

Governments around Australia are increasingly using the planning system to deliver affordable housing on urban renewal sites...



...and thousands of new affordable housing units have been secured on sites in Sydney, Brisbane and Adelaide in the last 10 years



How can we use the planning system to deliver affordable housing in urban renewal projects?

The provision of affordable housing in urban renewal projects is challenging because land values are often higher than for greenfield sites, and because the costs associated with site assembly and remediation can further increase overall construction costs for developers.

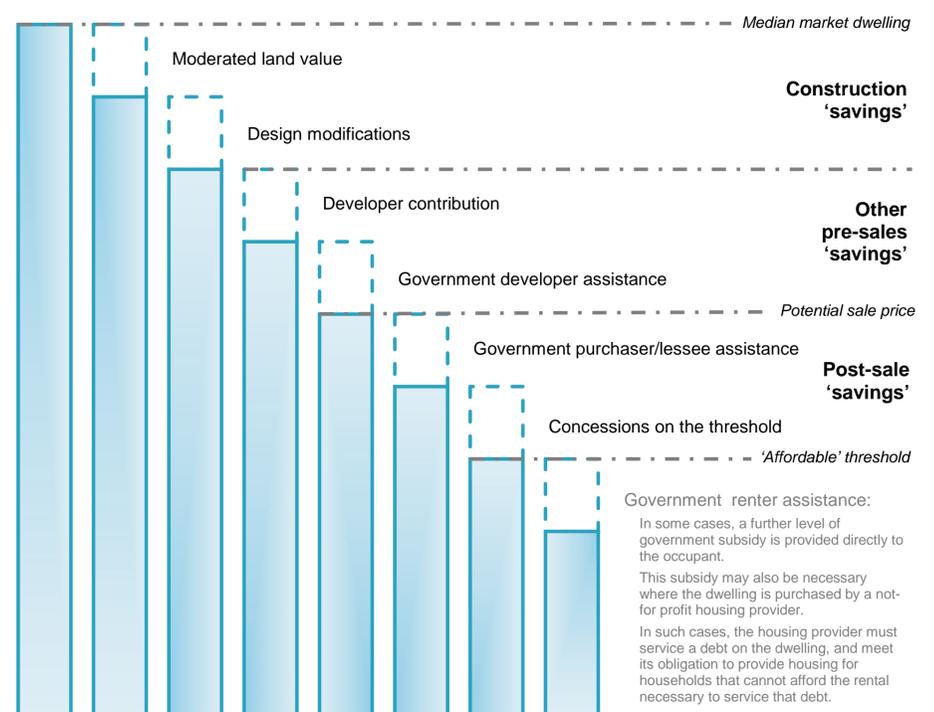
Working with colleagues from the University of Sydney and Heriot-Watt University, Edinburgh, we reviewed and compared emerging approaches to planning for affordable housing in Australia, with a focus on models being applied in urban renewal contexts in Brisbane, Adelaide and Sydney.

The team conducted interviews with stakeholders in these cities in order to understand the design of these models, their effectiveness to date, and the potential for them to be made more effective.

Key findings of the research:

- Approaches to delivering affordable housing through the planning system vary by state, ranging from mandated requirements for affordable housing provision in new projects (Adelaide, Brisbane), to planning policies that incentivise affordable housing provision through density bonuses and streamlined planning approval (Sydney, Brisbane)
- Approaches to planning for affordable housing in Australia have been designed not to impact development viability, but this is limiting the range of affordable housing types being delivered
- More than 3000 affordable housing units have been secured on urban renewal and infill sites in Brisbane, Adelaide and Sydney since 2005.
- Approaches to planning for affordable housing can be politically vulnerable where they do not have cross-party support
- While the planning system can deliver significant numbers of affordable housing units, the approaches being applied in Australia generally complement, rather than replace, government housing subsidies.

The research looked at how affordable housing development is currently being funded and by whom...



The diagram above shows different sources of funding used for affordable housing development in urban renewal projects in Adelaide.

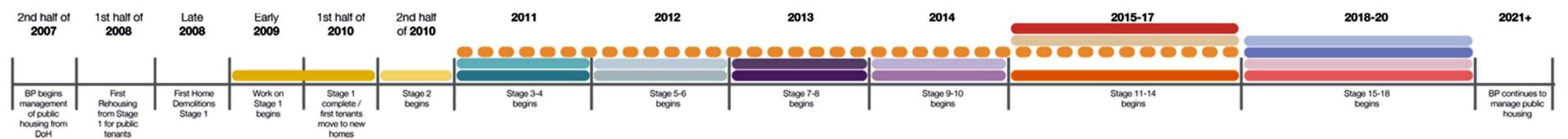
The research showed that while the planning system can be used to deliver affordable housing, this 'planning gain' is only a small part of the answer, and there is a continued need for government subsidy and support.

