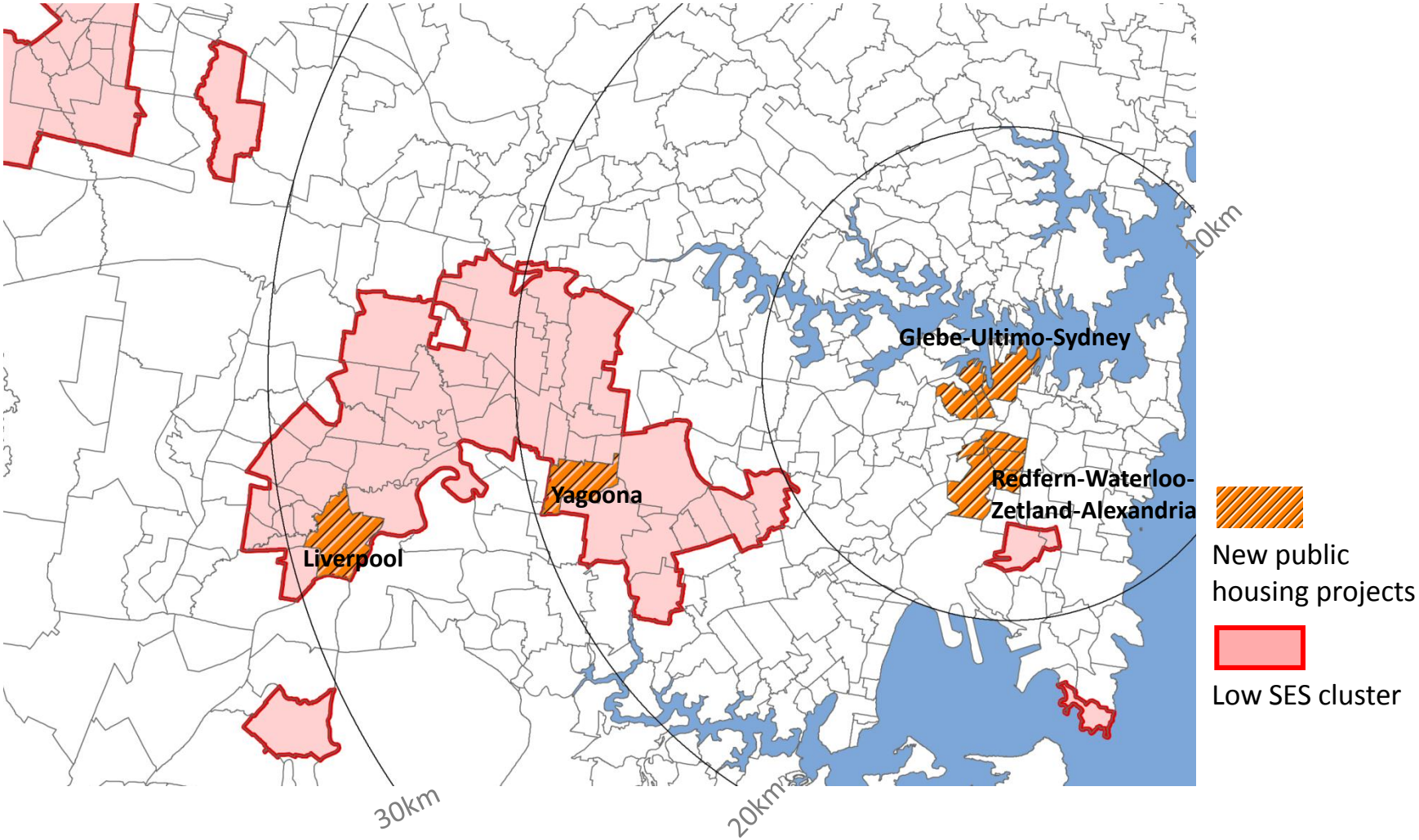


4. Investment distribution by socioeconomic status



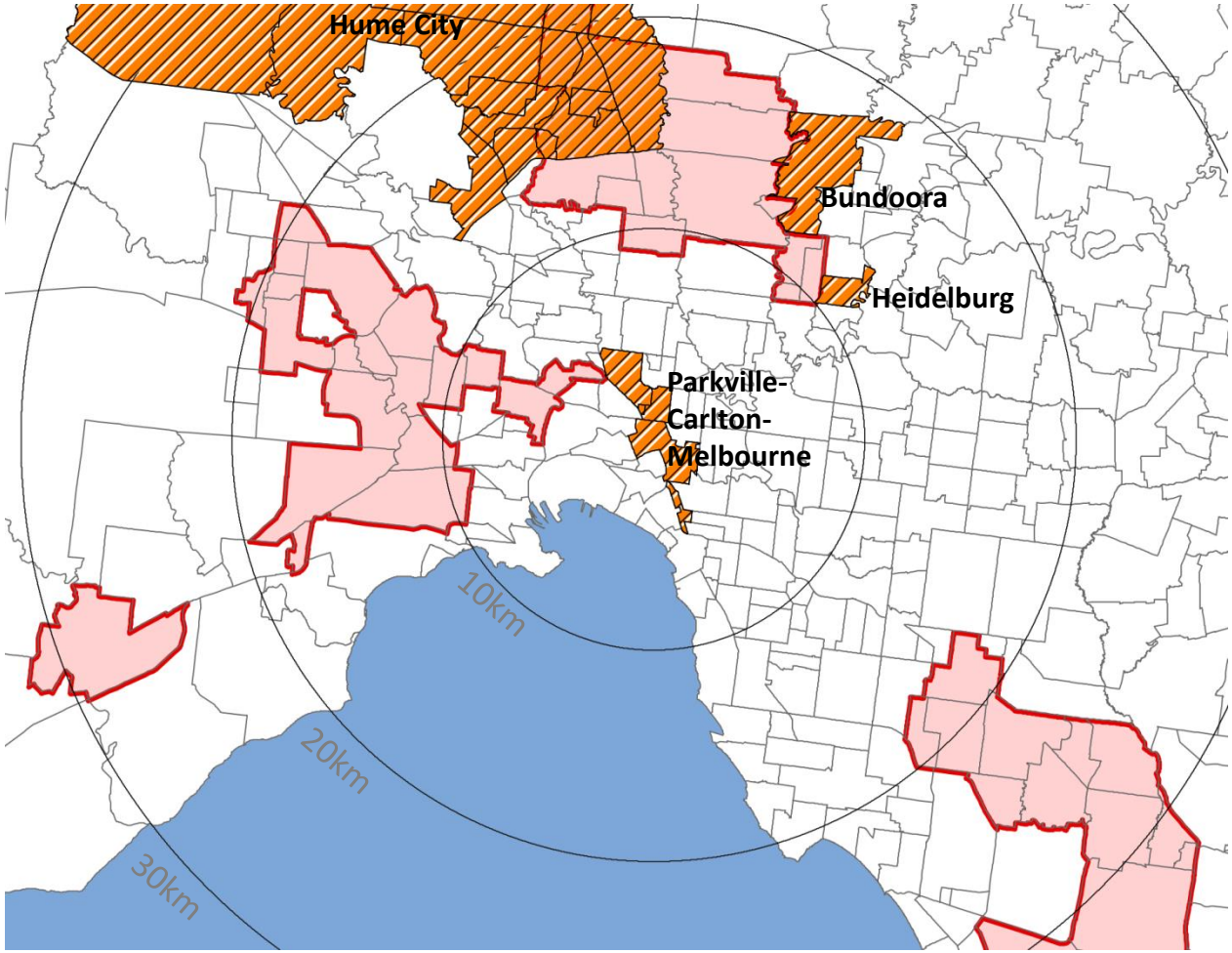
5. Location of new public housing

Sydney: 1999 - 2015



5. Location of new public housing

Melbourne: 1999 - 2015

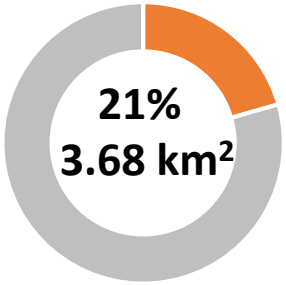


New public housing projects

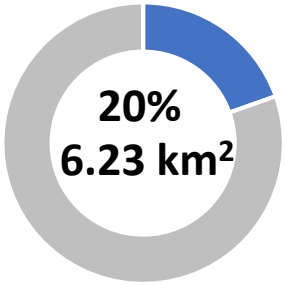
Low SES cluster

6. Centralisation of investment

Funding share



21% of the funding metropolitan Sydney



20% of the funding for metropolitan Melbourne

Annualised investment

	Melbourne CBD	Sydney CBD
per resident	$18,699	$36,645
per weekday population	$975	$2,082
per daily visitor	$402	$755
Metropolitan area	$594	$616

Preliminary conclusions

- Increased prioritisation of metro area in Victoria
- Higher prioritisation of education infrastructure in Melbourne
- A more redistributive approach in Melbourne
- Most disadvantaged suburbs in Sydney miss out
- Sydney: significant public housing development in most disadvantaged suburbs
- Melbourne: significant public housing development in outermost suburbs
- Highly centralised investment in both cities, but more extreme in Sydney

Thank you!

