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Australia's property industry

Creating for Generations

10 July 2020

Mr Greg Doyle
General Manager
Wollongong City Council

Email to: council@wollongong.nsw.gov.au

Dear Mr Doyle

Wollongong City Council – Housing and Affordable Housing Options Paper

The Property Council of Australia welcomes the opportunity to provide comments on Wollongong City Council's Housing and Affordable Housing Options Paper.

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes. We also represent a diverse group of members spread across all parts of the Illawarra and Shoalhaven region.

The Property Council supports the initiative by Wollongong City Council to develop an options paper which invites feedback from stakeholders and will input into a more detailed housing strategy to address the housing needs for the Wollongong local government area.

Ensuring that we have the right mix of housing available to people who live in our local communities is vital, and the whole industry has a role to play in achieving this. We encourage council to continue working collaboratively with the industry to develop and implement the housing strategy and our members look forward to being part of this process.

Comments on specific parts of the paper are provided in the following submission below. We look forward to next steps and further consultation on this important piece of work.

Should you have any questions, please do not hesitate to contact myself on 0437 315 198 or Troy Loveday, Senior Policy Advisor on 0414 265 152.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michelle Guido'.

Michelle Guido
Illawarra Regional Director
Property Council of Australia

Themes	Property Council Response
<p><u>Overview</u></p>	<p>We appreciate the opportunity to provide feedback and input into this options paper and support many of the priorities identified and look forward to continuing our work with council in ensuring we have the right policy and planning tools available to deliver affordable housing in our local communities. Overall, the whole industry has a role to play in achieving these goals and it is important that council continue to work collaboratively with the industry to develop and implement the housing strategy.</p> <p>Overall, there are a few factors we believe do need to be addressed in the development of the housing strategy and these include:</p> <ul style="list-style-type: none"> • The paper appropriately recognises the greatest need is for affordable rental housing and the strategies need to clearly target these groups from those seeking affordable purchase. • It is important to distinguish between the capability of the private market providers and the affordable housing providers (Government and Community Housing Providers. These groups have different needs and outcomes, and we have considered both groups in our response to your recommendations below). • Housing need varies considerably across the three Affordable Housing Income groups – very low, low and moderate. The impact of the strategies, and role of the market and other providers, should reflect these differences. • We have some concerns around the data used and presented within this report, the data is outdated and four years old and with concrete data sources lacking to support some of the statements made within this paper. We would encourage council to update and correct their data sources and ensuring that any options considered are supported with an evidence base. • Data around property values and income levels should also be considered more closely in the development of the housing strategy and identifying appropriate actions. In the Wollongong LGA, we have high property values and lower income levels compared to Sydney for example and this also needs to be examined. • There are various overarching statements within the paper, and we encourage council to provide more specific precinct-based responses and priorities for housing for different areas. With the Wollongong LGA covering such a large geographical area, with very different needs across various suburbs from north to south, local centres and precincts it is important to be specific on the actions outlined.

1. Increasing Housing Stock Diversity

Property Council is generally supportive of the priorities and recommendations outlined within these recommendations. We believe these actions may contribute to addressing the issue for some households, but it is important to note that it won't necessarily 'solve' the issue. However, taking practical steps to allow more flexibility and adaptability through the Wollongong DCP with a particular focus on growth around town and village centres as outlined in the options paper is vital.

Investigating options to increase the proportion of new dwellings and smaller more affordable product for purchase is a step in the right direction, this is important for infill areas but also in relation to greenfield areas where there is a lack of smaller stock. The availability of housing such as manor houses and fonzie flats will contribute to increasing the housing diversity stock and we commend council on their willingness to explore this further and recognising the benefits of this type of housing within local communities.

Smaller, more affordable product not only assists with purchase but also in providing further options for rental – with more students living in the city, more flexible and adaptable housing would be beneficial. However, this is beneficial not only to address the needs of students, there are all types of people who would benefit from access to other types of housing such as fonzie flats as it provides another housing alternative compared to a single dwelling, apartment or other type of housing option.

It is important to note that increasing the diversity of housing stock will not, on its own, make the housing more affordable for renters. Other interventions including the allocation for government land and collaboration with LAHC and community housing providers to renew and increase the density of their existing stock is essential.

This discussion is also relevant for our seniors. As the population changes and as we plan for our ageing population we need to ensure there is a wide choice of housing options available and designed to meet the specific needs of older people in our local communities. For example, new and/or refurbished homes for seniors designed to facilitate a range of aged care support services provided to people in their own homes. This may include smaller and fully accessible dwellings at ground level close to services and town centres as identified within the paper. With supply very limited in this space, council should investigate how its planning controls can be amended to provide more flexibility and opportunities suitable for seniors housing and in-home services, particularly when the Commonwealth Government is promoting and increasing funding to ageing in place via home care services and packages.