Bonnyrigg is a suburb in south-western Sydney. First built over 30 years ago, it was predominantly a public housing area. In 2009, the NSW State Government started a 15-year renewal program that would transform the mainly low-density suburb into a vibrant new community with a more balanced mix of private and community residents.

This renewal program takes an innovative approach by being the first public-private partnership formed to deliver social housing in Australia. The entire suburb has been divided into 18 stages, with the first 2 stages now completed and residents have moved back in.

City Futures is tasked with finding out the experiences of local residents as they go through these significant changes to their neighbourhood throughout the entire renewal process. This panel study commenced in 2011 and tracks the experiences of about 100 families. We talk to these families about:

- how the community is changing
- what they hope the renewal will bring to the neighbourhood
- how it changes people's perception of 'public housing estates'
- transitioning from low into higher density living



This is a complicated task involving more than 10 language groups, homeowners as well as tenants going through various stages of relocation.

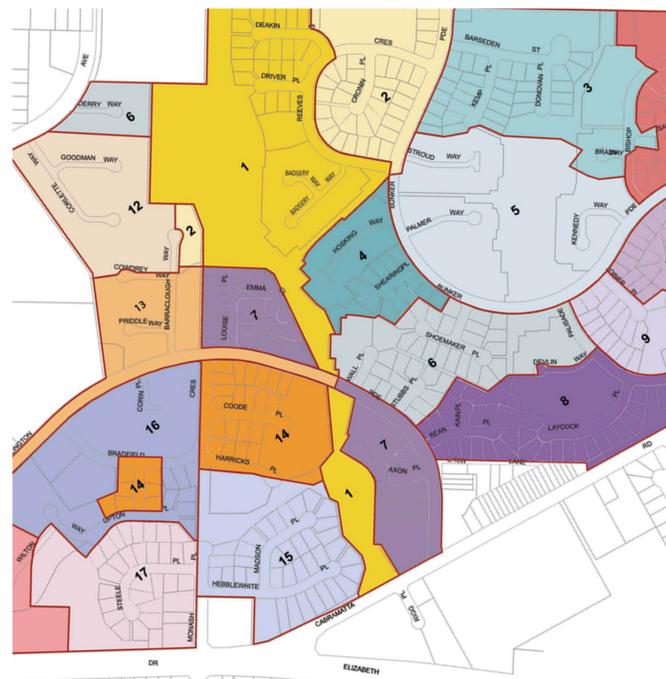
Participants are categorised into 6 cohorts, each with their distinct characteristics that represent their unique perspective and place within the neighbourhood.

As a panel study, all families are invited to take part in subsequent interview rounds held every 2-3 years to let us know how their lives have been affected at different stages of the renewal project.

The six cohorts

- C1** Residents choosing to leave Bonnyrigg before renewal commenced
- C2** Residents who have already moved into their new homes
- C3** Residents temporarily relocated on the estate while their new home is constructed
- C4** Residents who will start the rehousing process in the next 2-3 years
- C5** Residents who will be rehoused in the later stages of the redevelopment
- C6** Existing and new private tenure residents living in Bonnyrigg

Detail of the 18 stages being developed over 13 years



What some of our interviewees have to say about the renewal so far:

- 'It makes the area look better. I mean, it has been rundown for a long time.'
- 'The very thought of having to pack up the home, I don't know where to begin, I don't know where to start.'
- 'My mum has been here for quite a while now, she visits me, and she's starting to like it. She said, 'Oh yeah, the housing's nice, the people's nice!'
- 'The fact that it is staged is probably good ... the whole estate would be unbearable if the whole thing was a construction site.'
- 'You've got people who moved off; you've got people in other areas. We were a community but it's been broken up now.'

Approximately 1 in 8 Australians live in strata titled homes. Most apartments in Australia are strata titled.

Despite the growing prevalence of strata title, there has been relatively little information about how well the strata system works in practice. The Governing the Compact City project provides the first comprehensive assessment of how the strata system is operating in regard to governance and management from the point of view of those who own, live in, and manage strata schemes. The research included surveys and interviews with 1,550 individuals, including strata owners, executive committee members, strata managing agents and peak body representatives.

The research found that while many strata schemes are run well, there are some areas of strata living that require further attention and action:

- Lack of engagement of strata owners in the operation of their schemes, resulting in many cases from a perceived inability (rather than lack of willingness) to become involved.
- High incidence of building defects and the difficulties faced by owners in having defects remedied.
- Inadequacy of planning for funding of repairs and maintenance in many schemes.
- Challenges associated with the formal dispute resolution process.
- Limited knowledge of many strata owners about their rights and responsibilities.