Credits for images

- *Areal Melbourne*: https://commons.wikimedia.org/wiki/File:Central_Melbourne,_13_Aug._2010_-_Flickr_-_PhillipC_(1).jpg
- *Melbourne montage*: https://commons.wikimedia.org/wiki/File:Melbourne_montage_six_frame.png
- *Sydney montage*: https://en.wikipedia.org/wiki/File:Sydney_montage.jpg
- *MMBW*: https://collections.museumvictoria.com.au/articles/2216
- *NIMBY* tower: https://commons.wikimedia.org/wiki/File:Nimby_unfinished_tower_(cropped).jpg

CONTACT: ilan.wiesel@unimelb.edu.au

Affordable Housing Challenge

Philanthropy's catalyst role in increasing the supply of affordable housing

Catherine Brown, Chief Executive Officer
2 August 2017

Our early journey

Homelessness Initiative 2008

Melbourne's Road Home Forum

Two major grants in 2009 to:

- the Salvation Army ($1,626,000 in total for the 24/7 Project, which is now an ongoing service supporting people in Melbourne); and to
- Sacred Heart Mission ($750,000 for the Journey to Social Inclusion, which has provided evidence of the connection between the long term effects of trauma and homelessness).

Focus since 2012:

- Early intervention to prevent homelessness
- Increase in supply of affordable housing

Finding solutions

1. **US site visits** by Shane Austin, former Senior Manager of Homelessness & Ageing Initiatives – philanthropy was active in investing in affordable housing, tax regime was different.
2. Co-sponsored visit by **Julia Unwin CBE, CEO of the Joseph Rowntree Foundation** to Australia (2014) – provider of housing and philanthropy
3. Visit from **Michael Shapcott (2015)**, Canadian expert in affordable housing
4. Supporting **Transforming Housing** as a think tank – source of wisdom on affordable housing.

Key messages:
Many US and Canadian foundations are involved in funding affordable housing – subsidies make this easier.

Julia Unwin urged Melbourne philanthropy to use its capacity to "Search demonstrate and influence" and to be brave.

Supporting innovation & capacity building

HomeGround Real Estate Agency

Women's Property Initiative

- financial modelling capability

Justice Connect: Homeless Law Service

St Kilda Community Housing

Community land trust pilot project - project manager

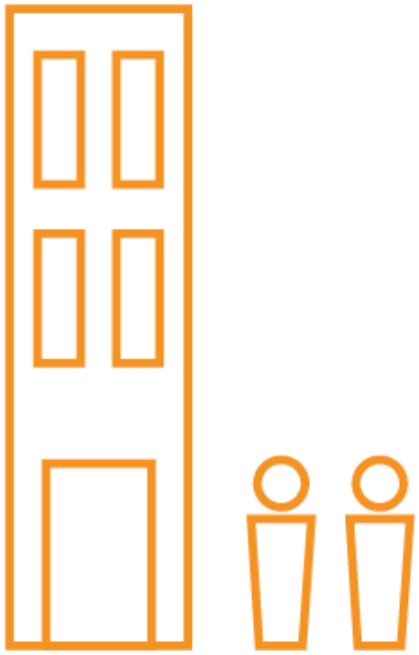
Supporting Innovation

-Increasing the supply of affordable housing

- Launch Housing
- Vincent Care
- Habitat for Humanity

SEFA
INNOVATIVE LENDING
COMMUNITY • ENVIRONMENT • INDIGENOUS

Affordable Housing Challenge



The Challenge

The Foundation will provide a $1 million grant and a $2 million impact investment through Social Enterprise Finance Australia to kick start the Challenge.

The Foundation's grant must be received by a community housing or not for profit organisation with charitable status.

Partnerships between not-for-profit organisations, such as community housing associations and commercial developers, will be a key feature of the Challenge.

Affordable Housing Challenge

Challenge Process

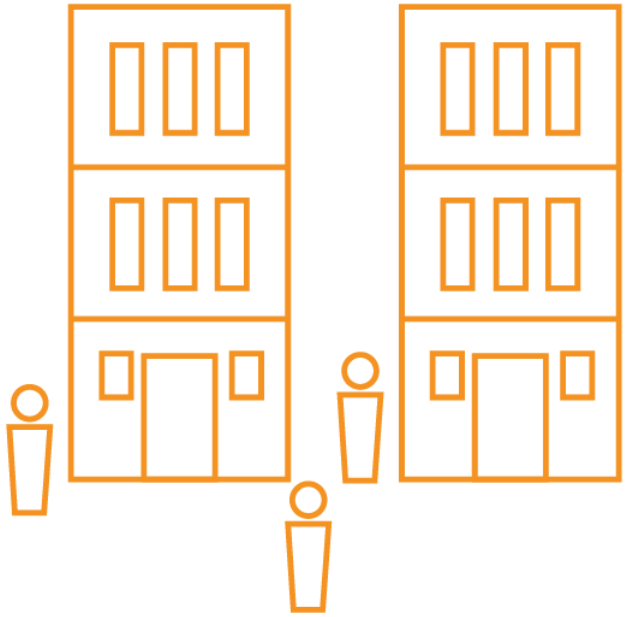
Stage 1: Pre-challenge Site Selection ★

Stage 2: Partnership Development

Stage 3: Power-Up Session

Stage 4: The Pitch

Stage 5: Awarding of the Challenge



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Affordable Housing in Victoria: what's next?

Tweet the event: #transforminghousing

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sarah.backhouse@unimelb.edu.au