	<p>The delivery of housing stock at a smaller size with more flexibility and at a more affordable point of purchase is important, but this does not come without its challenges, especially if there isn't support for this type of housing in the DCP. A DCP review is essential and we encourage council to undertake a review together with industry, to consider feasibility of these options and gain feedback from the industry before making decisions about how the planning controls are set out in the DCP.</p> <p>Council has an important role in considering feasibility as part of their planning process and should take accountability together with industry to ensure that these housing options work and are supported.</p> <p>It would be great to initiate a taskforce with council, community housing providers, the development industry and other expert practitioners to look at this holistically and work together collaboratively to consider the things that aren't working, what needs to change, set targets and trial solutions. We strongly recommend council consider practical steps such as this to bring positive change and ultimately achieve the priorities and actions as outlined in this paper.</p>
<p><u>2. Plan for Future Growth</u></p>	<p>Property Council is generally supportive of the priorities and associated actions outline with regards to planning for future housing growth. We agree with the need to define urban growth areas and precincts across the region and consider how these areas can support growth and increased density.</p> <p>It is important to note that since the release of this paper, the NSW Government has implemented the Low Rise Medium Density Housing Code from 1 July which means council should be looking at how it can encourage this type of development through its updated planning controls. The code acts as a strong tool to reduce the number of applications coming to council and fast-tracking dwellings in the 'missing middle', producing a number of benefits within the community. This is a good opportunity for council to allocate any additional resources to larger projects which bring investment, jobs and economic development.</p> <p>The council has taken an approach that complying development and the now called 'low-rise housing diversity code' will be an issue across the LGA, but there has not been any key actions implemented by council in the LEPs to address this. We understand that further change may come out of this process, and some of the recommendations around the R3 zone might be appropriate. More work needs to be done to encourage this type of housing in certain areas.</p>

	<p>It is also important to note that it will take some time for the development industry to transition to the code and we expect the rate of take up to be gradual, with strict design controls and criteria in place to ensure developments meet requirements. This type of housing fills a gap in which can be beneficial for the community and provide diverse housing stock especially in areas identified as growth areas.</p>
<p><u>3. Increase Supply of Affordable Rental Housing</u></p>	<p>Property Council commends council for recognising this very important issue and outlining a number of priorities to address this challenge, and we are supportive of the actions identified.</p> <p>From a Property Council perspective, we reserve our position on any proposal to implement a scheme under SEPP 70 until we see more detail as to how this will play out and there should be consultation with the industry as this progresses, as viability will be an issue so we look forward to further work in this space.</p> <p>We would also encourage a partnership between council and local community housing organisations to help lead the response in addressing these issues, to agree on targets and identify the most feasible options as already outlined above. There are a range of factors to consider when developing an Affordable Housing Policy and working with well-established organisations who are already embedded in the community and understand the needs within this sector will be invaluable in your efforts to tackle this increasing challenge.</p> <p>We also encourage council to distinguish the difference between very low to low income housing (including social housing) and moderate income housing within the strategy, with the two groups having very different needs within our community. This is also important when facilitating opportunities for developments and building community support around affordable housing.</p> <p>It is also very important to be clear in the housing strategy about which particular sector council is targeting as part of your efforts to increase the supply of affordable rental housing. There are different strategies applicable to the two groups and this needs to be distinguished. Specific targets also need to be developed to achieve the goals of the strategies, for eg. you may look at higher targets in certain precincts compared to others.</p> <p>Overall, we encourage council to continue exploring these options further and working closely with community housing partners to develop and implement evidenced based strategies.</p>

<u>4. Monitor Housing Supply</u>	The Property Council generally supports the actions identified and encourage a formal review of the housing strategy to be set up within specific timeframes, to ensure that progress is being tracked, and the strategy is being amended accordingly to set concrete targets. It is also important that detailed evidence and monitoring is supplied and considered when reviewing the strategy and assessing targets.
<u>5. Continuous Improvement of Planning Controls</u>	The Property Council is generally supportive of the actions identified and recommends a strategic, collaborative and productive approach for the housing strategy which is done in consultation with the industry and the community. This approach will ensure that all things are considered when implementing continuous improvements to planning controls setting concrete targets that are feasible, practical goals and actions and ensuring approvals are effective and efficient. We look forward to continuing working with council as the development and implementation of this strategy progresses.