The findings of this report were used to inform the NSW Government's 2012 Strata and Community Title Law Reform Discussion Paper, released as part of the government's major review of strata and community scheme laws in NSW.



Approximately 3 million people live in strata homes, 1.2 million in NSW.

- 72%** of respondents to the survey of owners (n=1,020) said that they were aware of defects having existed in their strata schemes.
- 30%** of strata owners were concerned that planning and budgeting for repairs and maintenance had been inadequate in their scheme.
- 59%** of strata owners considered their levies to be appropriate, while 28% did not.
- 51%** of owners said there had been disputes in their schemes since they purchased their property. The most common areas of dispute were parking, noise and breaking by-laws.
- 36%** of strata owners said that general understanding amongst other owners in their scheme was less than satisfactory

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Reinvestment in Sydney's suburbs: Knockdown rebuild

A new wave of housing reinvestment is re-making the social, economic and environmental character of Australian low-density suburbs. In some inner suburbs, urban consolidation has led to a surge in medium-density and high-density redevelopment. At the same time, in other locations, most evidently in middle-ring suburbs, older single family dwellings are being renovated or replaced by new single family dwellings - a practice known as 'knockdown-rebuild' (KDR). The principal purpose of this research project was to study the scope and determine the causes and effects of this vitally important, yet largely ignored, component of contemporary Australian housing markets, focusing on Sydney.

The major aims of the research were to:

- Identify the drivers of demand and supply for KDR activity in Sydney.
- Identify the role of KDR in contributing to urban economic sustainability in these middle suburbs.
- Identify the influence of KDR in relation to social stability, including retaining population and supporting social investment and social cohesion.

The study was based on analysis of Development Applications for KDR in 29 local councils across Sydney, a survey of over 1,200 KDR owners and in-depth interviews with owners, builders and council officers.

In our survey sample, of those undertaking KDR...

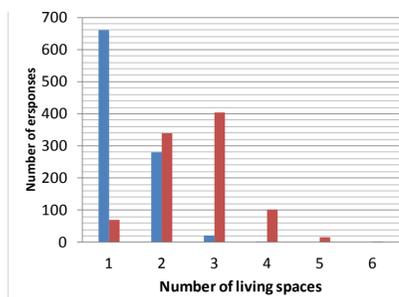
- 64%** were young families with children
- 45%** spent over \$500,000 doing so
- 52%** had household incomes >\$150,000
- 32%** had owned the previous house for 10+ years



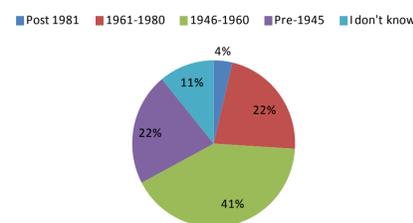
Supersized Australian dream? A floorplan of a typical post-KDR home

Changing suburban form - transformation of property characteristics

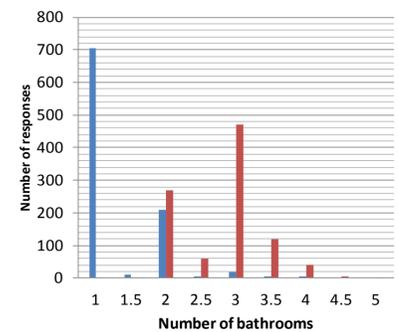
Change in living spaces pre- (blue) & post- (red) KDR



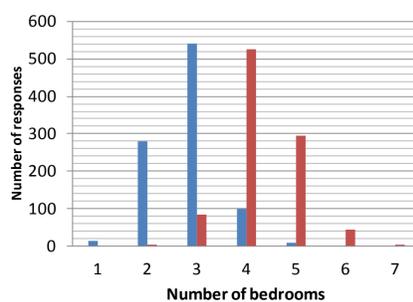
Year property was originally built



Change in bathrooms pre- (blue) & post- (red) KDR



Change in bedrooms pre- (blue) & post- (red) KDR



What reasons did owners give for undertaking KDR?

- 'Our lot is well located within the neighbourhood'
- 'I preferred knockdown-rebuild over renovations because it allows me to build the house I want'
- 'I was attracted to this area as a good place to live in'
- 'The existing structure was too rundown to renovate without demolition'
- 'I preferred knockdown-rebuild over renovations because it allowed me/us to increase the size of the house'
- 'I preferred knockdown-rebuild over renovations because it was more cost effective'
- 'I expected that the capital gain from knockdown-rebuild will be greater or more secure than any other investment (e.g. stock market, superannuation, bank savings)'

