

HOUSING JUSTICE: AFFORDABLE HOUSING TARGETS

Recommendation: The next NSW Government should improve rental affordability by mandating affordable housing targets in all new developments

THE ISSUE

People in our communities should be able to live in secure and affordable homes, close to the things in life that are important to them - families, work, school, services. Yet for many, the high cost of housing means this is not possible.

Three quarters of people on low incomes households renting in the private market now live in housing stress. The impact is not just financial; it affects people's ability to afford other essentials such as food and healthcare, it can cause stress and harm mental wellbeing, impact children's education, damage relationships within a home and fracture communities.

Rising rates of housing stress also give many people on low to middle incomes little choice but to live further from jobs, transport and other services. This means people such as educators, nurses, carers and retail workers have long commutes, more stress, and less time with family. As our cities become increasingly segregated by wealth and income, it is also becoming harder to fill key roles in some communities.

With rents continuing to rise, more low-income households will have no choice but to live in housing of last resort. This may be poor quality, insecure, or inadequate for a family's needs. It may involve extended periods of 'couch surfing' or living in over-crowded conditions with friends or other family members.

THE SOLUTION

Ensuring more of the new homes that will be built in our communities in coming years meet the needs of people on low incomes, including key workers, would help address the worsening housing affordability crisis. The NSW Government could achieve this by mandating affordable housing targets in all new developments. This is a land use planning intervention known as inclusionary zoning.

In many jurisdictions internationally, inclusionary zoning policies are now helping rebalance housing systems, enabling the market to better deliver homes that meet the needs of people on low- to moderate-incomes. In the United States, inclusionary zoning policies are in place in approximately 500 cities. In San Francisco, about 12 per cent of annual housing completions are affordable as a result.ⁱ In the UK, 9,640 new affordable dwellings were delivered in 2015-16 alone.

The NSW Government has committed to a 30% social and affordable housing target on land owned by the Transport Asset Holding Entity, while the Labor Opposition has said 30% of all developments on surplus public land will be social, affordable and universal housing. These commitments are a welcome start and should be strengthened to deliver social and affordable housing in perpetuity. Privately owned land should also be subject to targets of at least 15%. Further, there should be no net loss of land already ear-marked for social housing.

HOUSING JUSTICE: INVEST IN SOCIAL HOUSING



Less than 1% of rental properties are affordable for people on the minimum wage.ⁱⁱ



We could not find published data on the number of affordable homes delivered following the 5-10% affordable housing targets recommended (not mandated) by the Greater Sydney Commission in 2017.



Mandatory Inclusionary Zoning policies could deliver between 11,000 and 54,000 affordable homes by 2036 in Sydney alone.ⁱⁱⁱ

HOW NSW COMPARES

Inclusionary planning for affordable housing is not widespread in Australia. South Australia's policy settings, however, delivered 5,485 affordable homes between 2005-2015 – approximately 17% of total new housing supply.^{iv} In Sydney, voluntary planning incentives meant only 0.5-1% of new homes delivered in the 8 years to 2017 were affordable.^v

Read our full NSW 2023 Election Statement and recommendations at: <https://bit.ly/VinniesHousingJustice>

ⁱ Gurrán, N., Gilbert, C., Gibb, K., van den Nouwelant, R., James, A. and Phibbs, P. (2018) Supporting affordable housing supply: inclusionary planning in new and renewing communities, AHURI Final Report No. 297, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/297>, doi: 10.18408/ahuri-7313201.

ⁱⁱ Anglicare Australia (2022) Rental Affordability Snapshot 2022.

ⁱⁱⁱ The Constellation Project (2021) Submission to Inquiry into Housing Affordability and Supply in Australia.

^{iv} Gurrán, N., Gilbert, C., Gibb, K., van den Nouwelant, R., James, A. and Phibbs, P. (2018) Supporting affordable housing supply: inclusionary planning in new and renewing communities, AHURI Final Report No. 297, Australian Housing and Urban Research Institute Limited, Melbourne

^v Ibid.